



City of Santa Fe, New Mexico

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2008

Prepared by:

Finance Department

Financial Management Division

Mayor

David Coss

City Manager

Galen Buller

Director, Finance Department

David N. Millican

**CITY OF SANTA FE, NEW MEXICO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2008**

TABLE OF CONTENTS:

Page 1

INTRODUCTORY SECTION

Letter of Transmittal.....	i-vi
Organizational Chart.....	vii
List of Elected and Appointed Officials	vii
Acknowledgments.....	ix

FINANCIAL SECTION

Independent Auditors' Report.....	1-2
Management's Discussion and Analysis	3-18
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets	19
Statement of Activities	20
Fund Financial Statements:	
Balance Sheet – Governmental Funds.....	21
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	22
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	23
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual – General Fund.....	24-26
Statement of Net Assets – Proprietary Funds.....	28-29
Statement of Revenues, Expenses and Changes in Fund Net Assets – Proprietary Funds	30-31
Statement of Cash Flows - Proprietary Funds.....	32-33
Notes to Financial Statements:	
(The notes are an integral part of the Financial Statements)	
Summary of Significant Accounting Policies.....	34-41
Reconciliation of Government-Wide and Fund Financial Statements.....	42-43
Stewardship, Compliance and Accountability	44-46
Detailed Notes On all Funds	46-67
Other Information.....	67-74

**CITY OF SANTA FE, NEW MEXICO
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 For Fiscal Year Ended June 30, 2008**

TABLE OF CONTENTS CONTINUED:

Page 2

Supplementary Information:

Combining and Individual Fund Statements and Schedules:	
Combining Balance Sheet – Nonmajor Governmental Funds	75
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	76
Combining Balance Sheet – Nonmajor Special Revenue Funds	78-79
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds	80-81
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Special Revenue Funds	82-108
Combining Balance Sheet – Nonmajor Capital Projects Funds	110-111
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Projects Funds	112-113
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Nonmajor Capital Projects Funds	114-134
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Major Debt Service Fund	135
Combining Statement of Net Assets – Nonmajor Enterprise Funds	138-139
Combining Statement of Revenues, Expenses and Changes in Net Assets – Nonmajor Enterprise Funds	140-141
Combining Statement of Cash Flows – Nonmajor Enterprise Funds	142-143
Schedule of Revenues, Expenses and Changes in Net Assets – Budget and Actual – Nonmajor Enterprise Funds	144-149
Schedule of Revenues, Expenses and Changes in Net Assets – Budget and Actual – Major Enterprise Funds	150-153
Combining Statement of Net Assets – Internal Service Funds	155
Combining Statement of Revenues, Expenses and Changes in Net Assets – Internal Service Funds	156
Combining Statement of Cash Flows – Internal Service Funds	157
Schedule of Revenues, Expenses and Changes in Net Assets – Budget and Actual – Internal Service Funds	158-162

**CITY OF SANTA FE, NEW MEXICO
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 For Fiscal Year Ended June 30, 2008**

TABLE OF CONTENTS CONTINUED:

Page 3

OTHER SUPPLEMENTARY SCHEDULES

Capital Assets Used in the Operation of Governmental Funds – Comparative Schedule by Source	163
Capital Assets Used in the Operation of Governmental Funds – Schedule by Function and Activity	164-165
Capital Assets Used in the Operation of Governmental Funds – Schedule of Changes by Function and Activity	166
Discrete Component Units:	
Proprietary Combining Statement of Net Assets	168-169
Proprietary Combining Statement of Revenues, Expenses and Changes in Net Assets	170-171
Proprietary Combining Statement of Cash Flows	172-173
Proprietary Schedule of Revenues, Expenses and Changes in Net Assets – Budget and Actual	174-182

STATISTICAL SECTION (Unaudited)

Net Assets by Component	184
Changes in Net Assets	185-187
Fund Balances, Governmental Funds	188
Changes in Fund Balances, Governmental Funds	189
Assessed and Estimated Actual Value of Property	190
Property Tax Rates per \$1,000 Assessed Valuation -- All Overlapping Governments	191
Principal Property Taxpayers in Santa Fe County	192
Total Gross Receipts Tax Base by Fiscal Year	193
Total Gross Receipts Tax by Category	194
Gross Receipts Tax Rates Direct and Overlapping	195
Gross Receipts Schedule of Pledge Revenue	196
Schedule of Gross Receipts Tax Revenue	196
Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita	197
Ratio of Annual Debt Service Expenditures for General Obligation Bonded Debt to Total General Fund Expenditures	198
Computation of Direct and Overlapping Debt	199
Computation of Legal Debt Margin	200
Revenue Bond Coverage – Enterprise Funds	201
Ratios of Outstanding Debt by Type	202
Demographic and Economic Information	204-206

**CITY OF SANTA FE, NEW MEXICO
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 For Fiscal Year Ended June 30, 2008**

TABLE OF CONTENTS CONTINUED:

Page 4

Property Value, Construction Permits and Utility Connections	207
List of the Largest Employers	208
Budgeted City Government Employees by Function.....	209
Schedule of Insurance in Force	210
Miscellaneous Statistics.....	211

OTHER SUPPLEMENTARY INFORMATION

Combined Schedule of Deposits and Investments.....	213-214
Schedule of Pledged Collateral (Market Value).....	215-218
Proprietary Funds and Discretely Presented Component Units – Schedule of Capital Assets and Depreciation.....	219

OTHER SUPPLEMENTARY FINANCIAL DATA

Schedule of Industrial Revenue Bonds Authorized.....	221
Schedule of Bonds Payable – Classified by Fund and Purpose.....	222
Schedule of Mortgage Revenue Bonds Authorized.....	223
Schedule of Joint Powers Agreements.....	224-226
Schedule of Other Financial Assistance.....	227-230

SINGLE AUDIT SECTION

City of Santa Fe

Schedule of Expenditures of Federal Awards.....	231-233
Notes to Supplemental Schedule of Expenditures of Federal Awards.....	234-235
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <u>Government Auditing Standard</u>	237-238
Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB-Circular A-133.....	239-241
Schedule of Findings and Questioned Costs.....	242-250
Schedule of Prior Audit Findings.....	243
Exit Conferenc.....	251

Santa Fe Civic Housing Authority (Discrete Component Unit)

Schedule of Expenditures of Federal Awards.....	252
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <u>Government Auditing Standard</u>	253-254
Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB-Circular A-133.....	255-256
Schedule of Prior Audit Findings.....	257
Schedule of Findings and Questioned Costs.....	258-264
Exit Conference.....	265

Introductory Section



City of Santa Fe, New Mexico

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

David Coss, *Mayor*

Councilors:

Rebecca Wurzburger, Mayor Pro Tem, Dist. 2

Patti J. Bushee, Dist. 1

Chris Calvert, Dist. 1

Rosemary Romero, Dist. 2

Miguel M. Chavez, Dist. 3

Carmichael A. Dominguez, Dist. 3

Matthew E. Ortiz, Dist. 4

Ronald S. Trujillo, Dist. 4

April 13, 2009

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

State law requires the State Auditor to promulgate reasonable regulations necessary to carry out the duties of the office, which include regulations that require that all municipalities in the state of New Mexico to submit a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants for the previous fiscal year ending June 30. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of Santa Fe for the fiscal year ended June 30, 2008.

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

The City of Santa Fe's financial statements have been audited by Atkinson & Co. Ltd., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Santa Fe for the fiscal year ended June 30, 2008 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a



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

reasonable basis for rendering an unqualified opinion that the City of Santa Fe's financial statements for the fiscal year ended June 30, 2008, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

Profile of the Government

The City of Santa Fe was founded in 1609 and chartered as a town in 1891 under territorial law. It is located in the central northern part of the state and is the oldest capital in the United States. It currently has a population of approximately 69,961 people. The City in December 1997, by electoral vote, approved a Municipal Charter which became effective in March 1998. The City is empowered to levy a property tax on real properties located within its boundaries. It is also empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing body.

The City of Santa Fe has operated under the mayor-council-city manager form of government since 1954. Policy-making and legislative authority are vested in the governing body consisting of the mayor and eight city councilors. The governing body serves as the principal policy maker of the City. The governing body is responsible for passing ordinances, management of City finances and property, adopting the budget and creation or abolishment of departments. The mayor appoints and may remove the city manager, the city attorney, the city clerk, and members of advisory commissions, subject to the approval of the governing body. The city manager is the chief administrative officer of the City and is responsible for carrying out the policies and ordinances approved by the governing body, overseeing the day-to-day operations of the City, for appointing the directors of the various departments, the preparation of the annual budget, and keeping the governing body informed of the financial condition and needs of the City. The governing body is elected on a non-partisan basis. City council members serve

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City of Santa Fe

four-year staggered terms, with four city councilors elected every two years. The mayor is elected to serve a four-year term. Eight council members are elected by districts. The mayor is elected at-large.

The City provides a full range of services, including police and fire protection; public works; highways and streets; wastewater operations; refuse collection and transport; water services; transit; parking facilities operations; convention center services; recreational activities and cultural events; community welfare; and, municipal airport. The City is responsible for one component unit – Santa Fe Civic Housing Authority. The component unit is included in the reporting entity because of the significance of its operational or financial relationship with the City. The City is financially accountable for the component unit since the mayor, with approval of the city council, appoints a voting majority of the governing board and can impose its will on the entity. The component unit is discretely presented in the City's financial statements with additional information in the notes to the financial statements.

The annual budget serves as the foundation for the City of Santa Fe's financial planning and control. All departments of the City are required to submit requests for appropriations to the city manager in March of each year. The city manager uses these requests as the starting point for developing a proposed budget for the upcoming fiscal year. The city manager then presents this proposed budget to the finance committee (composed of five city councilors) in April through a series of public meetings. The city council reviews the finance committee's recommended budget for adoption of a final budget by June 1 for the fiscal year commencing July 1. The appropriated budget is prepared by fund, function (e.g., public safety), and division (e.g., water). The city manager may approve transfers of appropriations within a department up to \$30,000. Transfers over \$30,000 or between funds and budget increases require city council approval. Budget-to-actual comparisons are provided in this report at the function level for the general fund, at the fund level for the special revenue and capital improvement funds and at the division level for the proprietary funds for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented on pages 24 through 26 as part of the basic financial statements for the governmental funds. For funds, other than the general fund, with appropriated annual budgets, this comparison is presented in the fund subsections of this report.

Factors Affecting Financial Condition

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

Local economy. The City of Santa Fe has a relatively stable economy. As the state capital it benefits from a stable, educated work force working in all level of government totaling 18,500 people which is 28% of the workforce. Its residents also work at Los

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City of Santa Fe

Alamos National Laboratory, one of the country's premier scientific research centers. The City is also named as one of the top ten tourist destinations in the country by Travel and Leisure magazine, it is in the top five art markets in the world and is second only to New York City in the nation. The City's spectacular setting and abundant cultural resources, including over 200 art galleries, four star hotels and resorts, its nationally recognized opera company, music festivals, performance arts organizations and art museums draw visitors and second home owners from all over the world. These assets create a robust business environment.

Like other communities the City is suffering a revenue decline and is taking measures to reduce expenditures and prioritize services and projects. The City's reliance on gross receipts tax as a strong funding source for many decades has made it vulnerable to reductions in consumer spending in the current economy. In addition, the City's appeal to retirees and high-income vacation homeowners has produced high housing prices. The high prices have made it difficult for local workers to afford homes in Santa Fe and many live in lower cost communities and commute to Santa Fe. The City has established reserves as a buffer against economic slow downs and funds nearly 60% of its total expenditures from utility rates, fees and grants.

The City Council is confident that a broad ranging program of cost reduction, organizational change and service improvements, coupled with prudent use of reserves will allow the City to deal with long term decline in revenues if the national economy recovers slowly. By investing in the community the City made significant investments in the long-term health of the City this year. These include completion of a beautiful convention center and the successful completion of the Railyard redevelopment project area. Both the Railyard and the Convention Center are supported by dedicated gross receipts tax increments in addition to program revenues.

In fiscal 2009 commuter rail connections will link Santa Fe to Albuquerque and other communities. In addition a major airline will begin direct commercial air service to Santa Fe. These changes will help offset the reduction of economic activity resulting from the national downturn. Unemployment in the region (which includes the City of Santa Fe and the surrounding unincorporated areas within the same county) has slightly risen from 2.9% in 2007 to 3.3% in 2008. The region unemployment rate still remains lower the state unemployment rate of 4.0% and the national rate of 5.8% for 2008.

The number of home sales slowed from 204 in the 2nd Quarter 2007 to 116 homes sold in the same quarter 2008. The median home sales price in the City decreased 15.00% to \$344,000 from \$403,000 in 2007. In January 2009, the minimum wage in the City was increased from \$9.50 per hour to \$9.85 per hour based on the average increase of the consumer price index for 2008.

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

Long-term financial planning.

The City neared completion of two major long-term investments in Fiscal 2008, the Santa Fe Community and Convention Center and the Railyard. It also launched construction on a Rio Grande River diversion project, the Buckman Diversion Dam, in partnership with Santa Fe County and a private development, Las Campanas. Funding for this \$216 million project will come from cash accumulated by the City's Water Division for this project, City and County bond proceeds, cash from Las Campanas and State and Federal grants and low interest loans. The City Council adopted a ten-year financial plan for the Water Division that includes annual rate increase of 8.2% for five years beginning in 2009.

The City is also completing ten-year plans for its Wastewater Division and a five-year plan for the Solid Waste Division. In addition, the City has implemented five year planning models for other City funds and enterprises beginning in Fiscal 2010. In fiscal 2010 the City plans to issue Water Revenue Bonds and gross receipts tax revenue bonds for the Buckman Diversion Project. Other financial planning updates include a study of utility expansion charges and development impact fees, water service costs and indirect cost allocations to be completed in Fiscal 2010. These planning efforts will assure that the City maintains the financial soundness of its enterprise operations and increases the resilience and flexibility of its governmental activities.

Cash management policies and practices.

Cash temporarily idle during the year was invested in demand deposits, certificates of deposit, obligations of the U.S. Treasury and U.S. Agencies, money market savings accounts, and the New Mexico State Treasurer Local Government Investment Pool (LGIP). The length of investment maturities, range from 6 months to 5 years, with an average maturity of 7.6 months. The average yield on investments was 4.19%.

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

Pension and other post employment benefits. The City of Santa Fe participates in the State of New Mexico Public Employees Retirement plan. Substantially all of the City's full-time employees participate in the retirement system authorized under the Public Employees Retirement Act (Chapter 10, Article 11 NMSA 1978). The Public Employees Retirement Association (PERA) is the administrator of the plan. The City fully funds the required payments as determined by PERA through City and member contributions.

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

GAAP do not require governments to report a liability in the financial statements in connection with an employer's obligation to provide these benefits.

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

Additional information of the City's pension arrangements and postemployment benefits can be found in Notes V. E. and F. on pages 70-72.

Awards and acknowledgements

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

In addition, the government also received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated June 30, 2008 (as well as the previous years since FY 86/87). In order to qualify for the Distinguished Budget Presentation Award, the government's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device.

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

Respectfully submitted,



Galen Buller
City Manager



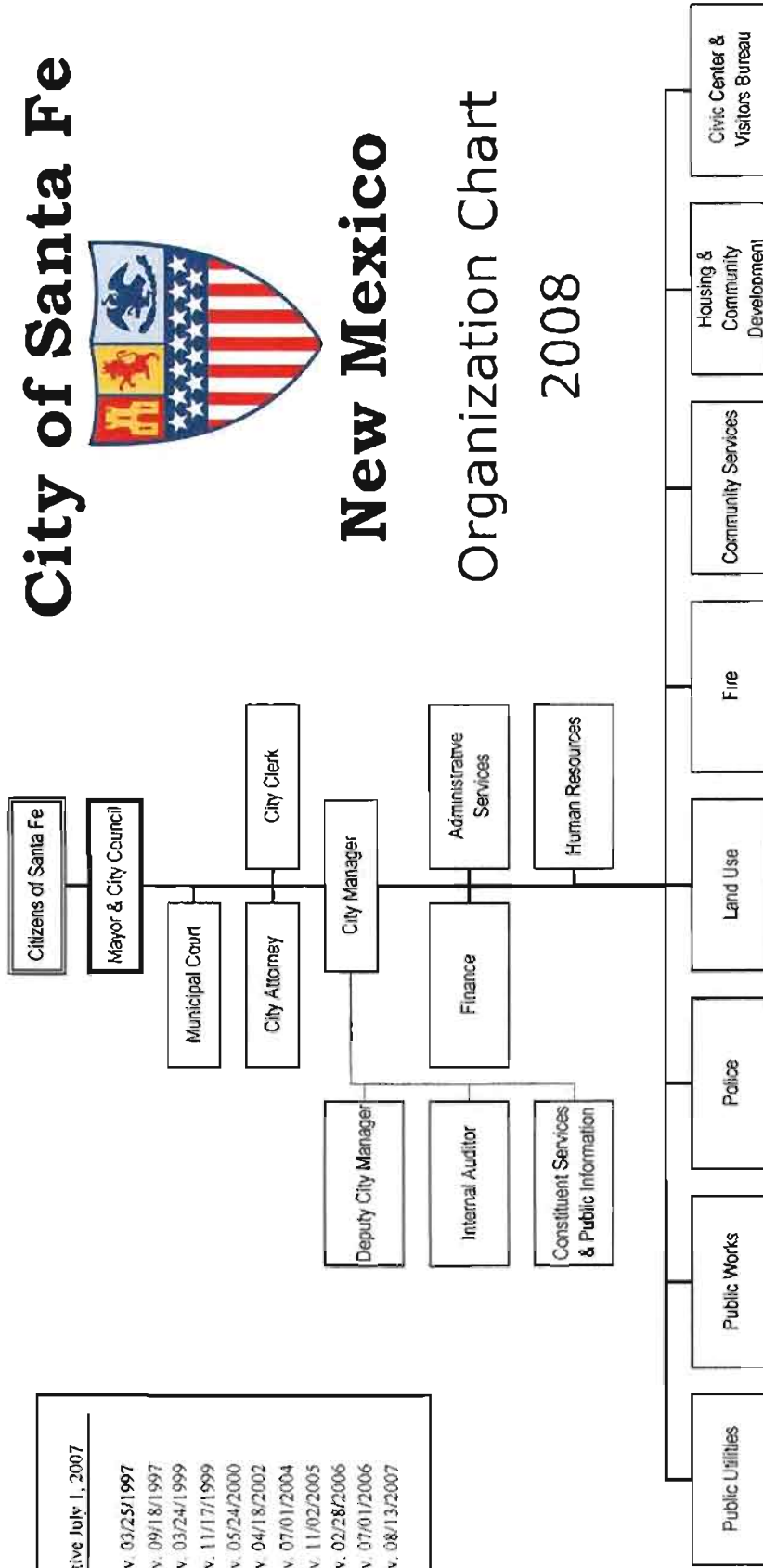
David N. Millican
Finance Director

City of Santa Fe



New Mexico

Organization Chart 2008



Effective July 1, 2007

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

5:


Galen Butler, City Manager

Approved:

**CITY OF SANTA FE, NEW MEXICO
PRINCIPAL OFFICIALS
JUNE 30, 2008**

MAYOR

David Coss

CITY COUNCIL

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

CITY MANAGER

Galen Buller

FINANCE DEPARTMENT

David N. Millican
Finance Department Director

Teresita Garcia
Assistant Finance Director

Angelica G. Salazar
Senior Financial Analyst

Helene Hausman
Cash/Investment Officer

Cal Probasco
Budget Officer

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

FINANCE DEPARTMENT

David N. Millican, Finance Department Director

Teresita Garcia, Assistant Finance Director

Helene Hausman, Cash/Investment Officer

Angelica Salazar, Senior Financial Analyst

Melissa Ortiz, Accounting Supervisor

Tony S. Martinez, Financial Analyst

Clarence Romero, Financial Analyst

Michelle Montoya, Financial Analyst

Halona J. Crowe, Financial Analyst

WEB PUBLICATION

Vincent S. Montoya, Business Analyst

GRAPHICS SECTION

Valerie A. Chelonis, Graphic Artist

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Financial Section



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ATKINSONCPA.COM

PO BOX 25246
ALBUQUERQUE, NM 87125

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the respective budgetary comparison for the general fund of City of Santa Fe as of and for the year ended June 30, 2008, which collectively comprise the City's basic financial statements as listed in the table of contents. We have also audited the financial statements of each of the City of Santa Fe, New Mexico's nonmajor governmental, nonmajor enterprise, and internal service funds and respective budgetary comparisons presented as supplementary information in the accompanying combining and individual fund financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Santa Fe's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Santa Fe Civic Housing Authority, which is a discretely presented component unit of the City of Santa Fe, which reflects 2.00% percent, 2.24% percent, and .23% percent, respectively, of the assets, net assets, and revenues of the governmental and business type activities. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Santa Fe Civic Housing Authority, is based on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Santa Fe as of June 30, 2008, and the respective

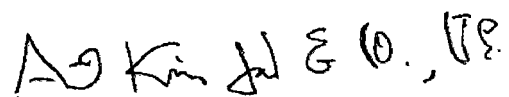
changes in financial position and, where applicable, cash flows thereof and the budgetary comparisons for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental, nonmajor enterprise, and internal service funds of the City of Santa Fe, New Mexico, as of June 30, 2008, and the respective changes in the financial position and cash flows, where applicable, there of, and the respective budgetary comparisons presented as supplementary information for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2009, on our consideration of the City of Santa Fe's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants 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.

Management's discussion and analysis on pages 3 through 17 is not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We and the other auditors 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 opinions on the basic financial statements, and the combining and individual fund financial statements and budgetary comparisons presented as supplementary information. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis required by the U.S. Office of Management and Budget Circular A-133, *Audit of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. The additional schedules listed as "other supplementary information", "other supplementary financial data", and the capital assets schedules in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements, and in our opinion is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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



Atkinson & Co., Ltd.

Albuquerque, New Mexico
March 31, 2009

Management's Discussion and Analysis

As management of the City of Santa Fe ("City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2008. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i through vi of this report.

Financial Highlights

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$541,690,971 (*net assets*). Of this amount, \$188,493,314 (*unrestricted net assets*) may be used to meet the City's obligations to citizens and creditors.
- The City's total assets increased by \$100,319,624. This increase for governmental activities resulted primarily from the issuance of \$40,135,000 of general obligation and gross receipts tax revenue bonds for governmental activities to finance park and capital projects. Also, the increase from the business type activities resulted from the issuance of \$8,570,000 of revenue bonds for the new convention center, and issuance of \$14,886,973 loans from the New Mexico Finance Authority for the Buckman Direct Diversion Water Project
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$131,750,175 an increase of \$16,838,740 in comparison with the prior year. Net changes in financing sources including issuance of debt for parks and capital projects comprised \$11,975,357 of this increase. Receipt of an unbudgeted, non-recurring gross receipts tax allocation adjustment relating to prior years totaling \$2,825,767 also contributed to the increase.
- Approximately 88 percent of total governmental fund balances or \$115,441,133 is reserved or designated for specific purposes. At the end of the current fiscal year, the unreserved and undesignated fund balance is \$16,309,042 and is available for spending at the City's discretion.
- The City's total long-term liabilities increased by \$47,677,422 during the current fiscal year. The issuance of \$20,000,000 of general obligation bonds for parks and \$20,135,000 of revenue bonds for general capital projects and \$23,546,973 of bonds issued for business-type activities net of debt reductions accounted for this change.
- Subsequent to the date of these financial statements interfund repayment of a loan made by the Capital Improvements Program Gross Receipts Tax Fund from the Water Management enterprise fund was suspended as part of a plan to provide adequate funding for a planned debt issue to complete the Buckman Direct Diversion Project.

Water rate ordinances were amended to provide annual increases in rates of 8.2% for five years. Repayment of the interfund loan would have required annual rate increases of 9.5%.

Overview of the Financial Statements

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

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

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

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

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

The government-wide financial statements include not only the City itself (known as the *primary government*), but also a legally separate Santa Fe Civic Housing Authority for which the City is financially accountable. Financial information for this *component unit* is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 19 and 20 of this report.

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

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

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

The City maintains 52 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and the debt service fund, both of which are considered to be major funds. Data from the other 50 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

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

The basic governmental fund financial statements can be found on pages 19 through 24 of this report.

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

service funds to account for its Employee and Retiree Health Care, Risk Management Administration, Workers' Compensation, and Union Sick Leave Bank. The service of these funds listed, predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

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

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

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 32 through 68 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$541,690,971 at the close of the most recent fiscal year.

A portion of the City's net assets (63 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, infrastructure, and equipment) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

CITY OF SANTA FE'S						
NET ASSETS						
For Fiscal Years Ending June 30, 2008 and 2007						
	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Current and other assets	\$ 164,422,460	\$ 145,203,168	\$ 148,465,848	\$ 144,781,660	\$ 312,888,308	\$ 289,984,828
Capital assets	288,240,326	276,262,293	304,041,395	238,603,284	592,281,721	514,865,577
Total assets	452,662,786	421,465,461	452,507,243	383,384,944	905,170,029	804,850,405
Long-term liab. outstanding (prior year)	192,780,424	191,777,780	84,196,357	80,483,877	276,986,781	272,261,687
Additions	44,193,622	28,303,088	24,589,198	59,488,977	68,782,820	87,792,065
Reductions	(9,869,590)	(27,290,454)	(8,388,961)	(55,776,497)	(18,058,551)	(83,086,951)
Long-term liab. outstanding (without reclass)	227,314,458	192,790,424	100,398,594	84,196,357	327,711,050	276,986,781
Debt reclassification	(87,701,847)	-	84,655,000	-	(3,046,847)	-
Long-term liab. outstanding (current year)	139,612,609	192,790,424	185,051,594	84,196,357	324,664,203	276,986,781
Other liabilities	21,140,914	20,722,323	17,673,941	16,699,611	38,814,855	37,421,934
Total liabilities	160,753,523	213,512,747	202,725,535	100,895,968	363,479,058	314,408,715
Net assets:						
Invested in capital assets, net of related debt	182,790,257	142,109,428	159,508,099	152,636,141	342,298,356	294,745,569
Restricted	10,174,773	8,810,813	724,528	2,668,245	10,899,301	11,479,058
Unrestricted	98,944,233	57,032,473	89,549,081	127,184,590	188,493,314	184,217,063
Total net assets	\$ 291,909,263	\$ 207,952,714	\$ 249,781,708	\$ 282,488,976	\$ 541,690,971	\$ 490,441,690

An additional portion of the City's net assets (2.0% percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (\$188,493,314) may be used to meet the City's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City can report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. It should be noted that net assets in the City's Solid Waste Fund and its Municipal Recreation Complex (MRC) Fund show negative net asset balances of \$3,099,998 and \$8,424,257 respectively.

For the Solid Waste Fund the negative net assets result from past donations of disposal assets financed by debt to a regional disposal agency and from a series of refinancing that resulted in debt balances remaining higher than the depreciated values of the collection fleet.

For the Municipal Recreation Complex fund this results because long term bonds payable exceed capital assets net of depreciation by \$8,431,939. MRC operations are supplemented by an annual transfer for debt service and operations from the Capital Improvement Program Gross Receipts Tax Fund. Both the Solid Waste Fund and the MRC Fund produce net cash from operations.

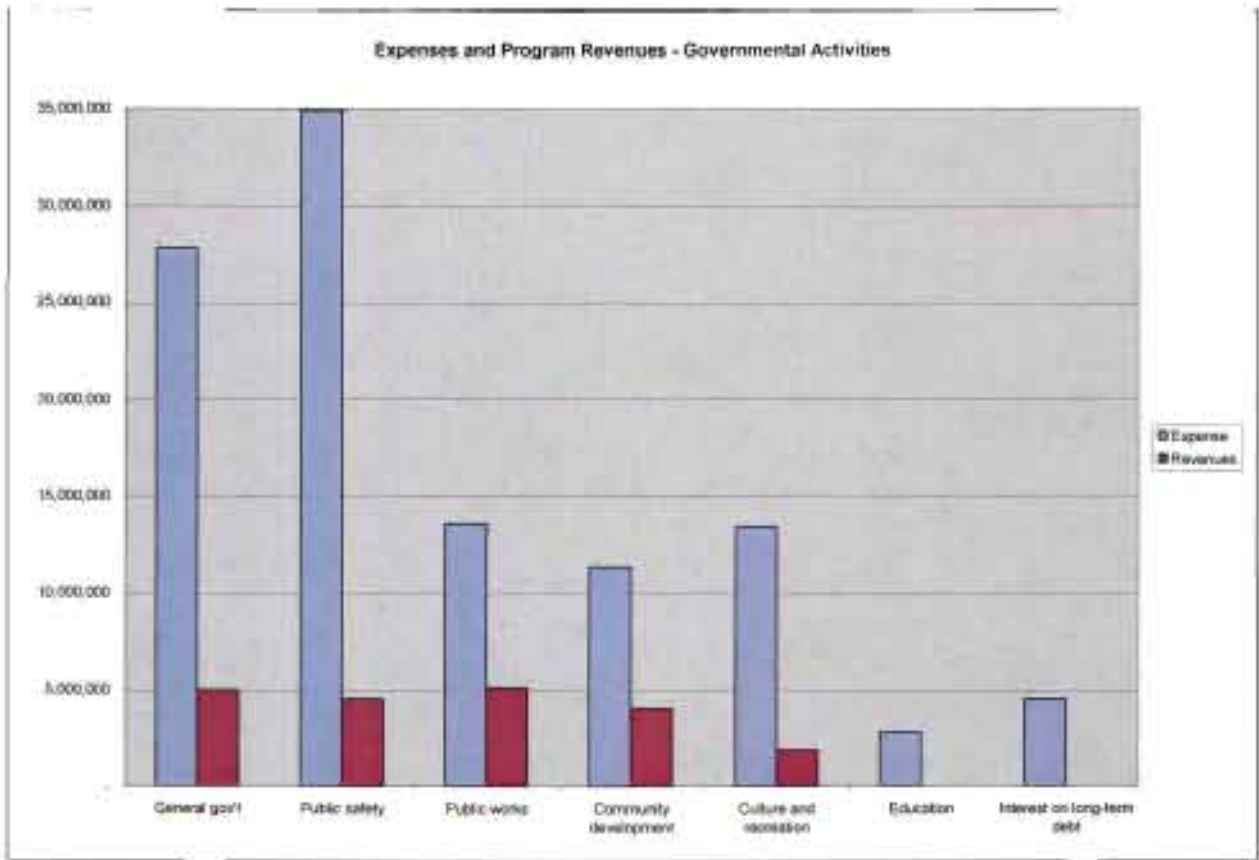
The City's net assets increased by \$51,249,281 during the current fiscal year. This growth largely reflects increases in cash and capital assets in business-type activities.

Governmental activities. Governmental activities decreased the City's net assets by \$2,610,996 compared to the \$51,817,824 decrease for 2007 because transfers of debt proceeds from previously issued debt to enterprise projects slowed significantly as the Railyard project and the new convention center reached completion. Net assets generated from Governmental activities were offset by net transfers to business type activities in fiscal year 2008.

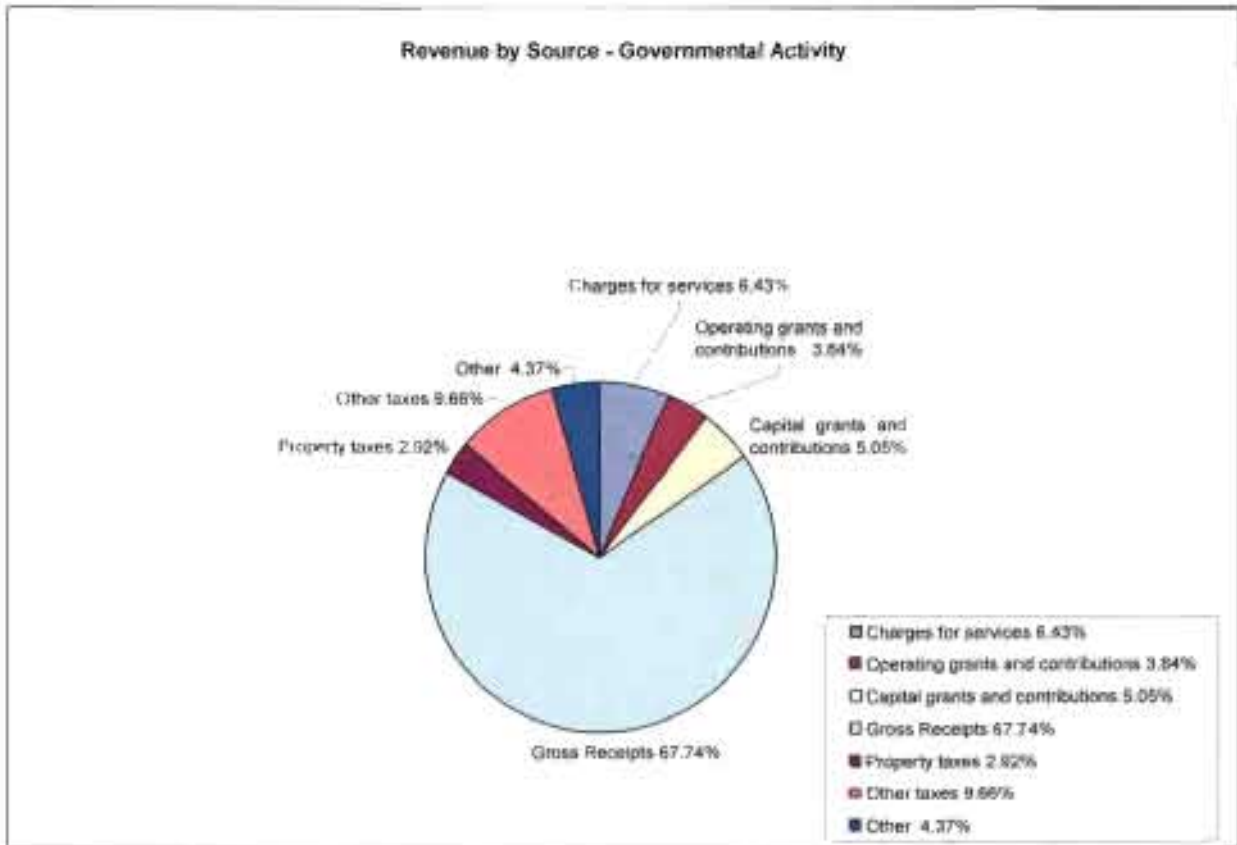
Taxes provide 80% of Governmental activities revenues. Two thirds of that is provided by a gross receipts tax (GRT) levied on goods and services. The GRT comprises 84.3% of taxes or \$91,972,070. If adjusted for the one time GRT allocation adjustment received in 2008, tax revenues were only about 1% higher than 2007. Reductions in development revenues and investment income contributed coupled with low growth in gross receipt tax collections contributed to low growth in 2008 revenues.

CITY OF SANTA FE's Changes in Net Assets For Fiscal Years Ended June 30, 2008 and 2007						
	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Revenues:						
Program revenues:						
Charges for services	\$ 8,734,581	\$ 10,735,343	\$ 56,526,085	\$ 54,855,482	\$ 65,260,676	\$ 65,590,825
Operating grants and contributions	5,212,729	4,988,188	1,260,704	935,944	6,473,433	5,922,142
Capital grants and contributions	6,854,756	3,153,872	14,481,538	11,049,540	21,336,294	14,203,412
General revenues:						
Sales taxes	91,972,070	3,584,591	8,800,497	-	100,772,567	3,584,591
Other taxes	17,079,950	100,454,200	-	7,503,425	17,079,950	107,957,625
Other	5,927,431	9,135,620	8,743,355	7,325,059	14,670,786	16,460,679
Total revenues	135,781,517	132,049,824	89,812,189	81,669,450	225,593,706	213,719,274
Expenses:						
General government	27,873,924	23,484,442	-	-	27,873,924	23,484,442
Public safety	34,894,206	33,841,007	-	-	34,894,206	33,841,007
Public works	13,577,325	13,570,355	-	-	13,577,325	13,570,355
Community development	11,397,085	11,289,698	-	-	11,397,085	11,289,698
Culture and recreation	13,430,563	13,029,432	-	-	13,430,563	13,029,432
Education	2,864,722	2,737,868	-	-	2,864,722	2,737,868
Interest on long-term debt	4,563,643	9,583,608	-	-	4,563,643	9,583,608
Wastewater management	-	-	11,352,274	9,879,594	11,352,274	9,879,594
Water management	-	-	19,074,551	23,608,849	19,074,551	23,608,849
Railyard Property	-	-	344,959	608,703	344,959	608,703
Santa Fe Convention Center	-	-	2,083,034	218,000	2,083,034	218,000
All other proprietary funds	-	-	32,888,139	29,308,494	32,888,139	29,308,494
Total expenses	108,601,468	107,538,410	65,742,957	63,623,640	174,344,425	171,180,050
Increase in net assets before transfers:	27,180,049	24,513,414	24,069,232	18,045,810	51,249,281	42,559,224
Transfers net	(29,791,045)	(76,331,238)	29,791,045	76,331,238	-	-
Increase (decrease) in net assets	(2,610,996)	(51,817,824)	53,860,277	94,377,048	51,249,281	42,559,224
Beginning balance	207,952,714	259,770,538	282,488,976	188,111,928	490,441,690	447,882,466
Debt reclassification	86,567,545	-	(86,567,545)	-	-	-
Ending balance	\$ 291,909,263	\$ 207,952,714	\$ 249,781,708	\$ 282,488,976	\$ 541,690,971	\$ 490,441,690

CITY OF SANTA FE
Fiscal Year 07/08

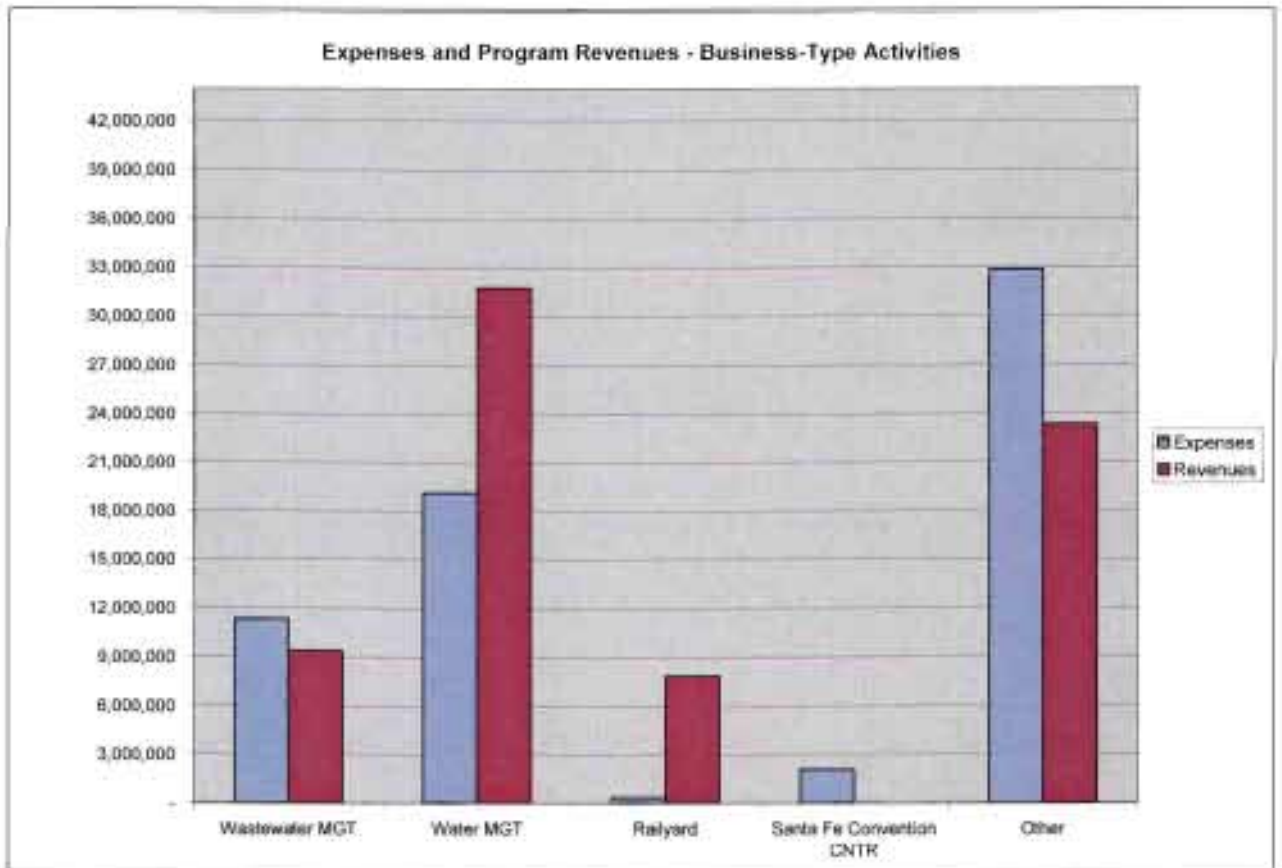


CITY OF SANTA FE
Fiscal Year 07/08

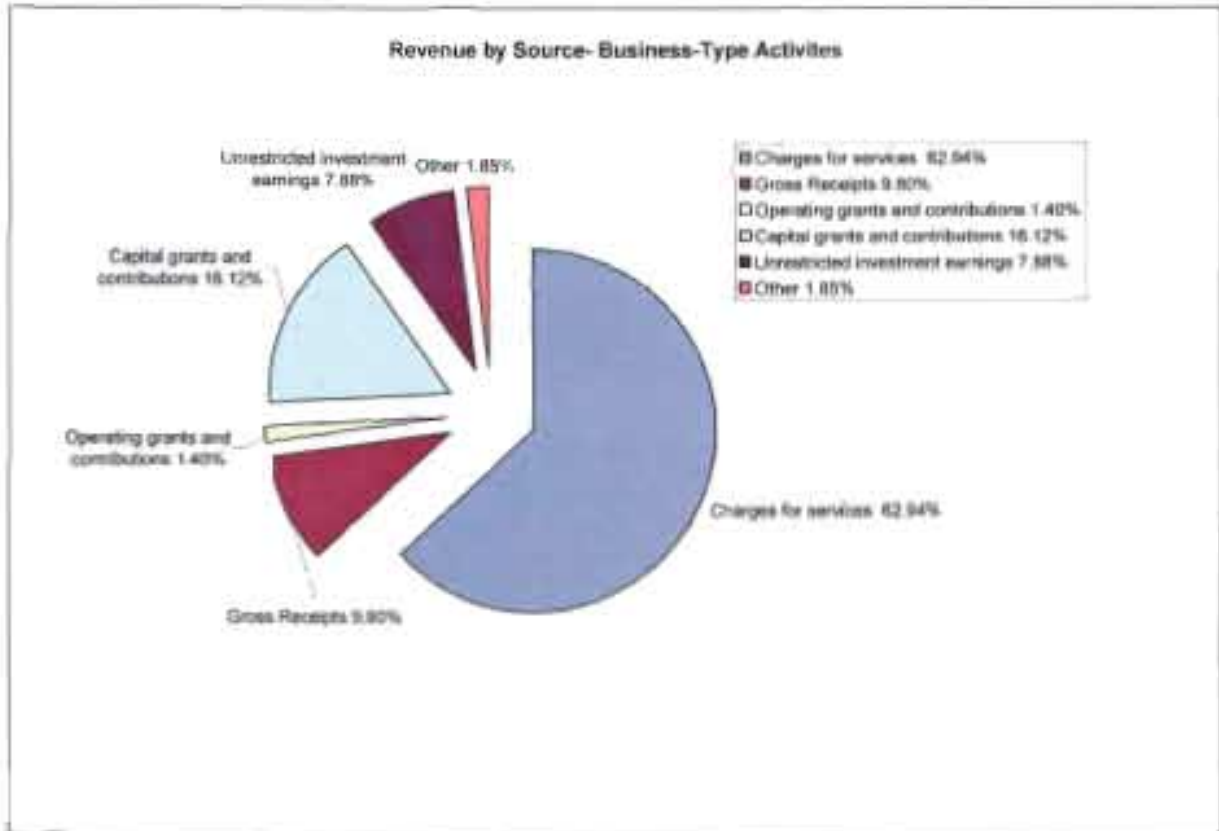


Business-type activities. Business-type activities increased net assets by \$53,860,277. The increase, net of transfers from Governmental activities, was \$24,069,232. Transfers from Governmental activities total \$29,791,045. A combined operating loss in all Business-type activities of \$2,843,414 was offset by non-operating items, primarily investment income, dedicated taxes and grants, totaling \$26,912,646 that are intended to support capital asset acquisition. In funds where revenues exceed operating expenses rate revenues are set at a level that in combination with net assets supports long term capital investment programs and maintenance of prudent reserves. Much of the accumulated cash in the Water, Wastewater, Convention Center and other business type activities are being drawn down as large capital projects begin or are completed.

CITY OF SANTA FE
Fiscal Year 07/08



**CITY OF SANTA FE
Fiscal Year 07/08**



Financial Analysis of the City's Funds

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

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

As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$131,750,175 an increase of \$16,838,740 in comparison with the prior year. Net changes in financing sources including issuance of debt for parks and capital projects comprised \$11,975,357 of this increase. Most of this total amount (\$115,441,133) constitutes *reserved and designated fund balance*. Use of these funds are limited to various degrees by legal, contractual and policy restrictions.

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

The General Fund is the chief operating fund for the City. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$16,309,042 while total fund balance was \$26,952,671. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 21.5 percent of total expenditures.

The fund balance of the City's General Fund decreased by \$894,552 during the current fiscal year. A key factor in this decrease was a \$3,497,214 increase in transfers out to other funds. There was a change in funding method for Senior Grants in which reimbursement of costs was changed from reimbursement to unit cost. Thus all local match was transferred from General Fund expenditures to Special Revenue expenditures. Also, in fiscal year 2008 the Santa Fe County assumed the operation of the Regional Emergency Communication Center, hence the transfer of the City's appropriation to the joint venture was transferred from the General Fund to the Special Revenue Funds for Public Safety.

Debt service fund has a total fund balance of \$29,129,026, all of which is reserved for projects and the payment of debt service. The net increase in fund balance during the current year in the debt service fund was \$10,592,398 due to issuance of \$40,135,000 of debt for park improvements and capital projects on from distributions of \$31,138,221 of bond proceeds from debt issued in the prior fiscal year.

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

Unrestricted net assets at the end of the year amounted to \$89,549,081 of which 77 percent is for water management. In total, net assets for enterprise funds decreased by \$32,707,268 after reclassification of debt service from governmental funds.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget were relatively minor (\$6,490,667 increase in appropriations) and can be briefly summarized as follows:

- \$2,856,229 increase in general government
- \$2,294,761 increase in public safety
- \$283,514 increase in public works

- \$415,742 increase in community development
- \$535,767 increase in culture & recreation
- \$104,654 increase in education
- \$242,833 increase in transfers to other programs

Of this increase, \$542,976 was funded from revenue increases. Another \$1,838,839 came from cash balance for capital equipment purchases. The remaining budgeted from available fund balance, most of which were related to carryovers from the prior fiscal year.

The actual revenues for the General Fund, in total were above budget by \$97,989 with the apparent increase in fees and charges for services. Total expenditures for the General Fund were less than budget by \$5,168,995 reflecting encumbrances and other carryovers for the next fiscal year, as well as authorized budgets that were not expended during the fiscal year.

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business-type activities as of June 30, 2008 amounts to \$592,281,721 (net of accumulated depreciation). This investment in capital assets includes land, buildings and systems, improvements, machinery and equipment, vehicles, infrastructure, and park facilities. The total increase in the City's investment in capital assets for the current fiscal year was 15.03 percent (a 4.3 percent increase for governmental activities and a 27.4 percent increase for business-type activities).

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

- Construction in progress in various City facilities totaled \$204,775,527 in both governmental-type and business-type funds. The increase is due to the Santa Fe Convention Center and Railyard Property reaching construction completion.
- General City projects included street paving, signalization, river channel improvements, park improvements, building renovations, and street traffic calming projects for a total amount of over \$25.4 million.

CITY OF SANTA FE's Capital Assets (Net of Depreciation) For Fiscal Years Ending June 30, 2008 and 2007						
	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Land	\$ 166,359,453	\$ 162,499,280	\$ 26,966,063	\$ 26,966,063	\$ 193,325,516	\$ 189,465,343
Construction in Progress	30,705,212	24,205,840	174,070,315	105,909,489	204,775,527	130,115,329
Art	922,920	922,920	185,971	180,971	1,108,891	1,103,891
Buildings and Systems	34,178,806	34,859,378	44,869,889	36,214,517	79,048,695	71,073,895
Improvements	8,449,901	5,472,880	38,638,302	52,763,315	47,088,203	58,236,195
Sewerlines	-	-	9,128,919	8,520,704	9,128,919	8,520,704
Equipment and Machinery	3,273,311	3,196,395	2,439,111	1,591,276	5,712,422	4,787,671
Furniture and Fixtures	146,031	100,319	60,091	88,891	206,122	187,210
Vehicles	6,710,505	5,306,185	6,979,867	5,696,351	13,690,372	11,002,536
Data Processing and Software	2,488,351	2,024,950	702,867	673,707	3,191,218	2,698,657
Traffic Signals	2,646,437	3,293,808	-	-	2,646,437	3,293,808
Streets and Bridges	32,359,399	34,380,338	-	-	32,359,399	34,380,338
Total	\$ 288,240,326	\$ 276,262,293	\$ 304,041,395	\$ 238,603,284	\$ 592,281,721	\$ 514,865,577

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

Long-term debt. At the end of the current fiscal year, the City had total bonded debt outstanding of \$246,755,000. Of this amount, \$92,615,000 comprises debt backed by gross receipts tax revenues and lodgers tax, and \$154,140,000 is for various business-type bonds backed by specified operational revenue sources.

CITY OF SANTA FE'S OUTSTANDING DEBT Revenue Bonds For Fiscal Years Ending June 30, 2008 and 2007						
	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Revenue bonds	\$ 92,615,000	\$ 164,345,000	\$ 154,140,000	\$ 67,630,000	\$ 246,755,000	\$ 231,975,000

Significant changes in reporting were implemented this year. Schedules presented in this analysis were changed to improve comparability and to separate the reporting changes from changes in financial condition and results of operations for the year ended June 30, 2008.

- Changes in the Statement of Net Assets to reclassification of long term debts issued for business-type activities' capital assets at June 30, 2008. This debt was previously classified as governmental activities' debt. That reporting method was in effect at June 30, 2007 and was intended to disclose the pledge of gross receipts and lodging taxes for repayment. Management concluded that the debt, though

supported by taxes, was appropriately classified as debt of the business activities associated with the assets built with the debt proceeds. In the future the pledged taxes will be recorded as revenues of the related business activities.

- The amount of debt reclassified totaled \$87,701,847 at June 30, 2008. Proceeds of this debt issued in prior years was transferred to business activities to fund construction of capital assets. Reclassification of the debt results in an increase in net assets in governmental activities and a reduction of net assets in business type activities. Schedules relating to the Statement of Net Assets in this analysis show the reclassification amount separately to improve comparability.

In March 2008 the voters approved a \$30,300,000 general obligation bond issue for parks and trails improvements. Due to the number of construction projects underway at the time, the decision was made to split the issue. The first issue of \$20,000,000 closed in June 2008. The second bonds for \$10,300,000 will be issued in FY 2010-2011. The City also issued the 2008 GRT CIP bonds in the amount of \$20,135,000 of which \$8,570,000 was used to complete the construction of the Santa Fe Community Convention Center.

As of June 30th, the City had three outstanding issues that were not insured. The 1997B wastewater variable rate bond rating has been reaffirmed at AA-/A-1+ from Standard and Poors, and Aa1/VMIG1 by Moody's. The 1999 Gross Receipts Tax bonds were rated AA and A1 respectively, and were refunded in December 2008. The 2004B Gross Receipts Tax Refunding bonds were also rated AA and A1 respectively. Since June 30th, the City has issued the 2008 Gross Receipts Tax Refunding Bonds, rated AA+ and A1, reflecting a rating upgrade by Standard & Poor's.

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

<u>FIRM</u>	<u>S&P/Moody's 06/30/2007</u>	<u>S&P/Moody's 6/30/02008</u>	<u>S&P/Moody's Current</u>
AMBAC	AAA/Aaa	AA/Aa3	A/Ba3
MBIA	AAA/Aaa	AA/A2	BBB/B3
FSA	AAA/Aaa	AAA/Aaa	AAA/Aaa
XL Capital Assurance/ Syncora Guarantee	AAA/Aaa	BBB-/B2	CC/Ca

Source: First Southwest Company

With the exception of the City's three issues insured by FSA, the significant drops in the ratings of the insurance firms have made the City's underlying ratings higher than those of the bond insurers.

	S&P/Moody's <u>06/30/2008</u>	S&P/Moody's <u>Current</u>
General Obligation	AA/Aa3	AA/Aa3
Senior Lien Gross Receipts Tax	AA/A1	AA+/A1
Water System Revenues	AA-/ --	AA-/AA3
Subordinate Lien Gross Receipts Tax	AA-/A2	AA/A2

State statutes limit the amount of general obligation debt a governmental entity may issue to 4% of its total assessed valuation. The current debt limitation for the City is approximately \$128 million, which is significantly in excess of the city's proposed general obligation debt.

Additional information on the City's long-term debt can be found in note IV-H on pages 57 through 64 of this report.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for the Santa Fe MSA at February, 2009 is currently at 5.1 percent an increase from 3.5 percent a year ago. This compares favorably to the state's current unemployment rate of 5.4 percent and the national average rate of 8.1 percent.
- Economic trends in the region compare favorably to national indices.
- During the latter part of 2008 and into 2009, significant declines in fair value occurred in worldwide securities markets and various real estate markets. The general economy is in recession. The City has seen some impact on gross receipts tax, lodger's tax and certain other revenue categories during periods subsequent to June 30, 2008. City management has responded with various actions including budget, project and policy adjustments and continues to review future plans and budgets. Current economic conditions are volatile, difficult to predict and subject to ongoing changes which may affect the current financial condition and results of operations in the future.

All of these factors were considered in preparing the City's budget for fiscal year 08/09.

During the current fiscal year, unreserved fund balance in the general fund decreased to \$16,309,042, in addition there is cash reserve of approximately \$8.09 million which is equivalent to 10 percent of the budgeted expenditures and transfers out.

Requests for Information

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

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Basic Financial Statements

CITY OF SANTA FE, NEW MEXICO
Statement of Net Assets
June 30, 2008

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Housing Authority
ASSETS				
Cash, investments and cash equivalents	\$ 111,775,920	\$ 121,000,518	\$ 232,776,438	\$ 4,525,681
Receivables (net of allowance for uncollectables)	20,954,596	12,378,711	33,333,307	43,518
Internal balances	18,555,474	(18,555,474)	-	1,978,528
Inventories	656,841	-	656,841	-
Prepaid expenses	226,564	4,304,689	4,531,253	73,762
Other current assets	-	-	-	13,456
Deferred charges	1,762,052	3,071,171	4,833,223	-
Restricted assets:				
Temporarily restricted:				
Cash, investments and cash equivalents	3,451,907	724,528	4,176,435	-
Interest receivable	485,385	612,542	1,097,927	-
Intergovernmental receivable	6,553,721	24,929,163	31,482,884	86,320
Capital assets (net of accumulated depreciation):				
Land	166,359,453	26,966,063	193,325,516	865,152
Buildings, structures and systems	34,178,806	44,869,889	79,048,695	10,107,246
Furniture and fixtures	146,031	60,091	206,122	-
Improvements	8,449,901	47,767,221	56,217,122	-
Equipment and machinery	3,273,311	2,439,111	5,712,422	71,424
Vehicles	6,710,505	6,979,867	13,690,372	58,432
Art	922,920	185,971	1,108,891	-
Data processing equipment/software	2,488,351	702,867	3,191,218	-
Traffic signals	2,646,437	-	2,646,437	-
Streets and bridges	32,359,399	-	32,359,399	-
Construction in progress	30,705,212	174,070,315	204,775,527	303,603
Total assets	<u>452,662,786</u>	<u>452,507,243</u>	<u>905,170,029</u>	<u>18,127,122</u>
LIABILITIES				
Accounts payable and other current liabilities	14,551,504	13,867,333	28,418,837	347,811
Accrued interest payable	923,018	682,520	1,605,538	34,275
Deferred revenue				
Unearned revenue	2,694,631	18,000	2,712,631	-
Liabilities from restricted cash	2,971,761	3,106,088	6,077,849	47,740
Longterm liabilities:				
Due within one year	8,386,887	6,282,524	14,669,411	1,628,028
Due in more than one year	131,225,722	178,769,070	309,994,792	3,961,145
Total liabilities	<u>160,753,523</u>	<u>202,725,535</u>	<u>363,479,058</u>	<u>6,018,999</u>
NET ASSETS				
Invested in capital assets, net of related debt	182,790,257	159,508,099	342,298,356	7,795,212
Restricted for:				
Debt service and endowment	3,451,907	724,528	4,176,435	-
State mandated cash balance	6,722,866	-	6,722,866	-
Unrestricted	98,944,233	89,549,081	188,493,314	4,312,911
Total net assets	<u>\$ 291,909,263</u>	<u>\$ 249,781,708</u>	<u>\$ 541,690,971</u>	<u>\$ 12,108,123</u>

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

CITY OF SANTA FE, NEW MEXICO
Statement of Activities
For the Year Ended June 30, 2008

Functions/Programs Primary government:	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Component Unit Business-type Activities
					Governmental Activities	Business-type Activities	
Governmental activities:							
General government	\$ 27,873,924	\$ 1,908,694	\$ 417,614	\$ 2,711,654	\$ (22,835,962)	\$ (22,835,962)	\$ -
Public safety	34,894,206	3,551,192	1,032,705	-	(30,310,309)	(30,310,309)	-
Public works	13,577,325	2,246,481	210,213	2,727,905	(8,392,726)	(8,392,726)	-
Community development	11,397,085	491,313	3,250,551	372,517	(7,282,704)	(7,282,704)	-
Culture and recreation	13,430,563	536,901	301,846	1,042,680	(11,549,336)	(11,549,336)	-
Education	2,864,722	-	-	-	(2,864,722)	(2,864,722)	-
Interest on long-term debt	4,563,643	-	-	-	(4,563,643)	(4,563,643)	-
Total governmental activities	108,601,468	8,734,581	5,212,729	6,854,756	(87,799,402)	(87,799,402)	-
Business-type activities:							
Wastewater Management	11,352,274	9,326,934	-	45,447	(1,979,893)	(1,979,893)	-
Water Management	19,074,551	30,148,350	-	1,567,685	12,641,484	12,641,484	-
Railyard Center	344,959	634,870	-	7,187,248	7,477,159	7,477,159	-
Santa Fe Convention Center	2,083,034	-	-	-	(2,083,034)	(2,083,034)	-
Solid Waste Management	9,884,422	9,419,575	-	-	(464,847)	(464,847)	-
Municipal Recreation Complex	2,975,871	1,055,670	-	73,433	(1,846,768)	(1,846,768)	-
Parking Fund	4,716,561	3,693,146	-	24,515	(998,900)	(998,900)	-
Transit and Airport Systems	10,312,198	767,256	1,260,704	5,438,603	(2,845,635)	(2,845,635)	-
Genoveva Chavez Community Center	4,999,087	1,480,294	-	144,607	(3,374,186)	(3,374,186)	-
Total business-type activities	65,742,957	56,526,085	1,260,704	14,481,538	6,525,380	6,525,380	-
Total primary government	\$ 174,344,425	\$ 65,260,676	\$ 6,473,433	\$ 21,336,294	(87,799,402)	(87,799,402)	-
Component Unit:							
Housing Authority	\$ 9,253,968	\$ 2,137,112	\$ 6,644,704	\$ 460,555	-	-	(11,597)
Total component unit	\$ 9,253,968	\$ 2,137,112	\$ 6,644,704	\$ 460,555	-	-	(11,597)
General Revenues:							
Property taxes					3,964,867	3,964,867	-
Sales taxes					91,972,070	100,772,567	-
Lodger taxes					8,797,321	8,797,321	-
Franchise taxes					2,549,067	2,549,067	-
Motor fuel taxes					1,654,875	1,654,875	-
Cigarette taxes					113,820	113,820	-
Unrestricted investment earnings					4,383,448	7,078,365	106,265
Miscellaneous revenues					1,401,382	1,689,593	138,813
Gain/(loss) on sale of capital assets					142,601	(24,603)	-
Insurance reimbursements					-	-	53,617
Transfers					(29,791,045)	29,791,045	-
Total general revenues and transfers					85,188,406	47,334,897	298,695
Change in net assets					(2,610,996)	53,860,277	287,096
Net assets, beginning, as originally reported					207,952,714	282,486,976	11,821,025
Restatement, Note D					86,567,545	(86,567,545)	-
Net assets, beginning, as restated					294,520,259	195,921,431	11,821,025
Net assets, ending					\$ 291,909,263	\$ 249,781,708	\$ 12,108,123

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

CITY OF SANTA FE, NEW MEXICO
Balance Sheet
Governmental Funds
June 30, 2008

	Major funds		Other Non Major Funds	Total Governmental Funds
	General Fund	Debt Service		
Assets				
Cash and investments	\$ 18,673,531	\$ 25,883,083	\$ 50,657,134	\$ 95,213,748
Restricted cash, cash equivalents and investments:				
Restricted for debt service payments	-	3,201,907	-	3,201,907
Restricted for endowment	-	-	250,000	250,000
Receivables:				
State-shared taxes	7,023,638	-	5,315,416	12,339,054
Local taxes	3,425,029	-	-	3,425,029
Real estate taxes	12,240	-	-	12,240
Interest	96,490	87,320	225,192	409,002
Ambulance (net of allowances)	2,275,076	-	-	2,275,076
Grants-restricted	203,594	-	6,350,127	6,553,721
Other receivables (net of allowance)	43,779	-	2,859,418	2,903,197
Prepaid Expenses	197,880	-	28,684	226,564
Due from other funds	1,459,837	-	18,238,349	19,698,186
Supplies inventory	656,841	-	-	656,841
Total Assets	\$ 34,067,935	\$ 29,172,310	\$ 83,924,320	\$ 147,164,565
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 1,431,695	\$ 3,284	\$ 3,158,940	\$ 4,593,919
Compensated absences payable	472,950	-	40,628	513,578
Accrued wages payable	2,281,400	-	656,439	2,937,839
Due to other funds	-	-	1,142,712	1,142,712
Deferred revenue:				
Unearned revenue	82,029	-	2,612,602	2,694,631
Other current liabilities	519,950	40,000	-	559,950
Liabilities payable from restricted assets	2,327,240	-	644,521	2,971,761
Total liabilities	7,115,264	43,284	8,255,842	15,414,390
Fund balances:				
Fund balance:				
Reserved, designated for, reported in:				
Endowment	-	-	250,000	250,000
Debt service	-	7,268,886	-	7,268,886
Capital projects	-	20,000,000	51,720,722	71,720,722
Special revenue purposes	-	1,860,140	20,445,114	22,305,254
Encumbrances	1,886,949	-	3,252,642	5,139,591
State mandated cash balance	6,722,866	-	-	6,722,866
Inventory	656,841	-	-	656,841
General fund city's cash balance	1,376,973	-	-	1,376,973
Unreserved, undesignated reported in:				
General fund-undesignated	16,309,042	-	-	16,309,042
Total Fund Balances	26,952,671	29,129,026	75,668,478	131,750,175
Total liabilities and fund balances	\$ 34,067,935	\$ 29,172,310	\$ 83,924,320	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	288,180,792
Other long-term assets are not available to pay for current-period expenditures and, therefore are not reported in the funds.	1,762,052
Internal service funds are used by management to charge the costs of insurances to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets	10,128,188
Accrued interest payable	(923,018)
Long-term liabilities, including bonds and notes payable, are not due and payable in the current period and therefore are not reported in the funds.	(132,766,477)
Other long-term liabilities-compensated balances	(6,222,449)
Net assets of governmental activities	\$ 291,909,263

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

CITY OF SANTA FE, NEW MEXICO
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2008

	Major Funds		Other Non Major Funds	Total Governmental Funds
	General Fund	Debt Service		
Revenues:				
Taxes				
Gross receipts	\$ 57,804,959	\$ -	\$ 34,167,111	\$ 91,972,070
Cigarette	75,806	-	38,014	113,820
Motor	429,511	-	1,225,364	1,654,875
Lodgers	-	-	8,797,321	8,797,321
Property	2,125,169	-	1,839,698	3,964,867
Franchise	2,529,076	-	19,991	2,549,067
Licenses and permits	2,211,926	-	-	2,211,926
Intergovernmental revenues	328,550	-	11,738,935	12,067,485
Fees and charges for services	3,959,980	-	2,562,675	6,522,655
Sale of capital assets	-	-	42,601	42,601
Fines and forfeitures	527,173	-	-	527,173
Rents, royalties and concessions	45,761	-	33,729	79,490
Investment income	905,041	655,839	2,134,191	3,695,071
Land sales	-	-	100,000	100,000
Other revenues	70,292	-	793,773	864,065
Total revenues	71,013,244	655,839	63,493,403	135,162,486
Expenditures:				
Current:				
General government	18,995,910	-	7,334,599	26,330,509
Public safety	29,267,791	-	3,542,067	32,809,858
Public works	4,313,941	-	1,904,266	6,218,207
Community development	4,992,571	-	6,224,757	11,217,328
Culture and recreation	7,499,559	-	4,420,902	11,920,461
Education	2,859,578	-	-	2,859,578
Total current expenditures	67,929,350	-	23,426,591	91,355,941
Capital outlay:				
General government	269,091	-	6,067,414	6,336,505
Public safety	125,013	-	3,633,575	3,758,588
Public works	5,438	-	8,216,460	8,221,898
Community development	65,335	-	485,987	551,322
Culture and recreation	11,211	-	7,344,472	7,355,683
Education	5,144	-	-	5,144
Total capital outlay expenditures	481,232	-	25,747,908	26,229,140
Debt service:				
Principal payments	-	7,352,698	-	7,352,698
Interest and fiscal agent fees	-	4,607,888	-	4,607,888
Bond issuance costs	-	753,436	-	753,436
Total expenditures	68,410,582	12,714,022	49,174,499	130,299,103
Excess (deficiency) of revenues over expenditures	2,602,662	(12,058,183)	14,318,904	4,863,383
Other financing sources (uses):				
Transfers in	3,921,592	12,022,400	45,120,899	61,064,891
Transfers out	(7,418,806)	(31,138,221)	(52,298,909)	(90,855,936)
HUD loan payments (flow through)	-	7,862	-	7,862
Issuance of bonds	-	-	-	-
Face value of bonds issued	-	40,135,000	-	40,135,000
Premium on issuance of bond	-	1,623,540	-	1,623,540
Total other financing sources (uses)	(3,497,214)	22,650,581	(7,178,010)	11,975,357
Net change in fund balances	(894,552)	10,592,398	7,140,894	16,838,740
Fund balances, beginning of year	27,847,223	18,536,828	68,527,584	114,911,435
Fund balances, end of year	\$ 26,952,671	\$ 29,129,026	\$ 75,668,478	\$ 131,750,175

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

CITY OF SANTA FE, NEW MEXICO
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For the Year Ended June 30, 2008

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

Net change in fund balances--total governmental funds	\$ 16,838,740
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	11,990,233
The net effect of various miscellaneous transactions involving capital assets decrease in net assets:	(69,346)
The issuance of long-term debt (e.g., bonds, leases) provided current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transactions, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(33,401,657)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(1,012,810)
Internal service funds are used by management to charge the costs of insurance to individual funds.	2,355,467
The net revenue of certain activities of internal service funds is reported with governmental activities.	688,377
Change in net assets of governmental activities	<u>\$ (2,610,996)</u>

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

CITY OF SANTA FE, NEW MEXICO
General Fund
Statement of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
State-shared taxes:				
Gross receipts	\$ 39,888,830	\$ 39,888,830	\$ 41,134,266	\$ 1,245,436
Cigarette	80,000	80,000	75,806	(4,194)
Automobile	380,000	380,000	429,511	49,511
Total state-shared taxes	40,348,830	40,348,830	41,639,583	1,290,753
Local taxes:				
Gross receipts	15,898,528	15,898,528	16,457,363	558,835
Property	1,931,099	1,946,032	2,125,169	179,137
Business	190,000	190,000	213,330	23,330
Utility franchise	2,855,000	2,855,000	2,529,076	(325,924)
Total local taxes	20,874,627	20,889,560	21,324,938	435,378
Other Revenues:				
Licenses and permits	2,791,858	2,929,858	2,211,926	(717,932)
Intergovernmental revenue	90,000	438,503	328,550	(109,953)
Fees and charges for services	5,207,931	5,206,995	3,959,980	(1,247,015)
Fines and forfeitures	259,200	259,200	527,173	267,973
Royalties, rents and concessions	31,000	31,000	45,761	14,761
Investment income	680,000	680,000	905,041	225,041
Other revenues	73,900	131,309	70,292	(61,017)
Total Other Revenue	9,133,889	9,676,865	8,048,723	(1,628,142)
Total revenues	70,357,346	70,915,255	71,013,244	97,989
Expenditures:				
General government:				
Current:				
General government	2,908,709	3,325,132	2,488,198	836,934
Municipal court	1,230,759	1,285,623	1,258,683	26,940
City clerk	1,167,152	1,296,226	1,010,592	285,634
Information technology and telecommunication	3,374,711	3,647,908	2,868,149	779,759
Personnel	877,144	1,229,102	974,554	254,548
Finance	2,966,348	3,287,363	5,816,666	(2,529,303)
Planning	2,119,264	2,868,044	2,270,772	597,272
Facilities maintenance	2,293,552	2,468,394	1,931,774	536,620
Fleet maintenance	579,172	607,003	376,522	230,481
Total current	17,516,811	20,014,795	18,995,910	1,018,885
Capital outlay:				
General government	1,000	67,530	58,690	8,840
Municipal Court	1,000	45,124	1,297	43,827
City clerk	8,000	49,575	41,360	8,215
Information technology and telecommunication	105,000	132,504	106,498	26,006
Personnel	-	-	-	-
Finance	2,200	23,100	24,471	(1,371)
Planning	-	148,112	23,374	124,738
Facilities maintenance	4,228	4,228	3,180	1,048
Fleet Maintenance	1,000	10,500	10,221	279
Total capital outlay	122,428	480,673	269,091	211,582
Total general government	17,639,239	20,495,468	19,265,001	1,230,467

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

(continued)

CITY OF SANTA FE, NEW MEXICO
General Fund
Statement of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Public safety:				
Current:				
Police	17,623,058	18,626,667	17,386,456	1,240,211
Fire	11,926,001	12,066,114	11,881,335	184,779
Total current	<u>29,549,059</u>	<u>30,692,781</u>	<u>29,267,791</u>	<u>1,424,990</u>
Capital outlay:				
Police	16,000	646,300	53,366	592,934
Fire	13,750	534,489	71,647	462,842
Total capital outlay	<u>29,750</u>	<u>1,180,789</u>	<u>125,013</u>	<u>1,055,776</u>
Total public safety	<u>29,578,809</u>	<u>31,873,570</u>	<u>29,392,804</u>	<u>2,480,766</u>
Public works:				
Current:				
Administration	525,845	532,343	431,026	101,317
Highways, streets and roads	1,353,213	1,509,994	1,383,279	126,715
Traffic engineering	2,419,674	2,534,109	2,499,636	34,473
Total current	<u>4,298,732</u>	<u>4,576,446</u>	<u>4,313,941</u>	<u>262,505</u>
Capital outlay:				
Administration	-	-	-	-
Traffic Engineering	-	5,800	5,438	362
Total capital outlay	<u>-</u>	<u>5,800</u>	<u>5,438</u>	<u>362</u>
Total public works	<u>4,298,732</u>	<u>4,582,246</u>	<u>4,319,379</u>	<u>262,867</u>
Community development:				
Current:				
Human needs	1,402,216	1,640,244	1,384,427	255,817
Senior citizens	-	-	-	-
Community services	1,486,162	1,429,135	1,175,492	253,643
Inspection	1,136,938	1,255,117	1,223,528	31,589
Zoning	1,366,806	1,325,471	1,209,124	116,347
Total current	<u>5,392,122</u>	<u>5,649,967</u>	<u>4,992,571</u>	<u>657,396</u>
Capital outlay:				
Human needs	1,900	52,563	50,418	2,145
Senior citizens	-	43,650	-	43,650
Community services	-	3,751	3,448	303
Inspection	-	59,833	11,469	48,364
Zoning	-	-	-	-
Total capital outlay	<u>1,900</u>	<u>159,797</u>	<u>65,335</u>	<u>94,462</u>
Total community development	<u>5,394,022</u>	<u>5,809,764</u>	<u>5,057,906</u>	<u>751,858</u>
Culture and recreation:				
Current:				
Parks/grounds maintenance	5,131,111	5,539,802	5,298,020	241,782
Recreation	2,216,603	2,345,279	2,201,539	143,740
Total current	<u>7,347,714</u>	<u>7,885,081</u>	<u>7,499,559</u>	<u>385,522</u>
Capital outlay:				
Parks/grounds maintenance	8,000	6,400	6,191	209
Recreation	5,410	5,410	5,020	390
Total capital outlay	<u>13,410</u>	<u>11,810</u>	<u>11,211</u>	<u>599</u>
Total culture and recreation	<u>7,361,124</u>	<u>7,896,891</u>	<u>7,510,770</u>	<u>386,121</u>

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

(continued)

CITY OF SANTA FE, NEW MEXICO
General Fund
Statement of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Education:				
Current:				
Libraries	2,811,464	2,915,868	2,859,578	56,290
Total current	2,811,464	2,915,868	2,859,578	56,290
Capital outlay:				
Libraries	5,520	5,770	5,144	626
Total capital outlay	5,520	5,770	5,144	626
Total education	2,816,984	2,921,638	2,864,722	56,916
Total expenditures	67,088,910	73,579,577	68,410,582	5,168,995
Excess (deficiency) of revenues over expenditures	3,268,436	(2,664,322)	2,602,662	5,266,984
Other financing sources (uses):				
Transfers in	3,907,537	3,932,984	3,921,592	(11,392)
Transfers out	(7,175,973)	(7,418,806)	(7,418,806)	-
Total other financing sources (uses)	(3,268,436)	(3,485,822)	(3,497,214)	(11,392)
Net change in fund balance	-	(6,150,144)	(894,552)	5,255,592
Fund balance, beginning of year	27,847,223	27,847,223	27,847,223	-
Fund balance, end of year	\$ 27,847,223	\$ 21,697,079	\$ 26,952,671	\$ 5,255,592

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

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CITY OF SANTA FE, NEW MEXICO
Statement of Net Assets
Enterprise Funds
June 30, 2008

	Business-type Activities - Enterprise Funds		
	Waste Water Management	Water Management	Railyard Property
Assets			
Current assets:			
Cash, investments and cash equivalents	\$ 23,740,007	\$ 69,267,287	\$ -
Restricted cash, cash equivalents and investments:			
Restricted for debt service payments	185,751	375,935	-
Grants receivable	4,477	16,460,085	6,365,629
Receivable (net of allowances)			
State-shared taxes	343,422	1,364,694	-
Accounts	1,833,896	6,421,959	-
Interest receivable	127,226	309,036	17,830
Prepaid expenses	-	4,304,689	-
Total current assets	26,234,779	98,503,685	6,383,459
Noncurrent assets:			
Deferred charges (net of amortization)	464,831	1,414,879	-
Capital assets:			
Land and land rights	25,498	2,472,660	20,145,837
Buildings, structures and systems	14,860,897	10,787,233	-
Sewerlines	22,204,735	-	-
Improvements	19,181,556	69,703,477	-
Furniture and fixtures	17,142	585,001	-
Equipment and machinery	2,295,348	7,452,225	-
Vehicles	2,282,785	1,626,760	-
Intangible plant	-	57,625	-
Data processing equipment /software	257,065	926,703	-
Art	-	-	-
Construction in progress	14,060,682	47,498,288	29,889,378
Less accumulated depreciation	(42,055,853)	(42,254,275)	-
Total capital assets (net of accumulated depreciation)	33,129,855	98,855,697	50,035,215
Total noncurrent assets	33,594,686	100,270,576	50,035,215
Total assets	59,829,465	198,774,261	56,418,674
Liabilities			
Current liabilities:			
Accounts payable	136,994	1,209,224	2,468,452
Miscellaneous payable	77,050	276,058	-
Compensated absences payable	321,764	492,663	-
Accrued wages payable	189,240	327,374	-
Benefits payable	-	-	-
Claims and judgement payable	-	-	-
Bonds and notes payable - current portion	1,120,000	2,115,034	265,142
Accrued interest payable	109,835	200,518	63,678
Customer deposits payable	202,726	2,698,105	-
Other payable	-	-	-
Intangible deferred credit	-	-	-
Due to other funds	-	-	885,542
Total current liabilities	2,157,609	7,318,976	3,682,814
Noncurrent liabilities:			
Bonds payable (net of unamortized discounts)	26,194,121	64,693,431	13,815,090
Due to other funds	-	17,624,545	-
Total noncurrent liabilities	26,194,121	82,317,976	13,815,090
Total liabilities	28,351,730	89,636,952	17,497,904
Net Assets			
Invested in capital assets, net of related debt	23,203,552	39,135,790	36,831,255
Restricted for debt service	185,751	375,935	-
Unrestricted	8,088,432	69,625,584	2,089,515
Total net assets	\$ 31,477,735	\$ 109,137,309	\$ 38,920,770

The notes to the financial statements are an integral part of this statement. 28

			Governmental Activities- Internal Service Funds	
Santa Fe Convention Center	All Other Enterprise Funds	Totals		
\$ 17,722,832	\$ 10,270,392	\$ 121,000,518	\$ 16,562,172	Current assets:
53,890	108,952	724,528	-	Cash, investments and cash equivalents
-	2,098,972	24,929,163	-	Restricted cash, cash equivalents and investments:
-	343,661	2,051,777	-	Restricted for debt service payments
-	2,071,079	10,326,934	-	Grants receivable
102,102	56,348	612,542	76,383	Receivable (net of allowances)
-	-	4,304,689	-	State-shared taxes
				Accounts
				Interest receivable
				Prepaid expenses
17,878,824	14,949,404	163,950,151	16,638,555	Total current assets
538,971	652,490	3,071,171		Deferred charges (net of amortization)
-	4,322,068	26,966,063	-	Capital assets:
-	32,684,068	58,332,198	-	Land and land rights
-	-	22,204,735	-	Buildings and systems
-	20,257,682	109,142,715	-	Sewerlines
82,095	85,267	769,505	34,818	Improvements
186,765	4,540,209	14,474,547	12,910	Furniture and fixtures
12,850	16,208,182	20,130,577	47,306	Equipment and machinery
-	-	57,625	-	Vehicles
38,029	1,373,055	2,594,852	5,307	Intangible plant
5,000	180,971	185,971	-	Data processing equipment /software
53,683,432	28,938,535	174,070,315	-	Art
(313,376)	(40,264,204)	(124,887,708)	(40,807)	Construction in progress
				Less accumulated depreciation
53,694,795	68,325,833	304,041,395	59,534	Total capital assets (net of accumulated depreciation)
54,233,766	68,978,323	307,112,566	59,534	Total noncurrent assets
72,112,590	83,927,727	471,062,717	16,698,089	Total assets
1,872,778	973,078	6,660,526	194,526	Liabilities
-	85,231	438,339	-	Current liabilities:
12,869	1,122,097	1,949,393	110,105	Accounts payable
12,141	724,544	1,253,299	43,862	Miscellaneous payable
-	-	-	-	Compensated absences payable
-	18,000	18,000	-	Accrued wages payable
895,000	1,400,000	5,795,176	6,221,187	Benefits payable
208,733	99,756	682,520	-	Claims and judgement payable
18,299	186,958	3,106,088	-	Bonds and notes payable - current portion
-	-	-	-	Accrued interest payable
-	-	-	221	Customer deposits payable
-	-	-	-	Other payable
-	45,387	930,929	-	Intangible deferred credit
				Due to other funds
3,019,820	4,655,051	20,834,270	6,569,901	Total current liabilities
52,022,848	26,096,704	182,822,194	-	Noncurrent liabilities:
-	-	17,624,545	-	Bonds payable (net of unamortized discounts)
52,022,848	26,096,704	200,446,739	-	Due to other funds
55,042,668	30,751,755	221,281,009	6,569,901	Total noncurrent liabilities
				Total liabilities
18,879,485	41,458,017	159,508,099	59,534	Net Assets
53,890	108,952	724,528	-	Invested in capital assets, net of related debt
(1,863,453)	11,609,003	89,549,081	10,068,654	Restricted for debt service
				Unrestricted
\$ 17,069,922	\$ 53,175,972	\$ 249,781,708	\$ 10,128,188	Total net assets

CITY OF SANTA FE, NEW MEXICO
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Enterprise Funds
For the Year Ended June 30, 2008

	Business-type Activities- Enterprise Funds		
	Waste Water Management	Water Management	Railyard Property
Operating revenues:			
User fees	\$ 9,326,934	\$ 30,119,505	\$ -
Facilities rentals	-	28,845	634,870
Other revenue	46,297	105,789	-
Total operating revenues	9,373,231	30,254,139	634,870
Operating expenses:			
Salaries, wages and benefits	4,163,297	7,577,625	-
Contractual services and utilities	822,535	3,419,567	35,552
Repairs and maintenance	795,079	950,386	-
Supplies	437,737	1,024,665	-
Capital outlay-inventory exempt items	69,500	131,906	-
Depreciation	2,737,400	3,534,604	-
Amortization expense	-	(81,702)	-
Insurance	464,648	508,073	-
Other	681,321	1,519,810	3,629
Total operating expenses	10,171,517	18,584,934	39,181
Operating income (loss)	(798,286)	11,669,205	595,689
Non-operating revenues (expenses):			
Investment income	1,307,004	3,469,745	305,778
Intergovernmental			
State-shared taxes	343,422	8,113,414	-
Grants	45,447	1,567,685	7,187,248
Gain (loss) on sale of capital assets	(26,474)	12,776	-
Interest expense	(1,144,850)	-	(305,778)
Other non-operating expenses	(35,907)	(489,617)	-
Total non-operating revenues (expenses)	488,642	12,674,003	7,187,248
Income(loss) before transfers	(309,644)	24,343,208	7,782,937
Transfers in	12,032,208	226,500	4,100,000
Transfers out	(47,733)	(71,000)	(2,015,648)
Change in net assets	11,674,831	24,498,708	9,867,289
Total net assets (previously stated)	47,746,214	84,638,601	29,053,481
Adjustment to net assets:			
Reclass debt service	(27,943,310)	-	-
Total net assets, beginning of year (restated)	19,802,904	84,638,601	29,053,481
Total net assets-end of year	\$ 31,477,735	\$ 109,137,309	\$ 38,920,770

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

Santa Fe Convention Center	All Other Enterprise Funds	Totals	Governmental Activities- Internal Service Funds	
\$ -	\$ 16,415,941	\$ 55,862,380	\$ -	User fees
-	-	663,715	-	Facilities rentals
4,344	1,533,163	1,689,593	20,869,172	Other revenue
4,344	17,949,104	58,215,688	20,869,172	Total operating revenues
83,913	15,750,613	27,575,448	1,056,944	Salaries, wages and benefits
158,185	3,475,944	7,911,783	733,534	Contractual services and utilities
-	1,531,334	3,276,799	847	Repairs and maintenance
12,831	1,875,687	3,350,920	52,603	Supplies
22,241	1,195,575	1,419,222	-	Capital outlay-inventory exempt items
9,465	4,004,831	10,286,300	7,980	Depreciation expense
-	19,670	(62,032)	-	Amortization expense
20,000	1,029,075	2,021,796	18,627,751	Insurance
374,377	2,699,729	5,278,866	34,046	Other
681,012	31,582,458	61,059,102	18,513,705	Total operating expenses
(676,668)	(13,633,354)	(2,843,414)	2,355,467	Operating income (loss)
1,389,603	606,235	7,078,365	688,377	Investment income
-	343,661	8,800,497	-	- Intergovernmental
-	6,941,862	15,742,242	-	- State-shared taxes
4,330	(15,235)	(24,603)	-	- Grants
(1,389,603)	(1,284,518)	(4,124,749)	-	- Gain (loss) on sale of capital assets
(12,419)	(21,163)	(559,106)	-	- Interest expense
-	-	-	-	- Other non-operating expenses
(8,089)	6,570,842	26,912,646	688,377	Total non-operating revenues (expenses)
(684,757)	(7,062,512)	24,069,232	3,043,844	Income(loss) before transfers
3,859,350	12,160,988	32,379,046	579,504	Transfers in
(75,500)	(378,120)	(2,588,001)	(579,504)	Transfers out
3,099,093	4,720,356	53,860,277	3,043,844	Change in net assets
58,211,004	62,839,676	282,488,976	7,084,344	Total net assets (previously stated)
(44,240,175)	(14,384,060)	(86,567,545)	-	Adjustment to net assets:
-	-	-	-	- Reclass debt service
13,970,829	48,455,616	195,921,431	7,084,344	Total net assets, beginning of year (restated)
\$ 17,069,922	\$ 53,175,972	\$ 249,781,708	\$ 10,128,188	Total net assets, end of year

CITY OF SANTA FE, NEW MEXICO
Statement of Cash Flows
Enterprise Funds
For the Year Ended June 30, 2008

Business-type Activities-Enterprise Funds

	Waste Water Management	Water Management	Railyard Property
Cash flows from operating activities:			
Cash received from customers	\$ 8,846,753	\$ 28,765,115	\$ 634,870
Cash received from interfund services provided and used	-	-	-
Cash payments to suppliers for goods and services	(3,882,895)	(7,816,410)	849,990
Cash paid for interfund services provided and used	(614,881)	(981,813)	(3,629)
Cash payments to employees for services	(4,196,791)	(7,670,883)	-
Net cash provided (used) by operating activities:	152,186	12,296,009	1,481,231
Cash flows from noncapital financing activities:			
Intergovernmental	40,970	9,073,746	2,869,456
Transfers-in from other funds	12,032,208	226,500	4,100,000
Transfers-out to other funds	(47,733)	(71,000)	(2,015,648)
Net cash provided (used) by noncapital financing activities	12,025,445	9,229,246	4,953,808
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	(6,220,948)	(5,341,725)	(17,458,632)
Proceeds from sale of capital assets	34,608	13,309	-
Proceeds from sale of bonds	-	-	-
Principal paid on revenue bond maturities and notes payable	(1,095,000)	(6,000,004)	(140,903)
Interest paid on revenue bonds and notes payable	(1,091,315)	(2,725,819)	(561,500)
Net cash used for capital and related financing activities	(8,372,655)	(14,054,239)	(18,161,035)
Cash flows from investing activities:			
Interest and dividends on investments	1,240,007	3,170,363	352,321
Net cash provided by investing activities	1,240,007	3,170,363	352,321
Net increase (decrease) in cash and cash equivalents	5,044,983	10,641,379	(11,373,675)
Cash, investments and cash equivalents at beginning of year	18,880,775	59,001,843	11,373,675
Cash, investments and cash equivalents at end of year	\$ 23,925,758	\$ 69,643,222	\$ -
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (798,286)	\$ 11,669,205	\$ 595,689
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation/amortization	2,737,400	3,452,902	-
Change in assets and liabilities:			
(Increase) decrease in accounts receivable	(526,478)	(1,023,212)	-
(Increase) decrease in prepaid expenses	-	(1,493,458)	-
(Increase) decrease in deferred charges	-	-	-
Increase (decrease) in accounts payable	(1,427,530)	93,909	-
Increase (decrease) in other payable	13,206	-	-
Increase (decrease) in compensated absences payable	(37,147)	(85,688)	-
Increase (decrease) in accrued wages payable	29,757	(7,570)	-
Increase (decrease) in benefits payable	(26,104)	155,733	-
Increase (decrease) in escrow	187,368	(465,812)	-
Increase (decrease) in due to other funds	-	-	885,542
(Increase) decrease in reserve in trust	-	-	-
Total adjustments	950,472	626,804	885,542
Net cash provided (used) by operating activities	\$ 152,186	\$ 12,296,009	\$ 1,481,231

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

Santa Fe Convention Center	All Other Enterprise Funds	Totals	Governmental Activities- Internal Service Funds	
\$ 4,344	\$ 17,797,663	\$ 56,048,745	\$ 14,182,592	Cash flows from operating activities:
-	-	-	6,686,580	Cash received from customers
(1,578,715)	(10,499,790)	(22,927,820)	(17,724,356)	Cash received from interfund services provided and used
-	(1,351,524)	(2,951,847)	-	Cash payments to suppliers for goods and services
(88,486)	(15,928,375)	(27,884,535)	(1,056,465)	Cash paid for interfund services provided and used
(1,662,857)	(9,982,026)	2,284,543	2,088,351	Cash payments to employees for services
				Net cash provided (used) by operating activities:
				Cash flows from noncapital financing activities:
-	5,858,950	17,843,122	-	Intergovernmental
3,859,350	12,160,988	32,379,046	579,504	Transfers-in from other funds
(75,500)	(378,120)	(2,588,001)	(579,504)	Transfers-out to other funds
3,783,850	17,641,818	47,634,167	-	Net cash provided (used) by noncapital financing activities
				Cash flows from capital and related financing activities:
(32,191,724)	(10,748,284)	(71,961,313)	(65,126)	Acquisition and construction of capital assets
4,330	107,268	159,515	-	Proceeds (Loss) from sale of capital assets
8,495,220	-	8,495,220	-	Proceeds from sale of bonds
(285,000)	(1,357,286)	(8,878,193)	-	Principal paid on revenue bond maturities and notes payable
(1,968,800)	(1,233,039)	(7,580,473)	-	Interest paid on revenue bonds and notes payable
(25,945,974)	(13,231,341)	(79,765,244)	(65,126)	Net cash used for capital and related financing activities
				Cash flows from investing activities:
1,420,399	618,927	6,802,017	682,571	Interest and dividends on investments
1,420,399	618,927	6,802,017	682,571	Net cash provided by investing activities
(22,404,582)	(4,952,622)	(23,044,517)	2,705,796	Net increase (decrease) in cash and cash equivalents
40,181,304	15,331,966	144,769,563	13,856,376	Cash, investments and cash equivalents at beginning of year
\$ 17,776,722	\$ 10,379,344	\$ 121,725,046	\$ 16,562,172	Cash, investments and cash equivalents at end of year
				Reconciliation of operating income (loss) to net cash provided (used) by operating activities:
\$ (676,668)	\$ (13,633,354)	\$ (2,843,414)	\$ 2,355,467	Operating income (loss)
				Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:
9,465	4,024,501	10,224,268	7,980	Depreciation/amortization
-	(327,621)	(1,877,311)	-	Change in assets and liabilities:
-	-	(1,493,458)	-	(Increase) decrease in accounts receivable
-	-	-	(4,370)	(Increase) decrease in prepaid expenses
(998,480)	(236,489)	(2,568,590)	15,246	(Increase) decrease in deferred charges
-	135,005	148,211	(39,942)	Increase (decrease) in accounts payable
(7,153)	(225,127)	(355,115)	(2,364)	Increase (decrease) in other payable
6,914	156,736	185,837	2,843	Increase (decrease) in compensated absences payable
(4,334)	(100,136)	25,159	-	Increase (decrease) in accrued wages payable
7,399	179,072	(91,973)	-	Increase (decrease) in benefits payable
-	45,387	930,929	-	Increase (decrease) in escrow
-	-	-	(246,509)	Increase (decrease) in due to other funds
(986,189)	3,651,328	5,127,957	(267,116)	(Increase) decrease in claims payable
				Total adjustments
\$ (1,662,857)	\$ (9,982,026)	\$ 2,284,543	\$ 2,088,351	Net cash provided (used) by operating activities

City of Santa Fe, New Mexico
Notes to the Financial Statements
June 30, 2008

I. Summary of significant accounting policies

A. Reporting entity

The City of Santa Fe (the "City") is a municipal corporation governed by an elected mayor and an eight-member council. The accompanying financial statements present the government and its component unit as an entity for which the City is considered to be financially accountable. The City has no blended component units that are legally separate entities, but still in substance part of the government's operations. The discretely presented component unit is reported in a separate column in the government-wide financial statements in order to emphasize that it is a legally separate entity from the City (see "discretely presented component unit" below).

Discretely presented component unit. The Santa Fe Civic Housing Authority (a discretely presented component unit) is comprised of nine programs: The Santa Fe Civic Housing Authority, Section 8 Housing, La Cieneguita Elderly Housing, the Housing Development Corporation, the Cielo Azul, the Capital Projects Fund, Mainstream Voucher, Region II HUD Voucher, and Mora County HUD Voucher. The Santa Fe Civic Housing Authority is responsible for providing public housing services within the city limits. The Section 8 Housing and La Cieneguita Elderly Housing assistance programs are responsible for subsidizing low income housing. The Housing Development Corporation is responsible for providing 100 units of housing for elderly persons who qualify for assistance under Section 8 of the United States Housing Act of 1987. The Cielo Azul is used to account for the activity of an affordable housing project purchased in October 2004. The primary function of Cielo Azul is to house residents whose income is less than or equal to 80% of the area's median income. The City is financially accountable for the component unit since the Mayor, with approval of the City Council, appoints a voting majority of the governing board and can impose its will on the entity. The component unit is presented as an enterprise-type fund.

Complete financial statements for the component unit may be obtained at the Santa Fe Civic Housing Authority, 664 Alta Vista, Santa Fe, NM 87505.

B. Government-wide and fund financial statements

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

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

City of Santa Fe, New Mexico
Notes to the Financial Statements
June 30, 2008

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

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

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

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

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

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

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

City of Santa Fe, New Mexico
Notes to the Financial Statements
June 30, 2008

The City reports the following major governmental funds:

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

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

The City reports the following major proprietary funds:

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

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

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

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

Additionally, the City reports the following fund types:

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

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

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

Amounts reported as program revenues include charges to customers or applicants for goods, services, or privileges provided, operating grants and contributions, and capital grants and

City of Santa Fe, New Mexico
Notes to the Financial Statements
June 30, 2008

contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal serve funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. In accounting and reporting for its proprietary operations, the City does not apply applicable FASB statements and Interpretations issued after November 30, 1989.

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

D. Assets, liabilities and net assets or equity

1. Deposits and investments

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

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

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

City of Santa Fe, New Mexico
Notes to the Financial Statements
June 30, 2008

This provides for the following authorized investments:

1. United States Treasury Securities (Bills, Notes and Bonds).
2. Insured and/or collateralized (with securities of the U.S. Government, its agencies or instrumentalities) certificates of deposit of banks, savings and loan associations, and credit unions, pursuant to State Board of Finance Collateral Policies.
3. Other securities issued by the United States government or its agencies or instrumentalities that are either direct obligations of the United States, the Federal Home Loan Mortgage Corp., the Federal National Mortgage Assoc., the Federal Home Loan Bank, the Federal Farm Credit Bank, or the Student Loan Marketing Assoc., or are backed by the full faith and credit of the United States Government.
4. Money market funds that are registered with the SEC, carry an AAA rating, invest entirely in U.S. government and/or U.S. government agency securities (as defined above), and maintain total asset size of not less than \$100,000,000.
5. Investments in the New Mexico Local Government Investment Pool (NM LGIP)
 - (a) The investments are valued at fair value based on quoted market prices as of the evaluation date;
 - (b) The NM LGIP is not SEC registered, but does maintain an AAAM rating (highest rating for pools) from Standard and Poor's. Section 6-10-10 I, NMSA 1978, empowers the State Treasurer, with the advice and consent of the State Board of Finance, to invest money held in the short-term investment fund in securities that are issued by the United States government or by its departments or agencies and are either direct obligations of the United States or are backed by the full faith and credit of the United States government or are agencies sponsored by the United States government. The Local Government Investment Pool investments are monitored by the same investment committee and the same policies and procedures that apply to all other state investments;
 - (c) The pool does not have unit shares. Per Section 6-10-10.1F, NMSA 1978, at the end of each month all interest earned is distributed by the State Treasurer to the accounting entities in amounts directly proportionate to the respective amounts deposited in the fund and the length of time the amounts were invested; and
 - (d) Participation in the Local Government Investment Pool is voluntary.
6. Repurchase agreements and forward purchase agreements with equivalent collateral of at least one hundred two percent of the market value of the securities plus accrued interest.

City of Santa Fe, New Mexico
Notes to the Financial Statements
June 30, 2008

Interest earnings on pooled investments are distributed monthly to all participating funds based on the funds average daily cash balance. Investments for the City, as well as for its component unit, are stated at fair value.

2. Receivables and payables

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

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

All trade receivables are shown net of an allowance for uncollectibles. Trade accounts receivable in excess of 180 days comprise the trade accounts receivable allowance for uncollectibles.

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

3. Inventories and prepaid items

Inventories are valued at cost, which approximates market using the first-in, first-out (FIFO) method. Expenditures in governmental funds and expenses in proprietary funds are recorded as the inventory items are consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

City of Santa Fe, New Mexico
Notes to the Financial Statements
June 30, 2008

4. Restricted Assets

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

5. Capital assets

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

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The total interest expense, net of amortization, capitalized by the Water Management, Railyard Property, and the Santa Fe Convention Center during the current fiscal year was \$2,699,185, \$272,608 and \$787,930 respectively.

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

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

6. Compensated absences

It is the City's policy to permit employees to accumulate earned but unused vacation, compensatory hours and sick pay benefits. There is a liability for these benefits since the city has a policy to pay any amount when the employee has earned the benefits. All vacation and

City of Santa Fe, New Mexico
Notes to the Financial Statements
June 30, 2008

compensatory hours are accrued when incurred in the government-wide and proprietary fund financial statements. The sick leave liability is calculated using the vesting method. The City's employees can utilize these balances for early retirement, buy out options, or donate the hours to a sick leave bank to be used by other employees.

7. Long-term obligations

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

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

8. Fund equity

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

9. Net Assets

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

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

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

City of Santa Fe, New Mexico
Notes to the Financial Statements
June 30, 2008

Unrestricted Net Assets-Unreserved net assets consist of net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

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

10. Comparative Data/Reclassifications

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

11. Use of Estimates

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

II. Reconciliation of government-wide and fund financial statements

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

The governmental fund balance sheet includes reconciliation between *fund balance – total governmental funds* and *net assets – governmental* activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that “long-term liabilities, including bonds and notes payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of the \$ 138,988,926 difference are as follows:

Bonds Payable	\$ 112,615,000
Plus: Bond premuim (to be amortized as interest expense)	3,594,455
Capital Leases Payable	520,046
Intergovernmental Notes Payable	16,036,976
Sub - Total	<u>132,766,477</u>
Compensated Absences	6,222,449
Net Adjustment to reduce <i>fund balance - total governmental funds</i>	<u><u>\$ 138,988,926</u></u>

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

City of Santa Fe, New Mexico
Notes to the Financial Statements
June 30, 2008

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between *net changes in fund balance – total governmental funds* and *changes in net assets of government activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of the \$ 11,990,233 are as follows:

Capital Outlay		\$ 26,229,140
Less: Capital Outlay-Inventory Exempt		(5,909,298)
Depreciation Expense		(8,329,609)
Net Adjustment to Increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities		\$ 11,990,233

Another element of that reconciliation states that “the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds.” Neither transaction however has any effect on net assets. Also, governmental funds report the deferred and amortized amounts in the statement of activities. The details of this (\$33,401,657) difference are as follows:

Debt issued or incurred:		
Issuance of revenue bonds plus premium		\$ (21,598,540)
Issuance of general obligation bonds plus premium		(20,160,000)
Deferred bond costs		753,436
Principal Repayments:		
Revenue bond debt		7,210,000
Capital lease payments		250,749
NMFA and HUD Loan agreement payments		142,698
Net Adjustment to <i>decrease net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>		\$ (33,401,657)

Another element of that reconciliation states that “Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.” The details of this \$(1,012,810) difference are as follows:

Compensated Absences		\$ (1,044,698)
Interest Payable		(211,388)
Amortization of bond premiums		246,262
Amortization of deferred charges		(2,986)
Net Adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>		\$ (1,012,810)

City of Santa Fe, New Mexico
Notes to the Financial Statements
June 30, 2008

III. Stewardship, compliance and accountability

A. Budgetary information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all funds. All annual appropriations lapse at fiscal year end.

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

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

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

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

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

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

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

City of Santa Fe, New Mexico
Notes to the Financial Statements
June 30, 2008

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

B. Excess of expenditures/expenses over appropriations

For the year ended June 30, 2008, expenditures/expenses exceeded appropriations in the following funds:

The Land Development Fund, reported as a Special Revenue Fund, is reporting excess expenses over appropriations of \$160,944. This deficit was caused by the traffic signal light being completed by a third party. The balance of the amount over-expended was funded by available cash balance.

The Plaza Use Fund, reported as a Special Revenue Fund, is reporting excess expenses over appropriations of \$4,823. This deficit was caused by the project costing more than anticipated. The balance was covered by unbudgeted revenue.

The Debt Service Fund is reporting excess expenses over appropriations of \$124,024. This deficit was caused by unbudgeted bond issuance costs. The balance of the amount over-expended was covered by available cash balance.

The Retiree Health Care Fund, reported as an Internal Service Fund, is reporting excess of expenses over appropriations of \$76,255. The balance of the amount over-expended was recovered by available cash balance.

The Santa Fe Housing Development Corporation fund reported excess of expenses over budgeted expenditures of \$197,781. The deficit was related to depreciation and unplanned repairs due to excessive rains near year end.

C. Deficit fund equity

The Municipal Recreation Complex, reported as an Enterprise Fund, has deficit fund equity of \$8,424,257 as of June 30, 2008. The deficit is the result of a portion of the bond proceeds being required for start-up costs, including capitalized interest and working capital.

The Solid Waste Management, reported as an Enterprise Fund, has deficit fund equity of \$3,099,998 as of June 30, 2008. The deficit is the result of reclassifying debt from governmental activities to business type activities. The deficit is expected to be recovered as a result of on-going operations.

The Cielo Azul, reported as a Component Unit Enterprise Fund, has deficit fund equity of \$25,859 as of June 30, 2008. The deficit is due to the activity being a start-up development for

City of Santa Fe, New Mexico
Notes to the Financial Statements
June 30, 2008

the Housing Authority in 2005. This deficit is expected to be recovered as a result of on-going operations.

IV. Detailed notes on all funds

A. Cash and Cash Equivalents

At year-end, the carrying amount of deposits for the City of Santa Fe was \$34,796,643 and the year-end bank balance was \$36,369,198. The total of demand deposits and short term-term certificates of deposit were covered by Federal Depository Insurance, by collateral held by the City's agent in the City's name, or by collateral held at appropriate custodial banks as delivered by the depository institution for the various certificates of deposit other than those held by the City's agent bank. The City's sweep accounts, the underlying investments of which are U.S. Government securities, are not subject to collateralization requirements.

The carrying amount of deposits for the Housing Authority, presented as a component unit, was \$2,959,854 and the bank balance was \$3,171,099. All bank balances were covered by both Federal Depository Insurance and by collateral pledged in the Housing Authority's name.

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. As of June 30, 2008 none of the City's deposits were exposed to custodial credit risk; the total of demand deposits and short-term certificates of deposit were covered by FDIC, by collateral held by the City's agent in the City's name, or by collateral held at appropriate custodial banks as delivered by the depository institution for certificates of deposit other than those held at the City's agent bank.

The Housing Authority does not have a deposit policy for custodial credit risk. As of June 30, 2008, \$2,571,099 of the Authority's bank balance of \$3,171,099 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 256,589
Uninsured and collateral held by pledging bank's trust department not in the Authorities name	2,314,510
	\$ 2,571,099

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

City of Santa Fe, New Mexico
Notes to the Financial Statements
June 30, 2008

B. Investments

As of June 30, 2008, the City had the following investments and maturities:

	Fair Value	Maturities			
		Less than 1 year	1 - 3 years	3 - 5 years	5 - 7 years
U. S. Government Agency bonds	\$ 112,594,061	\$ 79,619,095	\$ 28,639,344	\$ 3,840,971	\$ 494,651
NM Municipal bonds	5,891,644	1,751,213	701,445	3,438,986	-
Forward Purchase Agreements	128,219	128,219	-	-	-
	<u>118,613,924</u>	<u>\$ 81,498,527</u>	<u>\$ 29,340,789</u>	<u>\$ 7,279,957</u>	<u>\$ 494,651</u>
Money Market Funds	44,996,095				
NM LGIP	43,705,040				
Forward Purchase Agreements Cash	53,139				
Total Investments	<u>\$ 207,368,198</u>				

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy limits portfolio maturities to five years or less, though investments held to accommodate debt reserve requirements may have longer maturities. It further manages exposure by limiting the weighted average maturity of its investment portfolio to less than one year. The New Mexico Local Government Investment Pool at June 30, 2008 had a weighted average maturity of 46 days.

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

With the demise of most bond insurance firms and the unprecedented bond market turmoil that began during FY 2007-2008, the use of municipal bond insurance as a means of providing municipalities with AAA ratings was severely curtailed. The rating agencies began reviewing underlying municipal credit ratings and adjusting them as they felt necessary. Consequently, certain municipal investments held in the City portfolio are no longer listed as carrying their original AAA rating held at the time of purchase, but are reflected at their underlying rating. Securities affected include the following, with Gallup having a Moody's rating. Collectively, these securities represent 36% of the City's municipal security holdings, or 1.6% of total portfolio holdings. The City does not have a significant position in any one of these bonds and they are still investment grade securities. It is expected that rating agency review of municipal

City of Santa Fe, New Mexico
Notes to the Financial Statements
June 30, 2008

bonds will continue and it is possible that in the future other such securities held by the City may reflect a change from AAA. The City will monitor these securities, and indeed all of the municipals in its portfolio, and make appropriate decisions should the need arise.

	<u>Fair Value</u>	<u>Rating</u>
Albuquerque Airport Bond	749,993	AA
Gallup Sales Tax Bond	213,405	AA3
NMFA Project Bond	488,040	AA+
Rio Rancho Event Center Bond	494,620	AA

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

The following table lists the fair value of securities and money market/pools in the City's portfolio as of June 30, 2008 with their respective percent of the portfolio, weighted average maturity and ratings. The City purchases FFCB, FHLB, FHLMC, FNMA and GNMA agencies. The percentage distribution among securities changes constantly throughout the fiscal year. The Wells Fargo Bank money market account serves as the repository for cash derived from matured securities and available proceeds are continuously reinvested into securities.

<u>Investment</u>	<u>Fair Value</u>	<u>% of Portfolio</u>	<u>WAM (Yrs)</u>	<u>Rating</u>
NM LGIP	43,705,040	21.08%	0.002	AAAm
WFB Adv. Govt. Money Market	19,549,234	9.43%	0.002	AAAm
BlackRock	10,500,000	5.06%	0.002	AAAm
Fidelity	15,000,000	7.23%	0.002	AAAm
US Treasuries	128,219	0.06%	0.24	AAA
US Agencies				AAA
FFCB	30,008,531	14.47%	1.35	AAA
FHLB	44,653,023	21.53%	0.84	AAA
FNMA	22,420,350	10.81%	0.68	AAA
FHLMC	14,972,035	7.22%	1.19	AAA
GNMAs	540,122	0.26%	8.31	AAA
NM Municipals - Taxable	5,403,604	2.61%	2.26	AA-AAA
NM Municipals - Tax Exempt	488,040	0.24%	1.92	AA+
TOTAL	207,368,198	100.00%	0.62	

The City held uninsured deposits of \$33,357,796 at June 30, 2008, of which 85% resided at Wells Fargo Bank, the City's primary financial institution. All uninsured funds were collateralized in compliance with State of New Mexico statute.

All securities owned by the City are held by Wells Fargo Bank as custodian for the City, and with the exception of municipal securities which carry their own rating, all securities are registered AAA-rated federal agency securities backed by the full faith and credit of the federal government. The City invests in money market funds that contain only agency securities

City of Santa Fe, New Mexico
Notes to the Financial Statements
June 30, 2008

backed by the full faith and credit of the federal government. It has invested in the New Mexico Local Government Investment Pool which does contain AAA corporate paper in line with State of New Mexico statute, but the City itself does not hold any corporate paper.

The Housing Authority, presented as a component unit, had no at-risk investments at June 30, 2008.

C. Receivables

Receivables at June 30, 2008 for the City's individual major funds, non-major and internal service funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Debt Service	Waste water Mgmt	Water Mgmt	Railyard Property	Santa Fe Center	Nonmajor and Other Funds	Total
Receivables:								
Taxes	\$ 10,460,907	\$ -	\$ 343,422	\$ 1,364,694	\$ -	\$ -	\$ 5,659,077	\$ 17,828,100
Grants	203,594	-	4,477	16,460,085	6,365,629	-	8,449,099	31,482,884
Accounts	-	-	2,284,808	7,991,391	-	-	2,455,216	12,731,415
Interest	96,490	87,320	127,226	309,036	17,830	102,102	357,923	1,097,927
Ambulance	4,310,581	-	-	-	-	-	-	4,310,581
Other	43,779	-	-	-	-	-	2,859,418	2,903,197
Gross Receivables	15,115,351	87,320	2,759,933	26,125,206	6,383,459	102,102	19,780,733	70,354,104
Less: Allowance								
Uncollectible:	(2,035,505)	-	(450,912)	(1,569,432)	-	-	(384,137)	(4,439,986)
Total Primary Government	\$ 13,079,846	\$ 87,320	\$ 2,309,021	\$ 24,555,774	\$ 6,383,459	\$ 102,102	\$ 19,396,596	\$ 65,914,118
Component Units:								
Grants and tenants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 86,320	\$ 86,320
Other	-	-	-	-	-	-	43,518	43,518
Total Component Units:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 129,838	\$ 129,838

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

	Deferred
Land Sale Contract - (Special Revenue)	\$ 2,512,827
Special Assessments-(Special Revenue)	74,775
Grant-(Special Revenue)	25,000
Reimbursement of Gas line extension - (General Fund)	43,779
Liquor Licenses - (General Fund)	38,250
Total Unearned Revenue for Governmental Funds	<u>\$ 2,694,631</u>

City of Santa Fe, New Mexico
Notes to the Financial Statements
June 30, 2008

D. Capital assets

Capital asset activity for the year ended June 30, 2008 was as follows:

Primary Government

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets not being Depreciated:				
Land	\$ 162,499,280	\$ 3,860,173	\$ -	\$ 166,359,453
Construction in Progress	24,205,840	11,074,235	(4,574,863)	30,705,212
Art	922,920	-	-	922,920
Total Capital Assets not being Depreciated	<u>187,628,040</u>	<u>14,934,408</u>	<u>(4,574,863)</u>	<u>197,987,585</u>
Capital Assets being Depreciated:				
Buildings	42,493,519	93,547	-	42,587,066
Improvements	19,285,272	4,322,112	-	23,607,384
Equipment, Machinery, Utility, Systems	13,802,864	1,212,903	(360,727)	14,655,040
Furniture and Fixtures	602,957	72,285	(60,722)	614,520
Vehicles	15,869,996	2,767,781	(359,385)	18,278,392
Data Processing and Software	6,608,216	1,161,692	(184,832)	7,585,076
Traffic Signals	21,752,077	-	-	21,752,077
Streets	174,583,118	239,852	-	174,822,970
Bridges	1,954,017	155,252	-	2,109,269
Total Capital Assets being Depreciated	<u>296,952,036</u>	<u>10,025,424</u>	<u>(965,666)</u>	<u>306,011,794</u>
Less: Accumulated Depreciation for:				
Buildings	(7,634,141)	(774,119)	-	(8,408,260)
Improvements	(13,812,392)	(1,345,091)	-	(15,157,483)
Equipment and Machinery	(10,606,469)	(1,122,583)	347,323	(11,381,729)
Furniture and Fixtures	(502,638)	(20,175)	54,324	(468,489)
Vehicles	(10,563,811)	(1,314,927)	310,851	(11,567,887)
Data Processing and Software	(4,583,266)	(697,281)	183,822	(5,096,725)
Traffic Signals	(18,458,269)	(647,371)	-	(19,105,640)
Streets	(142,147,701)	(2,218,761)	-	(144,366,462)
Bridges	(9,096)	(197,282)	-	(206,378)
Total Accumulated Depreciation	<u>(208,317,783)</u>	<u>(8,337,590)</u>	<u>896,320</u>	<u>(215,759,053)</u>
Total Capital Assets being Depreciated	<u>88,634,253</u>	<u>1,687,834</u>	<u>(69,346)</u>	<u>90,252,741</u>
Governmental Activities Capital Assets	<u>\$ 276,262,293</u>	<u>\$ 16,622,242</u>	<u>\$ (4,644,209)</u>	<u>\$ 288,240,326</u>

City of Santa Fe, New Mexico
Notes to the Financial Statements
June 30, 2008

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities:				
Capital Assets not being Depreciated:				
Land	\$ 26,966,063	\$ -	\$ -	\$ 26,966,063
Construction in Progress	105,909,489	70,715,727	(2,554,901)	174,070,315
Art	180,971	5,000	-	185,971
Total Assets not being Depreciated	133,056,523	70,720,727	(2,554,901)	201,222,349
Capital Assets being Depreciated:				
Buildings and Structures	57,866,507	465,691	-	58,332,198
Improvements	107,945,660	1,197,055	-	109,142,715
Sewerlines	21,120,966	1,083,769	-	22,204,735
Equipment and Machinery	13,012,778	1,677,614	(215,845)	14,474,547
Furniture and Fixtures	794,128	-	(24,623)	769,505
Vehicles	18,571,085	3,048,607	(1,489,115)	20,130,577
Intangible Plant	57,625	-	-	57,625
Data Processing and Software	2,523,907	210,950	(140,005)	2,594,852
Total Assets being Depreciated	221,892,656	7,683,686	(1,869,588)	227,706,754
Less Accumulated Depreciation for:				
Buildings and Structures	(21,651,990)	(939,238)	-	(22,591,228)
Improvements	(55,182,345)	(6,193,149)	-	(61,375,494)
Sewerlines	(12,600,262)	(475,554)	-	(13,075,816)
Equipment and Machinery	(11,421,502)	(829,784)	215,850	(12,035,436)
Furniture and Fixtures	(707,237)	(21,505)	19,328	(709,414)
Vehicles	(12,874,734)	(1,646,109)	1,370,133	(13,150,710)
Intangible Plant	(57,625)	-	-	(57,625)
Data Processing and Software	(1,850,200)	(180,961)	139,176	(1,891,985)
Total Accumulated Depreciation	(116,345,895)	(10,286,300)	1,744,487	(124,887,708)
Total Capital Assets being Depreciated	105,546,761	(2,602,614)	(125,101)	102,819,046
Business-type Activities Capital Assets	\$ 238,603,284	\$ 68,118,113	\$ (2,680,002)	\$ 304,041,395

City of Santa Fe, New Mexico
Notes to the Financial Statements
June 30, 2008

Discretely presented component unit:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets not being Depreciated:				
Land	\$ 835,152	\$ 30,000	\$ -	\$ 865,152
Construction In Progress	559,102	375,886	(631,385)	303,603
Total Capital Assets not being Depreciated	<u>1,394,254</u>	<u>405,886</u>	<u>(631,385)</u>	<u>1,168,755</u>
Capital Assets being Depreciated:				
Buildings and Improvements	26,867,755	1,224,104	-	28,091,859
Furniture and Fixtures	243,759	-	-	243,759
Vehicles	195,309	23,595	(9,155)	209,749
Machinery and Equipment	199,514	41,082	-	240,596
Total Capital Assets being Depreciated	<u>27,506,337</u>	<u>1,288,781</u>	<u>(9,155)</u>	<u>28,785,963</u>
Less: Accumulated Depreciation:	<u>(17,182,779)</u>	<u>(1,375,237)</u>	<u>9,155</u>	<u>(18,548,861)</u>
Total Capital Assets being Depreciated, Net	<u>10,323,558</u>	<u>(86,456)</u>	<u>-</u>	<u>10,237,102</u>
Discretely Presented Component Unit Capital Assets, Net	<u>\$ 11,717,812</u>	<u>\$ 319,430</u>	<u>\$ (631,385)</u>	<u>\$ 11,405,857</u>

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

Governmental Activities:

General Government	\$ 1,785,733
Public Safety	484,732
Highways and Street, excluding depreciation of general infrastructure assets	5,655,202
Community Welfare	80,789
Culture and Recreation	323,154
Subtotal	<u>8,329,610</u>
Capital Assets held by the City's Internal Service Funds are charged to the various functions based on their usage of the Assets	7,980
Total Depreciation Expense - Governmental Activities	<u>\$ 8,337,590</u>

Business - Type Activities:

Santa Fe Convention Center	\$ 9,465
Parking Operations	118,120
Solid Waste Management	785,641
Waste Water Management	2,737,400
Water Management	3,534,604
Municipal Recreation Center	1,332,493
Genoveva Chavez Community Center	501,690
Airport	342,419
Transit Operations	924,468
Total Depreciation Expense - Business-Type Activities	<u>\$ 10,286,300</u>

City of Santa Fe, New Mexico
Notes to the Financial Statements
June 30, 2008

Construction commitments:

The City has active construction projects as of June 30, 2008. The projects include street and highway construction, parks and recreation, community welfare, municipal facilities, airport improvements, and water division facilities improvements, waste water management, rail yard infrastructure, parking and transit. At year end the City's commitments with contractors are as follows:

Project	Spent to Date	Remaining Commitments
Street and Highway Construction	\$ 30,141,067	\$ 5,467,555
Parks and Recreation	15,809,918	813,432
Municipal Facilities Improvements	6,399,568	1,744,075
Railyard Infrstructure	29,065,653	3,683,493
Airport Improvements	10,231,235	187,183
Community Welfare	967,164	247,486
Wastewater Management	6,446,279	1,594,736
Water Division Improvements	22,340,136	5,788,450
Convention Center	52,982,347	11,975,826
Parking	16,164,445	637,528
Transit	3,094,733	1,284,474
Total	\$ 193,642,545	\$ 33,424,238

The commitment for streets and highways is being financed by grants from Federal Highway Administration, New Mexico Highway and Transportation Department, New Mexico Department of Finance and Administration, gross receipts tax revenue bonds, and existing resources from aerial photo fund, sewer line extension fund, economic development fund and Tierra Contenta fund, and capital improvements project fund (CIP). The commitment for parks and recreation is being financed by a grant from New Mexico Department of Finance and Administration, gross receipt tax revenue bonds and from existing resources of general fund and Tierra Contenta fund. The commitment for Municipal facilities is being financed by capital improvement project fund and bond issues. The commitment for the Railyard Infrastucture is being financed by notes payable from the New Mexico Finance Authority and multiple grants from Department of Finance and Administration. The commitment for the Airport is financed by the Federal Aviation Administration, bond issue and capital improvement project fund and from the New Mexico Highway and Transportation Department. Community welfare is being financed by a grant from the New Mexico State Agency on Aging. Commitments for the Waste water treatment facility are financed by sewer revenues and existing resources from the CIP fund. Commitments for the Water division are financed by gross receipts tax revenue bonds to be paid back from user fees, grants from state and federal agencies, and loans from the New Mexico Finance Authority. Commitment for the Convention Center is being financed by loans from the New Mexico Finance Authority and transfers from the Convention Center-Lodgers Tax Fund.

City of Santa Fe, New Mexico
Notes to the Financial Statements
June 30, 2008

E. Endowment

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

F. Inter-fund receivables, payables, and transfers

The composition of interfund balances as of June 30, 2008, is as follows:

	Due From Other Funds	Due To Other Funds
Primary Government:		
General Fund		
Special Revenue Funds:		
Affordable Housing	\$ 21,821	\$ -
Senior Citizen Grants	507,087	-
Enterprise Funds:		
Municipal Recreation Complex	45,387	-
Railyard Property	885,542	-
Special Revenue Funds:		
General Fund	-	528,908
Capital Projects Funds		
Enterprise:		
Water Management	17,624,545	-
Enterprise Funds		
General Fund:	-	930,929
Capital Project Funds:		
1/2% Gross Receipts Tax	-	17,624,545
Total All Funds	\$ 19,084,382	\$ 19,084,382
Component Unit:		
Enterprise Funds		
Housing Authority	\$ 489,180	\$ -
Santa Fe Housing Development Corporation:	500,000	715,262
Section 8 - Voucher	987,722	217,213
Mainstream Voucher	-	21,507
Cielo Azul	1,626	503,422
La Cieneguita	-	11,890
Region II	-	429,084
Mora County	-	80,150
Total All Funds	\$ 1,978,528	\$ 1,978,528

City of Santa Fe, New Mexico
Notes to the Financial Statements
June 30, 2008

Inter-fund transfers:

Transfer In From								
Fund Disbursing	General Fund	Special Revenue	Capital Projects	Debt Service	Enterprise Funds	Internal Service	Total	
General Fund	\$ -	\$ 3,372,159	\$ 221,000	\$ 134,200	\$ 194,233	\$ -	\$ -	\$ 3,921,592
Special Revenue	7,354,306	6,054,564	1,340,325	64,959	1,185,090	-	-	15,999,244
Capital Projects	-	1,897,000	9,408,521	17,754,062	62,072	-	-	29,121,655
Debt Service	-	1,322,492	9,558,974	-	1,140,934	-	-	12,022,400
Enterprise Funds	64,500	15,905,189	3,218,685	13,185,000	5,672	-	-	32,379,046
Internal Service	-	-	-	-	-	579,504	-	579,504
Total	\$ 7,418,806	\$ 28,551,404	\$ 23,747,505	\$ 31,138,221	\$ 2,588,001	\$ 579,504	\$ -	\$ 94,023,441

Transfer Out To								
Fund Disbursing	General Fund	Special Revenue	Capital Projects	Debt Service	Enterprise Funds	Internal Service	Total	
General Fund	\$ -	\$ 7,354,306	\$ -	\$ -	\$ 64,500	\$ -	\$ -	\$ 7,418,806
Special Revenue	3,372,159	6,054,564	1,897,000	1,322,492	15,905,189	-	-	28,551,404
Capital Projects	221,000	1,340,325	9,408,521	9,558,974	3,218,685	-	-	23,747,505
Debt Service	134,200	64,959	17,754,062	-	13,185,000	-	-	31,138,221
Enterprise Funds	194,233	1,185,090	62,072	1,140,934	5,672	-	-	2,588,001
Internal Service	-	-	-	-	-	579,504	-	579,504
Total	\$ 3,921,592	\$ 15,999,244	\$ 29,121,655	\$ 12,022,400	\$ 32,379,046	\$ 579,504	\$ -	\$ 94,023,441

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

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

City of Santa Fe, New Mexico
Notes to the Financial Statements
June 30, 2008

G. Leases

Capital Leases

The City has entered into a lease agreement as lessee for financing the acquisition of communications equipment for the general fund. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payment as of the inception date.

The assets acquired through capital leases are as follows:

Equipment	\$ 1,167,226
Less: Accumulated Depreciation	(647,180)
Total	<u>\$ 520,046</u>

The future minimum lease obligation and the net present value of the minimum lease payments as of June 30, 2008, are as follows;

Years Ending June 30,	General Fund
2009	\$ 263,146
2010	263,146
Total Minimum Lease Payment	<u>526,292</u>
Less: Amount Representing Interest	(6,246)
Present Value of Minimum Lease Payments	<u>\$ 520,046</u>

Operating Leases

The City has operating leases for certain buildings, parking lots, towers, right of way, buses and data processing equipment. The operating leases are renewable annually contingent upon available appropriations. Total costs for such leases were \$1,362,963 for year ended June 30, 2008. The minimum annual payments are as follows:

Fiscal Year	General Fund	Parking	Transit	Water	MRC	CIP Adm
2008	\$ 468,619	\$ 446,895	\$ 279,104	\$ 7,864	\$ -	\$ 160,481
2009	469,619	445,095	-	7,864	-	160,481
2010	18,620	237,140	-	-	-	-
2011	18,620	207,530	-	-	-	-
2012	18,620	177,920	-	-	-	-
2013	18,620	177,920	-	-	-	-
2014	18,620	-	-	-	-	-
2015-2020	93,100	-	-	-	-	-
2021-2023	55,860	-	-	-	-	-
Total	<u>\$ 1,180,298</u>	<u>\$ 1,692,500</u>	<u>\$ 279,104</u>	<u>\$ 15,728</u>	<u>\$ -</u>	<u>\$ 320,962</u>

City of Santa Fe, New Mexico
Notes to the Financial Statements
June 30, 2008

H. Long-Term Debt

Long-term debt of the city at June 30, 2008 consisted of revenue bonds payable solely from gross receipts tax revenues, revenue bonds payable solely from revenues of enterprise funds, general obligation bonds payable solely from property tax revenues, notes payable from gross receipts tax revenues, notes payable from lodger's tax revenues, notes payable from revenues of enterprise funds, capital leases, and compensated absences payable.

During FY 2007-2008 the City issued its first general obligation bonds in twenty-three years. The \$20,000,000 issue, to be used solely for park improvements, matures in 2027 and carries interest rates from 3.75 – 5.00%. The City also issued the 2008 GRT CIP bonds in the amount of \$20,135,000, maturing in 2022 and carrying interest rates from 3.25% – 5.25%, and the enterprise fund 2008 Convention Center bonds in the amount of \$8,570,000 payable from lodger's tax, maturing in 2035 and carrying interest rates from 3.25% - 5.50%.

Also during FY 2007-2008 the City reclassified certain bond issues from governmental debt to enterprise debt to more accurately reflect in the financials the debt related to the construction of certain enterprise fund assets.

Long-term debt of the component units consist of revenue bonds payable solely from the rental revenues in the Santa Fe Housing Development Corporation.

Adjustments to governmental debt are as follows:

	Bond Issue	Transferred To	Adjustment
Beginning Governmental Debt 7/1/2007:			\$ 164,345,000
Reclassified Debt:	2006B	Solid Waste	(14,445,000)
	1997B	Wastewater	(18,600,000)
	2006C	Wastewater	(9,390,000)
	Con. Ctr. Bonds	S. F. Convention Center	(42,220,000)
	Subtotal Reclassified		(84,655,000)
New debt:	2008 GRT CIP		20,135,000
	2008 GO		20,000,000
	Subtotal New		40,135,000
Revised Governmental Debt			\$ 119,825,000
Annual Governmental Debt Paid			(7,210,000)
Ending Governmental Debt 6/30/2008			<u>\$ 112,615,000</u>

City of Santa Fe, New Mexico
Notes to the Financial Statements
June 30, 2008

Purpose	Interest Rate	Amount
Governmental activities	2.00 - 5.60%	\$ 109,635,000
Governmental activities - refunding	2.75 - 4.25%	\$ 2,980,000
Business-type activities	3.250 - 6.00%	\$ 127,190,000
Business-type activities - refunding	4.00 - 5.00%	\$ 26,950,000

The beginning net assets were restated as follows:

	Business-type Activities			Gov. Activities
	Waste Water Management	Santa Fe Conv. Center	Solid Waste Management	Total Governmental Net Assets
Net Assets - June 30, 2007	\$ 47,746,214	\$ 58,211,004	\$ 9,731,753	\$ 115,688,971
Reclass of debt payable net of unamorted premium and issuance cost	(27,943,310)	(44,240,175)	(14,384,060)	(86,567,545)
Net Assets - June 30, 2007 (as restated)	<u>\$ 19,802,904</u>	<u>\$ 13,970,829</u>	<u>\$ (4,652,307)</u>	<u>\$ 29,121,426 # \$ 294,520,259</u>

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

Years Ended June 30	Governmental Activities		Business - Type Activities	
	Principal	Interest	Principal	Interest
2009	\$ 7,120,000	\$ 4,786,649	\$ 5,520,000	\$ 7,363,035
2010	7,075,000	4,318,323	5,895,000	7,071,094
2011	6,870,000	3,980,661	6,060,000	6,825,056
2012	7,260,000	3,572,124	6,400,000	6,565,669
2013	6,625,000	3,183,794	6,740,000	6,279,294
2014-2018	36,355,000	10,678,556	39,475,000	26,283,716
2019-2023	21,310,000	2,705,874	45,245,000	15,678,981
2024-2028	-	-	18,840,000	6,953,300
2029-2033	-	-	13,540,000	3,556,275
2034-2038	-	-	6,425,000	465,638
Total	<u>\$ 92,615,000</u>	<u>\$ 33,225,981</u>	<u>\$ 154,140,000</u>	<u>\$ 87,042,058</u>

Notes payable – Primary Government

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

Note payable to NMFA issued on November 2, 2007, for the amount of \$200,000 at 0% interest with a maturity date of June 2027 in conjunction with a \$1,800,000 grant, to partially fund construction of the Buckman Direct Diversion Water Project.

Note payable to NMFA issued on May 16, 2008, for the amount of \$15,150,000 at 2.00% interest with a maturity date of June 2029 from the Drinking Water State Revolving Loan Fund, to partially fund construction of the Buckman Direct Diversion Water Project. The Drinking Water loan is recognized as an intergovernmental payable as funds are drawn

City of Santa Fe, New Mexico
Notes to the Financial Statements
June 30, 2008

down. As of June 30, 2008, only \$14,686,973 in available funds had been drawn. The remainder will be reflected as an intergovernmental payable as of June 30, 2009.

The following represents the status as of June 30, 2008.

Buckman Loan	\$	194,996
Drinking Water Loan		14,686,973
		14,881,969
Less: Trust Account Balances		-
Total Notes Payable		14,881,969
Less: Current Portion		(10,034)
Total Long Term Notes Payable	\$	14,871,935

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

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

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

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

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

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

City of Santa Fe, New Mexico
Notes to the Financial Statements
June 30, 2008

The following represents the status as of June 30, 2008.

Railyard Infrastructure	\$ 4,979,625
Railyard Infrastructure	566,149
Railyard Infrastructure	7,642,231
Railyard Infrastructure	<u>892,227</u>
	14,080,232
Less: Trust Account Balances	<u>(1,423,472)</u>
Total Notes Payable	12,656,760
Less: Current Portion	<u>(265,142)</u>
Total Long Term Notes Payable	<u>\$ 12,391,618</u>

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

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

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

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

The NMFA notes represent balances available to the City for capital projects. The City makes payments on the entire amount of the notes even if the entire balance has not been drawn. Funds not drawn are kept in a trust account for the City and are applied to principal if the money is not drawn by a specified period.

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

City of Santa Fe, New Mexico
Notes to the Financial Statements
June 30, 2008

The following represents the status of the NMFA Fire Vehicle and Parking Garage loans, and the HUD loan as of June 30, 2008:

Fire Vehicles	\$ 753,389
Parking Garage Loan	14,986,587
HUD Section 108	297,000
	<u>16,036,976</u>
Less: Trust Account Balances	(596,377)
Total Notes Payable	15,440,599
Less: Current Portion	(161,971)
Total Long Term Notes Payable	<u><u>\$ 15,278,628</u></u>

The debt service requirements to maturity for long term notes payable at June 30, 2008 are as follows:

Years Ended June 30	Governmental Activities		Business - Type Activities	
	Principal	Interest	Principal	Interest
2009	\$ 161,971	\$ 634,099	\$ 275,176	\$ 558,662
2010	164,799	630,888	1,258,385	889,093
2011	503,148	627,108	1,292,836	786,525
2012	519,058	611,608	1,329,122	753,660
2013	536,308	594,777	1,367,393	718,912
2014 - 2018	2,108,503	2,732,882	7,465,234	3,005,875
2019 - 2023	2,551,437	2,293,177	8,745,209	1,828,515
2024 - 2028	3,056,099	1,740,497	6,783,121	504,941
2029 - 2033	3,754,558	1,056,817	908,752	15,903
2034 - 2038	2,681,095	230,693	-	-
Total	<u><u>\$ 16,036,976</u></u>	<u><u>\$ 11,152,546</u></u>	<u><u>\$ 29,425,228</u></u>	<u><u>\$ 9,062,086</u></u>

Advance and current refunding

No advance or current refunding bonds were issued during FY 2007-2008.

City of Santa Fe, New Mexico
Notes to the Financial Statements
June 30, 2008

Changes in long-term liabilities

The changes in long-term debt during the year ended June 30, 2008, are as follows:

	Outstanding July 1, 2007	Debt Reclassification	Additions	Reductions	Outstanding June 30, 2008	Due Within One Year
Governmental Activities:						
Revenue Bonds Payable	\$ 164,345,000	\$ (84,655,000)	\$ 20,135,000	\$ (7,210,000)	\$ 92,615,000	\$ 7,120,000
General Obligation Bonds Payable	-	-	20,000,000	-	20,000,000	-
New Mexico Finance Authority Loans	15,881,674	-	-	(141,698)	15,739,976	143,971
HUD Section 108	298,000	-	-	(1,000)	297,000	18,000
Additional Deferred Amount (premium)	5,264,024	(3,046,847)	1,631,087	(253,809)	3,594,455	334,405
Compensated Absences	6,230,931	-	2,427,535	(1,812,334)	6,846,132	513,578
Capital Leases	770,795	-	-	(250,749)	520,046	256,933
Governmental Activity	192,790,424	(87,701,847)	44,193,622	(9,669,590)	139,612,609	8,386,887
Business - Type Activities:						
Convention Center Bonds	-	42,220,000	8,570,000	(285,000)	50,505,000	895,000
Water Revenue Bonds	53,785,000	-	-	(3,995,000)	49,790,000	2,105,000
Wastewater Revenue Bonds	-	27,990,000	-	(1,095,000)	26,895,000	1,120,000
Solid Waste Revenue Bonds	-	14,445,000	-	(635,000)	13,810,000	665,000
Municipal Recreation Complex Revenue	13,845,000	-	-	(705,000)	13,140,000	735,000
New Mexico Finance Authority Loans	14,221,135	-	14,886,973	(145,907)	28,962,201	275,176
Compensated Absences	2,345,222	-	1,132,225	(1,528,054)	1,949,393	487,348
Business - Type Activity	\$ 84,196,357	\$ 84,655,000	\$ 24,589,198	\$ (8,388,961)	\$ 185,051,594	\$ 6,282,524

Internal Service Funds predominantly serve governmental funds. Accordingly, long-term liabilities for these are included as part of the above totals for governmental activities. At year end, \$110,105 of internal service funds compensated absences is included in the above amounts. The amount \$513,578 of compensated absences, due within sixty days after year end is recorded within current liabilities in the governmental funds balance sheet statement, which is based on employees terminations and retirements. This is also the amount of compensated absences due within one year displayed as “long-term liabilities, due within one year” for the governmental activities on the government-wide statement of net assets

Notes and Bonds Payable – Component Unit

The Santa Fe Housing Development Corporation (SFHDC) Multi-family Mortgage Revenue Refunding Bonds Series 1993A, issue amount \$3,365,000 were for the purpose of refinancing First Mortgage Revenue Bonds which were used for the construction of 100 units of housing which are occupied by elderly persons who qualify for assistance under Section 8 of HUD. The bonds are to be paid from the rental payments by tenants of the project and payments made by HUD in respect of the Housing Assistance Payment contract. The SFHDC is in compliance with all requirements as outlined in the bond ordinance.

City of Santa Fe, New Mexico
Notes to the Financial Statements
June 30, 2008

The long-term bonds payable debt at June 30, 2008, is as follows:

Santa Fe Housing Development Corporation bonds issued on December 9, 1993, for \$3,250,000 at 5.5% - 6% interest with a maturity date of February 1, 2018

Total Debt	\$	2,090,000
Less: Current Portion		(135,000)
Total Long - Term bonds payable	\$	<u>1,955,000</u>

Total aggregate maturing of the Santa Fe Housing Development Corporation's bonds payable debt at June 30, 2008, is as follows:

Years Ended June 30,	Principal	Interest
2009	\$ 135,000	\$ 123,750
2010	145,000	115,500
2011	150,000	106,650
2012	165,000	97,350
2013 - 2017	975,000	325,500
2018	520,000	28,050
Total	<u>\$ 2,090,000</u>	<u>\$ 796,800</u>

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

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

The Housing Authority entered into a note, with Los Alamos National Bank, for the purpose of commercial renovation for \$200,000 at 4.55% interest with a maturity date of October 31, 2008. No payment of interest shall be required until January 2008 and principal shall be paid in full at maturity. Subsequent to year end, the Authority refinanced the note for 4.25% interest with principal due at maturity on October 31, 2009. The note is secured with two certificates of deposit, in the amounts of \$150,000 and \$50,000.

The Housing Authority assumed a \$109,620 note with MFA upon being granted ownership of Region II Vouchers. The note has an interest rate of 5.0% with a maturity date of December 2021.

City of Santa Fe, New Mexico
Notes to the Financial Statements
June 30, 2008

The long-term notes payable debt at June 30, 2008, is as follows:

Commercial mortgage	\$ 671,373
Note to church, plus interest	541,059
LANB Note	200,000
Due to MFA	108,213
Total debt	<u>1,520,645</u>
Less: Current portion	<u>(14,500)</u>
Total Long - Term debt	<u><u>\$ 1,506,145</u></u>

Total aggregate maturing of the notes payable debt at June 30, 2008, is as follows:

Years Ended June 30,	Commercial Mortgage		Church Note		LANB Note	
	Principal	Interest	Principal	Interest	Principal	Interest
2009	\$ 9,454	\$ 36,715	\$ -	\$ -	\$ -	\$ 7,081
2010	10,922	39,444	500,000	75,000	200,000	4,250
2011	11,596	38,770	-	-	-	-
2012	12,311	38,055	-	-	-	-
2013 - 2017	73,925	177,904	-	-	-	-
2018 - 2022	99,713	152,116	-	-	-	-
2023 - 2027	134,499	117,330	-	-	-	-
2028 - 2032	181,418	70,411	-	-	-	-
2033 - 2035	137,535	13,132	-	-	-	-
Total	<u>\$ 671,373</u>	<u>\$ 683,877</u>	<u>\$ 500,000</u>	<u>\$ 75,000</u>	<u>\$ 200,000</u>	<u>\$ 11,331</u>

Years Ended June 30,	MFA Note		Total	
	Principal	Interest	Principal	Interest
2009	\$ 5,046	\$ 5,144	\$ 14,500	\$ 48,940
2010	6,096	5,020	717,018	123,714
2011	6,408	4,708	18,004	43,478
2012	6,736	4,380	19,047	42,435
2013 - 2017	39,217	16,364	113,142	194,268
2018 - 2022	44,710	5,312	144,423	157,428
2023 - 2027	-	-	134,499	117,330
2028 - 2032	-	-	181,418	70,411
2033 - 2035	-	-	137,535	13,132
Total	<u>\$ 108,213</u>	<u>\$ 40,928</u>	<u>\$ 1,479,586</u>	<u>\$ 811,136</u>

Defeased Debt

In prior years, the City defeased certain revenue and other bonds by placing the proceeds of the new bonds in a irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the City's financial statements. On June 30, 2008, \$4,730,000 of bonds outstanding are considered defeased.

City of Santa Fe, New Mexico
Notes to the Financial Statements
June 30, 2008

I. Segment information

Segment information reflects an activity reported as an enterprise fund or another stand-alone entity for which one or more revenue bonds or other revenue-backed debt instruments are outstanding based on a specific identifiable revenue stream pledged in support of the bonds. The City has five such enterprise funds: Waste Water Management, Water Management, Santa Fe Convention Center, Solid Waste Management and the Municipal Recreation Complex (MRC). Waste Water Management, Water Management, and Santa Fe Convention Center are all reported as major funds. Financial segment information for the non-major enterprise funds for Fiscal Year Ended June 30, 2008 is as follows:

Condensed Statement of Net Assets June 30, 2008

	<u>Solid Waste</u>	<u>MRC</u>
Assets:		
Current Assets	\$ 8,362,416	\$ 466,324
Capital Assets	3,482,298	4,708,061
Total Assets	<u>11,844,714</u>	<u>5,174,385</u>
Liabilities:		
Current Liabilities	1,529,577	871,686
Due to Other Funds	-	45,387
Noncurrent Liabilities	13,415,135	12,681,569
Total Liabilities	<u>14,944,712</u>	<u>13,598,642</u>
Net Assets:		
Invested in Capital Assets Net of Related Debt	(10,245,518)	(8,431,939)
Restricted	82,184	-
Unrestricted	7,063,336	7,682
Total Net Assets	<u>\$ (3,099,998)</u>	<u>\$ (8,424,257)</u>

Condensed Statement of Revenues, Expenses, and changes in Net Assets June 30, 2008

	<u>Solid Waste</u>	<u>MRC</u>
User Fees	\$ 9,419,575	\$ 1,055,670
Depreciation	(785,641)	(1,332,493)
Other Operating Expense	(8,353,085)	(1,083,393)
Operating Income	<u>280,849</u>	<u>(1,360,216)</u>
Nonoperating Revenues (expenses):		
Investment Earnings	287,387	17,005
Intergovernmental	343,661	73,433
Interest Expense	(724,533)	(559,985)
Other Nonoperating Revenue/(Expenses)	45,687	124,995
Operating Transfers In/Out	<u>1,319,258</u>	<u>1,160,316</u>
Capital Contributions	<u>1,271,460</u>	<u>815,764</u>
Change in Net Assets	1,552,309	(544,452)
Beginning Net Assets	(4,652,307)	(7,879,805)
Ending Net Assets	<u>\$ (3,099,998)</u>	<u>\$ (8,424,257)</u>

City of Santa Fe, New Mexico
Notes to the Financial Statements
June 30, 2008

Condensed Statement of Cash Flows June 30, 2008

	<u>Solid Waste</u>	<u>MRC</u>
Net Cash Provided (used) by:		
Operating Activities	\$ 977,686	\$ 135,172
Noncapital Financing Activities	1,319,258	1,233,749
Capital and Related Financing Activities	(1,734,473)	(1,574,765)
Investing Activities	<u>269,695</u>	<u>17,217</u>
Net Increase (decrease)	832,166	(188,627)
Beginning Cash and Cash Equivalents	<u>4,950,833</u>	<u>188,627</u>
Ending Cash and Cash Equivalents	<u><u>\$ 5,782,999</u></u>	<u><u>\$ -</u></u>

Discretely Presented Component Unit

Condensed Statement of Net Assets June 30, 2008

	<u>Housing Dev. Corp.</u>	<u>Cielo Azul</u>	<u>Region II</u>	<u>Total</u>
Assets:				
Current Assets	\$ 2,257,031	\$ 264,314	\$ 421,580	\$ 2,942,925
Capital Assets	1,827,150	1,426,668	115,717	3,369,535
Total Assets	<u>4,084,181</u>	<u>1,690,982</u>	<u>537,297</u>	<u>6,312,460</u>
Liabilities:				
Current Liabilities	915,298	13,863	434,130	1,363,291
Noncurrent Liabilities	2,155,000	1,702,978	103,167	3,961,145
Total Liabilities	<u>3,070,298</u>	<u>1,716,841</u>	<u>537,297</u>	<u>5,324,436</u>
Net Assets:				
Unrestricted	(462,850)	214,236	7,504	(241,110)
Invested In Capital Assets, net of related Debt	1,476,733	(240,095)	(7,504)	1,229,134
Total Net Assets	<u><u>\$ 1,013,883</u></u>	<u><u>\$ (25,859)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 988,024</u></u>

Condensed Statement of Revenues, Expenses, and changes in Net Assets June 30, 2008

	<u>Housing Dev. Corp.</u>	<u>Cielo Azul</u>	<u>Region II</u>	<u>Total</u>
Operating Revenues	\$ 739,336	\$ 150,780	\$ 504,713	\$ 1,394,829
Operating Expenses	(783,881)	(66,229)	(490,325)	(1,340,435)
Operating Income (loss)	(44,545)	84,551	14,388	54,394
Nonoperating Revenues (expenses)	<u>(60,693)</u>	<u>(54,673)</u>	<u>42</u>	<u>(115,324)</u>
Capital Contributions				
Change in Net Assets	(105,238)	29,878	14,430	(60,930)
Capital Contributions-Initial Start Up	-	-	72,733	72,733
Capital Contributions-Closeouts	-	-	(87,163)	(87,163)
Beginning Net Assets (deficit)	<u>1,119,121</u>	<u>(55,737)</u>	<u>-</u>	<u>1,063,384</u>
Ending Net Assets	<u><u>\$ 1,013,883</u></u>	<u><u>\$ (25,859)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 988,024</u></u>

City of Santa Fe, New Mexico
Notes to the Financial Statements
June 30, 2008

Condensed Statement of Cash Flows June 30, 2008

	Housing Dev. Corp.	Cielo Azul	Region II	Total
Net Cash Provided (used) by:				
Operating Activities	\$ 768,633	\$ 130,310	\$ 360,313	\$ 1,259,256
Capital and Related Financing Activities	(689,598)	-	-	(689,598)
Non Capital Financing Activities	(49,165)	(46,163)	(19,345)	(114,673)
Investing Activities	58,472	1,606	80,612	140,690
Net Increase (decrease)	88,342	85,753	421,580	595,675
Beginning Cash and Cash Equivalents	1,654,674	171,032	-	1,825,706
Ending Cash and Cash Equivalents	\$ 1,743,016	\$ 256,785	\$ 421,580	\$ 2,421,381

V. Other information

A. Risk management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the City carries various insurance. The City administers its insurance coverage through the Risk Management Office. The Risk Management Fund, Santa Fe Health Fund, Worker's Compensation Fund, and Retiree Health Care Fund are reported as Internal Service funds. Premiums are paid into the funds by all other funds and available to pay claims, claim reserves, and administrative costs of the programs. The City purchases commercial insurance for claims in excess of coverage provided by the funds and for other risks of loss. The City has had no significant reduction in insurance coverage from the prior year and, as of June 30, 2008; such inter-fund premiums did not exceed reimbursable expenditures.

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

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

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

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

City of Santa Fe, New Mexico
Notes to the Financial Statements
June 30, 2008

Mexico Retiree Health Care Authority on July 1, 2005. The City is required to contribute 1.3% of total payroll, and active employees contribute .65% of their salary. (Also see Note E. Other post employment benefits)

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

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

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

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claims Payment	Balance at Fiscal Year End
2006 - 2007				
Risk Management Fund	\$ 2,605,000	\$ 1,263,020	\$ 1,073,545	\$ 2,794,475
Santa Fe Health Fund	1,376,947	9,998,415	10,002,573	1,372,789
Workers' Compensation Fund	2,355,000	654,658	709,226	2,300,432
Retiree Health Care Fund	404,981	-	404,981	-
	\$ 6,741,928	\$ 11,916,093	\$ 12,190,325	\$ 6,467,696
2007 - 2008				
Risk Management Fund	\$ 2,794,475	\$ 1,207,995	\$ 1,140,251	\$ 2,862,219
Santa Fe Health Fund	1,372,789	11,189,778	11,447,934	1,114,633
Workers' Compensation Fund	2,300,432	812,132	868,229	2,244,335
	\$ 6,467,696	\$ 13,209,905	\$ 13,456,414	\$ 6,221,187

B. Related party transaction

The Santa Fe Civic Housing Authority assisted in the establishment of the non-profit entities Casas de Buena Ventura and La Cienegita Elderly Housing Corporation. These entities maintain separate Boards. However, there are certain Housing Authority employees who sit on the Boards. The Housing Authority exercises no authority or control over these non-profit organizations. In addition, the individual contracted to maintain the records for the Housing

City of Santa Fe, New Mexico
Notes to the Financial Statements
June 30, 2008

Development Fund is related by marriage to the executive director. The contract was awarded via competitive bid by the past executive director.

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

C. Contingent liabilities

The City receives significant financial assistance from federal and state sources in the form of grants and entitlements. The disbursements of the funds received are generally limited to specific compliance requirements as specified in the grant agreement. During the period under audit, the City also had its grants audited under the audit requirements of the Office of Management and Budgets Circular A-133 and the U. S. Department of Housing and Urban Development. The Federal agencies reserve the right to review the scope of the audit and conduct a follow-up review if deemed necessary. Any disallowed claims resulting from such audits could become a liability of the general fund or any other applicable City fund. The City, however, believes that liabilities resulting from disallowed claims, if any, would not have a material effect on the City's financial position at June 30, 2008.

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

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

D. Jointly governed organizations

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

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

City of Santa Fe, New Mexico
Notes to the Financial Statements
June 30, 2008

Under the authorization of the New Mexico State Statute 11-1-1 through 11-1-7 and pursuant to the New Mexico Enhanced 911 Act 63-9D-41, the City of Santa Fe joined the County of Santa Fe to jointly undertake their powers to operate and manage the Regional Emergency Communications Center District (RECC) to provide a more efficient and cost-effective method of providing centralized emergency enhanced 911 dispatch services to the region. The RECC was established as of July 1, 2002 as a public entity separate from the City or County. The Board of Directors consist of the City Manager, the City Police Chief, the City Fire chief, the County Manager, the County Sheriff, the County Fire Chief, and one member appointed by the City and County Managers to represent the community at-large. The operations physically lease space in a new County facility. The City provided funding for 69% of the expenses and the County provided 31%, an allocation which will be reviewed after a year of operations to be based on the number of calls received from each jurisdiction.

The salaries for the Director, the ITT Manager, and the initial equipment were shared equally by the City and County. The City provides the fiscal agent services. The current City and County dispatch employees became employees of the RECC.

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

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

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

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

The RHCA issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for the post employment healthcare plan.

City of Santa Fe, New Mexico
Notes to the Financial Statements
June 30, 2008

The report and further information can be obtained in writing to the Retiree Health Care Authority at 4308 Carlisle Blvd. NE, Suite 104, Albuquerque, NM 87107.

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

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of the participating employers and their employees. 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 01/01/98 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.

F. Pension plan – Public Employers Retirement Association

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

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

- 1) 21.25% of fire fighters' salaries, however, as an employee benefit, the City elected to contribute 33.40% to the fire fighters' 4.050% contribution.

City of Santa Fe, New Mexico
Notes to the Financial Statements
June 30, 2008

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

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

The requirements specified under the statute could be amended by acts of the legislature. The City's contributions to PERA for the years ending June 30, 2007, 2006, and 2005, were \$11,314,609, \$10,600,538, and \$10,725,681, equal to the required contribution.

G. Conduit debt obligations

The City of Santa Fe has issued Industrial Revenue Bonds to provide financial assistance to private-sector and not-for-profit entities for the acquisition and construction of industrial, commercial, educational, and health care facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received from the entities involved. Upon repayment of the bonds, ownership of the acquired facilities transfers to the entity served by the bond issuance. The City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of June 30, 2008, there were ten series of Industrial Revenue Bonds authorized, of which two were issued prior to July 1, 1995. The Tierra Contenta bonds in 1998 were issued to finance the acquisition and construction of infrastructure improvements for a housing and commercial development and will be paid off November 2008. The Ridgetop Road LLC bonds issued in 2007 were to finance construction of a commercial development and a new headquarters for Thornburg Mortgage Advisory Corporation.

The City has issued Mortgage Revenue bonds to enable the City to provide a program to assist purchasers in qualifying for home ownership and provide lower mortgage interest rates. Local banks and mortgagors participate in the program. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Neither the City or the State, or any political subdivision, thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of June 30, 2008, there were three series of Mortgage Revenue Bonds outstanding: 1995A, 1995B1 and 1995B2. The aggregate principal amount payable for these issues was \$30,500,000. The first series, Single Family Mortgage Revenue Bonds – FNMA and GNMA Mortgage Backed Securities Program – Series 1995A – with an outstanding principal amount payable of \$1,855,000, is for the purpose of acquiring single pool guaranteed mortgage pass-through securities guaranteed by the Federal National Mortgage Association. Series 1995B1 and 1995B2, Single Family Mortgage with outstanding amounts payable of \$1,225,000 and \$3,232,700 respectively, are for the purpose of financing a single family mortgage loan program with the City.

City of Santa Fe, New Mexico
Notes to the Financial Statements
June 30, 2008

H. Subsequent Events

On December 18, 2008, the City of Santa Fe issued the \$22,760,000 GRT Refunding Revenue bonds, Series 2008B, for the purpose of refunding the GRT Refunding and Improvement Revenue Bonds, Series 1997A, and the GRT Revenue Bonds, Series 1999, in full. This refunding will generate a net present value cash flow savings of \$957,113.

Beginning March 2009, an 8.2% water rate increase will go into effect for five years to finance the City's ten-year water plan, the largest component of which is the regional \$200 million Buckman Direct Diversion Water Project. Both the plan and the water rate will be re-evaluated regularly.

The City is reporting a possible loss from its investment in the New Mexico Local Government Investment Pool. The City regularly invests available cash in the NMLGIP as allowed under State Statute, and has done so for a number of years. In September 2008, NMLGIP reportedly had 23% of the pool (\$281.7 million) invested in the Reserve Primary Fund, one of the country's oldest and AAAM rated money markets funds. On September 17, 2008, Standard & Poor's lowered the Reserve Primary Fund rating from AAAM to Dm because of exposure to Lehman Brothers Holdings, Inc., and a material decline in net assets. The rating for the Reserve was completely withdrawn on January 6, 2009. As the NM LGIP worked to develop a plan for its investors to handle the projected losses, Standard & Poor's dropped the pool's rating from AAAM to Dm and back to AAAM, all on March 5, 2009.

Finally accepted by Standard & Poor's was an NM LGIP plan to create 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. NM GLIP has reported that 85% of the funds have been 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 NM LGIP.

The City's position in the pool on September 15, 2008, was \$41,500,324. The City has been informed by NM LGIP that it has placed \$1,421,343 of the City's funds (3.425% of the City's position) in the Reserve Contingency Fund. If the Reserve Primary Fund distributes no more than its presently indicated maximum of 91.72 cents on the dollar, the City's loss will be at least \$785,000 plus any allocation of expenses connected with settling the NM LGIP claims for restitution. It is possible the loss could be greater if the Reserve Primary Fund is unable to distribute the maximum payout amount.

During the latter part of 2008 and into 2009, significant declines in fair value occurred in worldwide securities markets and various real estate markets. The general economy is in recession. The City has seen some impact on gross receipts tax, lodger's tax and certain other revenue categories during periods subsequent to June 30, 2008. City management has responded with various actions including budget, project and policy adjustments and continues to review future plans and budgets. Current economic conditions are volatile, difficult to predict and subject to ongoing changes which may affect the current financial condition and results of operations in the future.

City of Santa Fe, New Mexico
Notes to the Financial Statements
June 30, 2008

I. New Pronouncements

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

The GASB has issued two new standards, GASB No. 49 Accounting and Financial reporting for Pollution Remediation Obligations, effective for fiscal year 2009. The statement addresses accounting and financial reporting standards for pollution remediation obligations of existing pollution activities such as site assessments and cleanups.

GASB No, 51 Accounting and Financial Reporting for Intangible Assets is effective for financial statements for fiscal year 2010. The statement establishes accounting and financial reporting requirements for intangible assets and eliminates reporting inconsistencies in practice for intangible assets.

The City is considering the effects of these new standards on its financial reporting for future periods.

Supplementary Information

Nonmajor Governmental Funds Special Revenue Funds

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

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

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

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

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

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

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

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

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

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

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

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

Resource Conservation – to account for funds pooled for an emergency program to reduce the use of potable water during a critical drought period by resolution number 2002-05.

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

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

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

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

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

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

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

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

NEA Grants – to account for grants from the National Endowment for the Arts Foundation administered by the Santa Fe Arts Commission.

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

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

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

Recreation Grants – to account for 1) the portion of the cigarette tax received by the City and required by State law to be used for recreation purposes and 2) a U.S. Department of Agriculture grant used to provide lunches to children who are participants in the summer recreation program. Sections 7-1-6.11A and 7-12-15 & 16 NMSA 1978

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

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

CITY OF SANTA FE, NEW MEXICO
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2008

	Special Revenue		Capital Projects		Totals
Assets					
Cash, investments and cash equivalents	22,417,430	\$	28,239,704	\$	50,657,134
Restricted cash, cash equivalents and investments:					
Restricted for endowment	250,000		-		250,000
Receivables:					
State-shared taxes	2,439,711		2,875,705		5,315,416
Grants	1,349,656		5,000,471		6,350,127
Due from other funds	613,804		17,624,545		18,238,349
Interest	99,193		125,999		225,192
Other receivables (net of allowances)	2,859,418		-		2,859,418
Prepaid Expenses	28,684		-		28,684
Total assets	\$ 30,057,896	\$	53,866,424	\$	83,924,320
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	\$ 1,340,348	\$	1,818,592	\$	3,158,940
Compensated absences payable	-		40,628		40,628
Accrued wages payable	469,957		186,482		656,439
Due to other funds	1,142,712		-		1,142,712
Deferred unearned revenue	2,612,602		-		2,612,602
Deposits and escrows	544,521		100,000		644,521
Total liabilities	6,110,140		2,145,702		8,255,842
Fund balances:					
Reserved for encumbrances/endowment	3,502,642		-		3,502,642
Unreserved - undesignated	20,445,114		51,720,722		72,165,836
Total fund balances	23,947,756		51,720,722		75,668,478
Total liabilities and fund balances	\$ 30,057,896	\$	53,866,424	\$	83,924,320

CITY OF SANTA FE, NEW MEXICO
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2008

	Special Revenue	Capital Projects	Totals
Revenues:			
Taxes:			
Gross receipts	\$ 17,709,748	\$ 16,457,363	\$ 34,167,111
Cigarette	38,014	-	38,014
Motor	-	1,225,364	1,225,364
Lodgers	8,797,321	-	8,797,321
Property	1,839,698	-	1,839,698
Franchise	19,991	-	19,991
Intergovernmental revenues	5,208,816	6,530,119	11,738,935
Fees and charges for services	2,562,675	-	2,562,675
Sale of capital assets	42,601	-	42,601
Rents, royalties and concessions	33,729	-	33,729
Investment income	1,075,802	1,058,389	2,134,191
Land sales	100,000	-	100,000
Other revenues	566,977	226,796	793,773
Total revenues	37,995,372	25,498,031	63,493,403
Expenditures:			
Current:			
General government	4,649,013	2,685,586	7,334,599
Public safety	3,542,067	-	3,542,067
Public works	852,563	1,051,703	1,904,266
Community development	6,220,717	4,040	6,224,757
Culture and recreation	3,633,296	787,606	4,420,902
Total current expenditures	18,897,656	4,528,935	23,426,591
Capital outlay:			
General government	508,176	5,559,238	6,067,414
Public safety	3,633,575	-	3,633,575
Public works	23,333	8,193,127	8,216,460
Community development	415,177	70,810	485,987
Culture and recreation	283,015	7,061,457	7,344,472
Total capital outlay expenditures	4,863,276	20,884,632	25,747,908
Excess (deficiency) of revenues over expenditures	14,234,440	84,464	14,318,904
Other financing sources (uses):			
Transfers in	15,999,244	29,121,655	45,120,899
Transfers out	(28,551,404)	(23,747,505)	(52,298,909)
Total other financing sources (uses)	(12,552,160)	5,374,150	(7,178,010)
Net change in fund balances	1,682,280	5,458,614	7,140,894
Fund balances, beginning of year	22,265,476	46,262,108	68,527,584
Fund balances, end of year	\$ 23,947,756	\$ 51,720,722	\$ 75,668,478

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CITY OF SANTA FE, NEW MEXICO
Combining Balance Sheet
Nonmajor Governmental Funds
Special Revenue
June 30, 2008

Assets								
	Cash, Investments and Cash Equivalents	Taxes Receivable	Grants Receivable	Interest Receivable	Other Receivables	Prepaid Expenses	Due from Other Funds	Total Assets
Primary Government:								
General Government:								
Capital Equipment Reserve	\$ 697,740	\$ -	\$ -	\$ 3,161	\$ -	\$ -	\$ -	\$ 700,901
Franchise Fee	16,151	4,978	-	-	-	-	-	21,129
Economic Development	2,164,721	-	11,000	10,361	272,211	-	-	2,458,293
Lodgers' Tax Fund	5,957,812	-	-	28,661	-	-	-	5,986,473
Santa Fe Business Incubator	30,980	-	-	148	-	-	-	31,128
1/2 % Gross Receipts Tax	3,067,098	2,076,726	-	6,857	-	-	-	5,150,681
Total General Government	11,934,502	2,081,704	11,000	49,188	272,211	-	-	14,348,605
Public Safety:								
Animal Services	59,007	-	-	287	-	-	-	59,294
Emergency Service Grants	1,456,166	10,596	-	6,862	-	-	-	1,473,624
Environmental Services	91	-	-	-	-	-	-	91
Law Enforcement Grants	1,054,080	343,422	184,079	3,498	-	-	-	1,585,079
Total Public Safety	2,569,344	354,018	184,079	10,647	-	-	-	3,118,088
Public Works:								
City Drainage Projects	245,001	-	-	1,169	57,774	28,684	-	332,628
Impact Fee Projects	2,253,717	-	-	11,522	-	-	-	2,265,239
Impact Fee	7,804	-	-	-	-	-	-	7,804
Transportation Grants	347,489	-	111,403	1,374	-	-	-	460,266
Total Public Works	2,854,011	-	111,403	14,065	57,774	28,684	-	3,065,937
Community Development:								
Community Development Grants	891,955	-	274,309	3,925	12,571	-	-	1,182,760
Affordable Housing Program	-	-	25,684	-	-	-	-	25,684
Senior Citizen Grants	-	-	723,398	-	4,035	-	-	727,433
Total Community Development	891,955	-	1,023,391	3,925	16,606	-	-	1,935,877
Culture and Recreation:								
Historic Preservation Grant	87,302	-	-	335	-	-	-	87,637
Library	806,429	-	7,706	3,781	-	-	-	817,916
NEA Grants	13,441	-	-	-	-	-	-	13,441
Plaza Use	23,694	-	-	104	-	-	-	23,798
Public Facilities Purchase	52,896	-	-	253	-	-	-	53,149
Quality of Life Project	462,394	-	-	2,365	-	-	-	464,759
Recreation Grants	994,034	3,989	12,077	4,972	-	-	-	1,015,072
Land Development	1,858,567	-	-	8,983	2,512,827	-	613,804	4,994,181
Special Recreation Leagues	118,861	-	-	575	-	-	-	119,436
Total Culture and Recreation	4,417,618	3,989	19,783	21,368	2,512,827	-	613,804	7,589,389
Totals - June 30, 2008	\$ 22,667,430	\$ 2,439,711	\$ 1,349,656	\$ 99,193	\$ 2,859,418	\$ 28,684	\$ 613,804	\$ 30,057,896

Liabilities							Fund Balances			
Accounts Payable	Compensated Absences Payable	Accrued Wages Payable	Due to Other Funds	Deferred Unearned Revenue	Deposits/ Escrows	Total Liabilities	Reserved	Unreserved	Total Fund Balances	Total Liabilities and Fund Balances
\$ 19,952	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,952	\$ 120,621	\$ 560,328	\$ 680,949	\$ 700,901
13,334	-	-	-	-	-	13,334	-	7,795	7,795	21,129
60,874	-	-	-	74,775	392,690	528,339	68,569	1,861,385	1,929,954	2,458,293
363,362	-	53,812	-	25,000	13,296	455,470	953,038	4,577,965	5,531,003	5,986,473
-	-	-	-	-	-	-	-	31,128	31,128	31,128
-	-	-	-	-	-	-	-	5,150,681	5,150,681	5,150,681
457,522	-	53,812	-	99,775	405,986	1,017,095	1,142,228	12,189,282	13,331,510	14,348,605
2,854	-	-	-	-	-	2,854	20,231	36,209	56,440	59,294
99,166	-	39,497	-	-	-	138,663	447,489	887,472	1,334,961	1,473,624
-	-	-	-	-	-	-	-	91	91	91
149,466	-	59,582	-	-	-	209,048	171,395	1,204,636	1,376,031	1,585,079
251,486	-	99,079	-	-	-	350,565	639,115	2,128,408	2,767,523	3,118,088
2,701	-	12,001	-	-	-	14,702	87,490	230,436	317,926	332,628
24,019	-	-	-	-	-	24,019	283,647	1,957,573	2,241,220	2,265,239
7,804	-	-	-	-	-	7,804	-	-	-	7,804
16,781	-	13,084	-	-	-	29,865	40,323	390,078	430,401	460,266
51,305	-	25,085	-	-	-	76,390	411,460	2,578,087	2,989,547	3,065,937
216,083	-	3,468	-	-	138,535	358,086	624,718	199,956	824,674	1,182,760
-	-	-	21,821	-	-	21,821	-	3,863	3,863	25,684
16,462	-	125,672	507,087	-	-	649,221	1,748	76,464	78,212	727,433
232,545	-	129,140	528,908	-	138,535	1,029,128	626,466	280,283	906,749	1,935,877
270	-	-	-	-	-	270	41,387	45,980	87,367	87,637
32,789	-	28,058	-	-	-	60,847	207,114	549,955	757,069	817,916
6,197	-	-	-	-	-	6,197	7,632	(388)	7,244	13,441
-	-	-	-	-	-	-	-	23,798	23,798	23,798
-	-	-	-	-	-	-	-	53,149	53,149	53,149
24,634	-	9,750	-	-	-	34,384	114,664	315,711	430,375	464,759
275,436	-	125,033	-	-	-	400,469	56,534	558,069	614,603	1,015,072
-	-	-	613,804	2,512,827	-	3,126,631	-	1,867,550	1,867,550	4,994,181
8,164	-	-	-	-	-	8,164	6,042	105,230	111,272	119,436
347,490	-	162,841	613,804	2,512,827	-	3,636,962	433,373	3,519,054	3,952,427	7,589,389
\$ 1,340,348	\$ -	\$ 469,957	\$ 1,142,712	\$ 2,612,602	\$ 544,521	\$ 6,110,140	\$ 3,252,642	\$ 20,695,114	\$ 23,947,756	\$ 30,057,896

CITY OF SANTA FE, NEW MEXICO
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds
Special Revenue Funds
For the Year Ended June 30, 2008

Revenues								
	Taxes	Inter-Governmental Revenue	Fees and Charges for Services	Rents, Royalties and Concessions	Investment Income	Sale of Capital Assets/Land	Other	Total Revenue
Primary Government:								
General Government:								
Capital Equipment Reserve	\$ -	\$ -	\$ -	\$ -	\$ 13,460	\$ 42,601	\$ -	\$ 56,061
Franchise Fee	19,991	-	-	-	-	-	-	19,991
Economic Development	-	20,487	-	32,739	109,553	100,000	-	262,779
Lodger's Tax Fund	8,797,321	114,282	1,035	-	286,756	-	58,321	9,257,715
Santa Fe Business Incubator	-	-	-	-	1,482	-	-	1,482
1/2% Gross Receipts Tax	15,676,521	-	-	-	89,687	-	-	15,766,208
Total General Government	24,493,833	134,769	1,035	32,739	500,938	142,601	58,321	25,364,236
Public Safety:								
Animal Services	-	-	18,752	-	3,330	-	22,495	44,577
Emergency Service Grants	1,839,698	636,014	-	-	84,340	-	915	2,560,967
Environmental Services	-	10,992	-	-	-	-	-	10,992
Law Enforcement Grants	2,033,227	385,699	361,781	-	33,950	-	134,460	2,949,117
Total Public Safety	3,872,925	1,032,705	380,533	-	121,620	-	157,870	5,565,653
Public Works:								
City Drainage Projects	-	-	474,924	-	10,161	-	-	485,085
Impact Fee Projects	-	-	-	-	41,871	-	-	41,871
Impact Fee	-	-	1,420,265	-	138,442	-	-	1,558,707
Transportation Grants	-	210,213	-	-	14,752	-	-	224,965
Total Public Works	-	210,213	1,895,189	-	205,226	-	-	2,310,628
Community Development:								
Community Development Grants	-	1,335,800	60,267	990	38,566	-	80	1,435,703
Affordable Housing Program	-	66,732	-	-	-	-	1,562	68,294
Senior Citizen Grants	-	2,172,656	117,560	-	-	-	10,714	2,300,930
Total Community Development	-	3,575,188	177,827	990	38,566	-	12,356	3,804,927
Culture and Recreation:								
Historic Preservation Grant	-	19,000	10,081	-	3,228	-	-	32,309
Library	-	47,261	-	-	39,548	-	6,090	92,899
NEA Grants	-	38,060	-	-	-	-	43,413	81,473
Plaza Use	-	-	-	-	1,476	-	21,808	23,284
Public Facilities Purchase	-	124,760	-	-	2,530	-	-	127,290
Quality of Life Project	-	-	-	-	23,899	-	-	23,899
Recreation Grants	38,014	26,860	98,010	-	41,136	-	-	204,020
Land Development	-	-	-	-	92,466	-	206,460	298,926
Special Recreation Leagues	-	-	-	-	5,169	-	60,659	65,828
Total Culture and Recreation	38,014	255,941	108,091	-	209,452	-	338,430	949,928
Totals - June 30, 2008	\$ 28,404,772	\$ 5,208,816	\$ 2,562,676	\$ 33,729	\$ 1,075,802	\$ 142,601	\$ 566,977	\$ 37,995,372

Expenditures			Other Financing Sources (Uses)			Fund Balance		
Current	Capital Outlay	Total Expenditures	Excess (Deficiency) of Revenues Over Expenditures	Transfers In	Transfers (Out)	Net change in Fund Balances	Beginning of Year	End of Year
\$ 15,116	\$ 407,114	\$ 422,230	\$ (366,169)	\$ 1,007,414	\$ (19,580)	\$ 621,665	\$ 59,284	\$ 680,949
13,334	-	13,334	6,657	-	(68,667)	(62,010)	69,805	7,795
767,277	78,489	845,766	(582,987)	398,888	-	(184,099)	2,114,053	1,929,954
3,853,286	22,573	3,875,859	5,381,856	437,000	(4,666,274)	1,152,582	4,378,421	5,531,003
-	-	-	1,482	-	-	1,482	29,646	31,128
-	-	-	15,766,208	1,185,090	(15,317,370)	1,633,928	3,516,753	5,150,681
4,649,013	508,176	5,157,189	20,207,047	3,028,392	(20,071,891)	3,163,548	10,167,962	13,331,510
16,015	59,444	75,459	(30,882)	-	-	(30,882)	87,322	56,440
1,087,284	1,645,974	2,733,258	(172,291)	2,031,310	(1,964,033)	(105,014)	1,439,975	1,334,961
9,712	-	9,712	1,280	-	-	1,280	(1,189)	91
2,429,056	1,928,157	4,357,213	(1,408,096)	2,093,387	(448,000)	237,291	1,138,740	1,376,031
3,542,067	3,633,575	7,175,642	(1,609,989)	4,124,697	(2,412,033)	102,675	2,664,848	2,767,523
374,435	21,466	395,901	89,184	-	-	89,184	228,742	317,926
80,440	-	80,440	(38,569)	1,711,657	-	1,673,088	568,132	2,241,220
-	-	-	1,558,707	-	(5,075,233)	(3,516,526)	3,516,526	-
397,688	1,867	399,555	(174,590)	140,612	(152,379)	(186,357)	616,758	430,401
852,563	23,333	875,896	1,434,732	1,852,269	(5,227,612)	(1,940,611)	4,930,158	2,989,547
2,070,185	24,732	2,094,917	(659,214)	1,005,463	(130,000)	216,249	608,425	824,674
65,827	-	65,827	2,467	-	-	2,467	1,396	3,863
4,084,705	380,445	4,475,150	(2,174,220)	2,393,084	(183,282)	35,582	42,630	78,212
6,220,717	415,177	6,635,894	(2,830,967)	3,398,547	(313,282)	254,298	652,451	906,749
7,137	-	7,137	25,172	-	-	25,172	62,195	87,367
848,083	10,773	858,856	(765,957)	852,600	-	86,643	670,426	757,069
125,562	-	125,562	(44,089)	27,000	-	(17,089)	24,333	7,244
27,137	-	27,137	(3,853)	-	-	(3,853)	27,651	23,798
124,761	-	124,761	2,529	-	-	2,529	50,620	53,149
452,420	60,499	512,919	(489,020)	1,033,970	(526,586)	18,364	412,011	430,375
1,841,297	5,283	1,846,580	(1,642,560)	1,681,769	-	39,209	575,394	614,603
155,792	208,460	362,252	(63,326)	-	-	(63,326)	1,930,876	1,867,550
51,107	-	51,107	14,721	-	-	14,721	96,551	111,272
3,633,296	283,015	3,916,311	(2,966,383)	3,595,339	(526,586)	102,370	3,850,057	3,952,427
\$18,897,666	\$ 4,863,276	\$ 23,760,932	\$ 14,234,440	\$ 16,999,244	\$ (28,561,404)	\$ 1,682,280	\$ 22,266,476	\$ 23,947,766

CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Special Revenue
Capital Equipment Reserve
For the Year Ended June 30, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget- Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Investment income	\$ 3,000	\$ 3,000	\$ 13,460	\$ 10,460
Total revenues	3,000	3,000	13,460	10,460
Expenditures:				
General government:				
Current	8,790	14,778	15,116	(338)
Capital outlay	319,062	1,063,420	407,114	656,306
Total expenditures	327,852	1,078,198	422,230	655,968
Excess (deficiency) of revenues over expenditures	(324,852)	(1,075,198)	(408,770)	666,428
Other financing sources (uses):				
Sale of capital assets	-	42,601	42,601	-
Transfers in	209,400	1,007,414	1,007,414	-
Transfers out	-	(19,580)	(19,580)	-
Total other financing sources (uses)	209,400	1,030,435	1,030,435	-
Net change in fund balance	(115,452)	(44,763)	621,665	666,428
Fund balance, beginning of year	59,284	59,284	59,284	-
Fund balance, end of year	\$ (56,168)	\$ 14,521	\$ 680,949	\$ 666,428

CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Special Revenue
Franchise Fee
For the Year Ended June 30, 2008

	<u>Budgeted Amounts</u>			Variance With Final Budget- Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Taxes	\$ -	\$ 20,000	\$ 19,991	\$ (9)
Total revenues	-	20,000	19,991	(9)
Expenditures:				
Public safety:				
Current	-	13,333	13,334	(1)
Total expenditures	-	13,333	13,334	(1)
Excess (deficiency) of revenues over expenditures	-	6,667	6,657	(10)
Other financing sources (uses):				
Transfers out	-	(68,667)	(68,667)	-
Total other financing sources (uses)	-	(68,667)	(68,667)	-
Net changes in fund balance	-	(62,000)	(62,010)	(10)
Fund balance, beginning of year	69,805	69,805	69,805	-
Fund balance, end of year	\$ 69,805	\$ 7,805	\$ 7,795	\$ (10)

CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Special Revenue
Economic Development
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variance With
	Original	Final		Final Budget
				Positive
				(Negative)
Revenues:				
Intergovernmental	\$ -	\$ 33,488	\$ 20,487	\$ (13,001)
Investment income	84,000	84,000	109,553	25,553
Rents, royalties and concessions	100,000	100,000	32,739	(67,261)
Total revenues	184,000	217,488	162,779	(54,709)
Expenditures:				
General government:				
Current	964,000	1,442,496	767,277	675,219
Capital outlay	86,000	82,832	78,489	4,343
Total expenditures	1,050,000	1,525,328	845,766	679,562
Excess (deficiency) of revenues over expenditures	(866,000)	(1,307,840)	(682,987)	624,853
Other financing sources (uses):				
Sale of capital assets	-	-	100,000	100,000
Transfers in	398,888	398,888	398,888	-
Transfers out	(16,992)	-	-	-
Total other financing sources (uses)	381,896	398,888	498,888	100,000
Net change in fund balance	(484,104)	(908,952)	(184,099)	724,853
Fund balance, beginning of year	2,114,053	2,114,053	2,114,053	-
Fund balance, end of year	\$ 1,629,949	\$ 1,205,101	\$ 1,929,954	\$ 724,853

CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Special Revenue
Lodger's Tax Fund
For the Year Ended June 30, 2008

	<u>Budgeted Amounts</u>			Variance With Final Budget- Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Taxes	\$ 8,560,015	\$ 8,937,693	\$ 8,797,321	\$ (140,372)
Licenses and permits	-	-	1,035	1,035
Intergovernmental	32,000	174,128	114,282	(59,846)
Investment income	87,454	138,354	286,756	148,402
Other	100,000	104,320	58,321	(45,999)
Total revenues	8,779,469	9,354,495	9,257,715	(96,780)
Expenditures:				
General government:				
Current	3,974,521	5,219,948	3,853,286	1,366,662
Capital outlay	28,447	64,570	22,573	41,997
Total expenditures	4,002,968	5,284,518	3,875,859	1,408,659
Excess (deficiency) of revenues over expenditures	4,776,501	4,069,977	5,381,856	1,311,879
Other financing sources (uses):				
Transfers in	25,000	437,000	437,000	-
Transfers out	(4,566,274)	(4,666,274)	(4,666,274)	-
Total other financing sources (uses)	(4,541,274)	(4,229,274)	(4,229,274)	-
Net change in fund balance	235,227	(159,297)	1,152,582	1,311,879
Fund balance, beginning of year	4,378,421	4,378,421	4,378,421	-
Fund balance, end of year	\$ 4,613,648	\$ 4,219,124	\$ 5,531,003	\$ 1,311,879

CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Special Revenue
Santa Fe Business Incubator
For the Year Ended June 30, 2008

	Budgeted Amounts			Variance With Final Budget- Positive (Negative)
	Original	Final	Actual	
Revenues:				
Investment Income	\$ 1,000	\$ 1,000	\$ 1,482	\$ 482
Total revenues	1,000	1,000	1,482	482
Expenditures:				
General government:				
Current	-	-	-	-
Total expenditures	-	-	-	-
Net change in fund balance	1,000	1,000	1,482	482
Fund balance, beginning of year	29,646	29,646	29,646	-
Fund balance, end of year	\$ 30,646	\$ 30,646	\$ 31,128	\$ 482

CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Special Revenue
1/2% Gross Receipts Tax
For the Year Ended June 30, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget- Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Taxes	\$ 15,826,856	\$ 15,826,856	\$ 15,676,521	\$ (150,335)
Investment income	213,000	56,525	89,687	33,162
Total revenues	16,039,856	15,883,381	15,766,208	(117,173)
Expenditures:				
General government:				
Current	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	16,039,856	15,883,381	15,766,208	(117,173)
Other financing sources (uses):				
Operating transfers in	-	1,185,090	1,185,090	-
Transfers out	(14,558,532)	(15,317,370)	(15,317,370)	-
Total other financing sources (uses)	(14,558,532)	(14,132,280)	(14,132,280)	-
Net changes in fund balance	1,481,324	1,751,101	1,633,928	(117,173)
Fund balance, beginning of year	3,516,753	3,516,753	3,516,753	-
Fund balance, end of year	\$ 4,998,077	\$ 5,267,854	\$ 5,150,681	\$ (117,173)

CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Special Revenue
Animal Services
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variance With Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Licenses and permits	\$ 22,000	\$ 22,000	\$ 18,752	\$ (3,248)
Investment income	3,200	2,200	3,330	1,130
Fines and forfeitures	21,000	21,000	22,495	1,495
Total revenues	46,200	45,200	44,577	(623)
Expenditures:				
General government:				
Current	21,500	22,419	16,015	6,404
Capital outlay	25,000	75,562	59,444	16,118
Total expenditures	46,500	97,981	75,459	22,522
Excess (deficiency) of revenues over expenditures	(300)	(52,781)	(30,882)	21,899
Net change in fund balance	(300)	(52,781)	(30,882)	21,899
Fund balance, beginning of year	87,322	37,322	87,322	-
Fund balance, end of year	\$ 87,022	\$ (15,459)	\$ 56,440	\$ 71,899

CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Special Revenue
Emergency Service Grants
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variance With Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 1,822,800	\$ 1,837,263	\$ 1,839,698	\$ 2,435
Intergovernmental	400,376	636,014	636,014	-
Investment income	32,974	64,974	84,340	19,366
Other	-	-	915	915
Total revenues	2,256,150	2,538,251	2,560,967	22,716
Expenditures:				
Public safety:				
Current	1,465,017	1,583,198	1,087,284	495,914
Capital outlay	822,370	2,140,694	1,645,974	494,720
Total expenditures	2,287,387	3,723,892	2,733,258	990,634
Excess (deficiency) of revenues over expenditures	(31,237)	(1,185,641)	(172,291)	1,013,350
Other financing sources (uses):				
Transfers in	2,031,310	2,031,310	2,031,310	-
Transfers out	(1,986,110)	(1,964,033)	(1,964,033)	-
Total other financing sources (uses)	45,200	67,277	67,277	-
Net changes in fund balance	13,963	(1,118,364)	(105,014)	1,013,350
Fund balance, beginning of year	1,439,975	1,439,975	1,439,975	-
Fund balance, end of year	\$ 1,453,938	\$ 321,611	\$ 1,334,961	\$ 1,013,350

CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Special Revenue
Environmental Services
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variance With Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 152,684	\$ 10,992	\$ (141,692)
Total revenues	-	152,684	10,992	(141,692)
Expenditures:				
Culture and recreation:				
Current	-	152,684	9,712	142,972
Total expenditures	-	152,684	9,712	142,972
Excess (deficiency) of revenues over expenditures	-	-	1,280	1,280
Other financing sources (uses):				
Transfers in	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	-	-	1,280	1,280
Fund balance, beginning of year	(1,189)	(1,189)	(1,189)	-
Fund balance, end of year	\$ (1,189)	\$ (1,189)	\$ 91	\$ 1,280

CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Special Revenue
Law Enforcement Grants
For the Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes	\$ 1,968,662	\$ 1,968,662	\$ 2,033,227	\$ 64,565
Intergovernmental	270,100	1,319,269	385,699	(933,570)
Fees and charges for services	279,250	279,250	361,781	82,531
Investment income	34,000	23,260	33,950	10,690
Fines and forfeitures	16,000	16,000	35,877	19,877
Other	57,280	57,280	98,583	41,303
Total revenues	2,625,292	3,663,721	2,949,117	(714,604)
Expenditures:				
Public safety:				
Current	2,411,931	2,959,953	2,429,056	530,897
Capital outlay	1,759,100	2,848,960	1,928,157	920,803
Total expenditures	4,171,031	5,808,913	4,357,213	1,451,700
Excess (deficiency) of revenues over expenditures	(1,545,739)	(2,145,192)	(1,408,096)	737,096
Other financing sources (uses):				
Transfers in	2,066,069	2,093,387	2,093,387	-
Transfers out	(448,000)	(448,000)	(448,000)	-
Total other financing sources (uses)	1,618,069	1,645,387	1,645,387	-
Net change in fund balance	72,330	(499,805)	237,291	737,096
Fund balance, beginning of year	1,138,740	1,138,740	1,138,740	-
Fund balance, end of year	\$ 1,211,070	\$ 638,935	\$ 1,376,031	\$ 737,096

CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Special Revenue
City Drainage Projects
For the Year Ended June 30, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget- Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Fees and charges for services	\$ 459,000	\$ 459,000	\$ 474,924	\$ 15,924
Investment income	10,000	7,000	10,161	3,161
Total revenues	<u>469,000</u>	<u>466,000</u>	<u>485,085</u>	<u>19,085</u>
Expenditures:				
Community welfare:				
Current	421,156	433,162	374,435	58,727
Capital outlay	2,500	91,735	21,466	70,269
Total expenditures	<u>423,656</u>	<u>524,897</u>	<u>395,901</u>	<u>128,996</u>
Excess (deficiency) of revenues over expenditures	<u>45,344</u>	<u>(58,897)</u>	<u>89,184</u>	<u>148,081</u>
Net change in fund balance	45,344	(58,897)	89,184	148,081
Fund balance, beginning of year	228,742	228,742	228,742	-
Fund balance, end of year	<u>\$ 274,086</u>	<u>\$ 169,845</u>	<u>\$ 317,926</u>	<u>\$ 148,081</u>

CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Special Revenue
Impact Fee Projects
For the Year Ended June 30, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget- Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Investment income	\$ 20,600	\$ 21,600	\$ 41,871	\$ 20,271
Total revenues	20,600	21,600	41,871	20,271
Expenditures:				
Culture and recreation:				
Current	484,032	484,032	80,440	403,592
Total expenditures	484,032	484,032	80,440	403,592
Excess (deficiency) of revenues over expenditures	(463,432)	(462,432)	(38,569)	423,863
Other financing sources (uses):				
Transfers in	114,032	114,032	1,711,657	1,597,625
Total other financing sources (uses)	114,032	114,032	1,711,657	1,597,625
Net change in fund balance	(349,400)	(348,400)	1,673,088	2,021,488
Fund balance, beginning of year	568,132	568,132	568,132	-
Fund balance, end of year	\$ 218,732	\$ 219,732	\$ 2,241,220	\$ 2,021,488

CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Special Revenue
Impact Fee
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variance With Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Fees and charges for services	\$ 2,480,000	\$ 2,480,000	\$ 1,420,265	\$ (1,059,735)
Investment income	182,866	130,366	138,442	8,076
Total revenues	2,662,866	2,610,366	1,558,707	(1,051,659)
Expenditures:				
Public works:				
Current	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	2,662,866	2,610,366	1,558,707	(1,051,659)
Other financing sources (uses):				
Transfers out	(54,000)	(3,489,000)	(5,075,233)	(1,586,233)
Total other financing sources (uses)	(54,000)	(3,489,000)	(5,075,233)	(1,586,233)
Net change in fund balance	2,608,866	(878,634)	(3,516,526)	(2,637,892)
Fund balance, beginning of year	3,516,526	3,516,526	3,516,526	-
Fund balance, end of year	\$ 6,125,392	\$ 2,637,892	\$ -	\$ (2,637,892)

CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Special Revenue
Transportation Grants
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variance With Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 587,686	\$ 275,931	\$ 210,213	\$ (65,718)
Fees and charges for services	140,000	-	-	-
Investment Income	-	10,500	14,752	4,252
Total revenues	727,686	286,431	224,965	(61,466)
Expenditures:				
Public Works				
Current	1,424,073	771,078	397,688	373,390
Capital Outlay	-	2,000	1,867	133
Total expenditures	1,424,073	773,078	399,555	373,523
Excess (deficiency) of revenues over expenditures	(696,387)	(486,647)	(174,590)	312,057
Other financing sources (uses):				
Transfers in	696,530	140,612	140,612	-
Transfers out	-	(152,379)	(152,379)	-
Total other financing sources (uses)	696,530	(11,767)	(11,767)	-
Net change in fund balance	143	(498,414)	(186,357)	312,057
Fund balance, beginning of year	616,758	616,758	616,758	-
Fund balance, end of year	\$ 616,901	\$ 118,344	\$ 430,401	\$ 312,057

CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Special Revenue
Community Development Grants
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 884,855	\$ 2,477,151	\$ 1,335,800	\$ (1,141,351)
Fees and charges for services	-	52,267	60,267	8,000
Investment income	14,800	28,800	38,566	9,766
Rents, royalties and concessions	-	990	990	-
Other	-	-	80	80
Total revenues	899,655	2,559,208	1,435,703	(1,123,505)
Expenditures:				
Community welfare:				
Current	1,608,260	3,587,220	2,070,185	1,517,035
Capital outlay	24,595	24,635	24,732	(97)
Total expenditures	1,632,855	3,611,855	2,094,917	1,516,938
Excess (deficiency) of revenues over expenditures	(733,200)	(1,052,647)	(659,214)	393,433
Other financing sources (uses):				
Transfers in	797,777	1,005,464	1,005,463	(1)
Transfers out	(34,759)	(130,000)	(130,000)	-
Total other financing sources (uses)	763,018	875,464	875,463	(1)
Net changes in fund balance	29,818	(177,183)	216,249	393,432
Fund balance, beginning of year	608,425	608,425	608,425	-
Fund balance, end of year	\$ 638,243	\$ 431,242	\$ 824,674	\$ 393,432

CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Special Revenue
Affordable Housing Program
For the Year Ended June 30, 2008

	<u>Budgeted Amounts</u>			Variance With Final Budget- Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental	\$ -	\$ 66,195	\$ 66,732	\$ 537
Other	-	-	1,562	1,562
Total revenues	-	66,195	68,294	2,099
Expenditures:				
Public safety:				
Current	-	65,828	65,827	1
Total expenditures	-	65,828	65,827	1
Net change in fund balance	-	367	2,467	2,100
Fund balance, beginning of year	1,396	1,396	1,396	-
Fund balance, end of year	\$ 1,396	\$ 1,763	\$ 3,863	\$ 2,100

CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Special Revenue
Senior Citizen Grants
For the Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 1,772,815	\$ 2,067,019	\$ 2,172,656	\$ 105,637
Fees and charges for services	155,663	-	117,560	117,560
Other	100,619	156,065	10,714	(145,351)
Total revenues	2,029,097	2,223,084	2,300,930	77,846
Expenditures:				
Community welfare:				
Current	4,084,386	4,177,551	4,084,705	92,846
Capital outlay	24,375	399,810	390,445	9,365
Total expenditures	4,108,761	4,577,361	4,475,150	102,211
Excess (deficiency) of revenues over expenditures	(2,079,664)	(2,354,277)	(2,174,220)	180,057
Other financing sources (uses):				
Transfers in	2,339,291	2,393,084	2,393,084	-
Transfers out	-	(183,282)	(183,282)	-
Total other financing sources (uses)	2,339,291	2,209,802	2,209,802	-
Net change in fund balance	259,627	(144,475)	35,582	180,057
Fund balance, beginning of year	42,630	42,630	42,630	-
Fund balance, end of year	\$ 302,257	\$ (101,845)	\$ 78,212	\$ 180,057

CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Special Revenue
Historic Preservation Grant
For the Year Ended June 30, 2008

	<u>Budgeted Amounts</u>			Variance With Final Budget- Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Licenses and permits	\$ 10,000	\$ 10,000	10,081	\$ 81
Intergovernmental	26,900	38,400	19,000	(19,400)
Investment income	1,800	1,800	3,228	1,428
Total revenues	<u>38,700</u>	<u>50,200</u>	<u>32,309</u>	<u>(17,891)</u>
Expenditures:				
Culture and recreation:				
Current	44,900	92,906	7,137	85,769
Total expenditures	<u>44,900</u>	<u>92,906</u>	<u>7,137</u>	<u>85,769</u>
Excess (deficiency) of revenues over expenditures	<u>(6,200)</u>	<u>(42,706)</u>	<u>25,172</u>	<u>67,878</u>
Net change in fund balance	(6,200)	(42,706)	25,172	67,878
Fund balance, beginning of year	62,195	62,195	62,195	-
Fund balance, end of year	<u>\$ 55,995</u>	<u>\$ 19,489</u>	<u>\$ 87,367</u>	<u>\$ 67,878</u>

CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Special Revenue
Library
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variance With Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 230,347	\$ 47,261	\$ (183,086)
Investment income	-	28,000	39,548	11,548
Fines and forfeitures	-	-	1,090	1,090
Other	-	-	5,000	5,000
Total revenues	-	258,347	92,899	(165,448)
Expenditures:				
Culture and recreation:				
Current	726,362	965,522	848,083	117,439
Capital outlay	3,429	123,741	10,773	112,968
Total expenditures	729,791	1,089,263	858,856	230,407
Excess (deficiency) of revenues over expenditures	(729,791)	(830,916)	(765,957)	64,959
Other financing sources (uses):				
Transfers in	797,600	852,600	852,600	-
Total other financing sources (uses)	797,600	852,600	852,600	-
Net change in fund balance	67,809	21,684	86,643	64,959
Fund balance, beginning of year	670,426	670,426	670,426	-
Fund balance, end of year	\$ 738,235	\$ 692,110	\$ 757,069	\$ 64,959

CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Special Revenue
NEA Grants
For the Year Ended June 30, 2008

	<u>Budgeted Amounts</u>			Variance With Final Budget- Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental	\$ 25,000	\$ 25,000	\$ 38,060	\$ 13,060
Other	31,500	36,500	43,413	6,913
Total revenues	56,500	61,500	81,473	19,973
Expenditures:				
Public safety:				
Current	106,500	148,689	125,562	23,127
Total expenditures	106,500	148,689	125,562	23,127
Excess (deficiency) of revenues over expenditures	(50,000)	(87,189)	(44,089)	43,100
Other financing sources (uses):				
Transfers in	27,000	27,000	27,000	-
Total other financing sources (uses)	27,000	27,000	27,000	-
Net change in fund balance	(23,000)	(60,189)	(17,089)	43,100
Fund balance, beginning of year	24,333	24,333	24,333	-
Fund balance, end of year	\$ 1,333	\$ (35,856)	\$ 7,244	\$ 43,100

CITY OF SANTA FE, NEW MEXICO
Statement of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Special Revenue
Plaza Use
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variance With Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ (280)	\$ 520	\$ 1,476	\$ 956
Fines and forfeitures	18,000	18,000	20,035	2,035
Other	-	-	1,773	1,773
Total revenues	17,720	18,520	23,284	4,764
Expenditures:				
Culture and recreation:				
Current	21,000	22,314	27,137	(4,823)
Total expenditures	21,000	22,314	27,137	(4,823)
Net change in fund balance	(3,280)	(3,794)	(3,853)	(59)
Fund balance, beginning of year	27,651	27,651	27,651	-
Fund balance, end of year	\$ 24,371	\$ 23,857	\$ 23,798	\$ (59)

CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Special Revenue
Public Facilities Purchase
For the Year Ended June 30, 2008

	<u>Budgeted Amounts</u>			Variance With Final Budget- Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental	\$ 45,000	\$ 190,000	\$ 124,760	\$ (65,240)
Investment income	1,800	1,800	2,530	730
Total revenues	<u>46,800</u>	<u>191,800</u>	<u>127,290</u>	<u>(64,510)</u>
Expenditures:				
Culture and recreation:				
Current	35,000	190,000	124,761	65,239
Total expenditures	<u>35,000</u>	<u>190,000</u>	<u>124,761</u>	<u>65,239</u>
Excess (deficiency) of revenues over expenditures	<u>11,800</u>	<u>1,800</u>	<u>2,529</u>	<u>729</u>
Other financing sources (uses):				
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	11,800	1,800	2,529	729
Fund balance, beginning of year	50,620	50,620	50,620	-
Fund balance, end of year	<u>\$ 62,420</u>	<u>\$ 52,420</u>	<u>\$ 53,149</u>	<u>\$ 729</u>

CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Special Revenue
Quality of Life Project
For the Year Ended June 30, 2008

	<u>Budgeted Amounts</u>			Variance With Final Budget- Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Investment income	\$ 15,000	\$ 17,000	\$ 23,899	\$ 6,899
Total revenues	15,000	17,000	23,899	6,899
Expenditures:				
Culture and recreation:				
Current	512,572	571,037	452,420	118,617
Capital outlay	12,000	86,712	60,499	26,213
Total expenditures	524,572	657,749	512,919	144,830
Excess (deficiency) of revenues over expenditures	(509,572)	(640,749)	(489,020)	151,729
Other financing sources (uses):				
Transfers in	1,033,970	1,033,970	1,033,970	-
Transfers out	(491,620)	(526,586)	(526,586)	-
Total other financing sources (uses)	542,350	507,384	507,384	-
Net change in fund balance	32,778	(133,365)	18,364	151,729
Fund balance, beginning of year	412,011	412,011	412,011	-
Fund balance, end of year	\$ 444,789	\$ 278,646	\$ 430,375	\$ 151,729

CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Special Revenue
Recreation Grants
For the Year Ended June 30, 2008

	<u>Budgeted Amounts</u>			Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Taxes	\$ 45,000	\$ 45,000	\$ 38,014	\$ (6,986)
Intergovernmental	-	31,200	26,860	(4,340)
Fees and charges for services	108,650	108,650	98,010	(10,640)
Investment income	26,000	30,000	41,136	11,136
Total revenues	179,650	214,850	204,020	(10,830)
Expenditures:				
Culture and recreation:				
Current	1,956,079	2,052,779	1,841,297	211,482
Capital outlay	1,875	7,875	5,283	2,592
Total expenditures	1,957,954	2,060,654	1,846,580	214,074
Excess (deficiency) of revenues over expenditures	(1,778,304)	(1,845,804)	(1,642,560)	203,244
Other financing sources (uses):				
Transfers in	1,661,285	1,681,769	1,681,769	-
Total other financing sources (uses)	1,661,285	1,681,769	1,681,769	-
Net change in fund balance	(117,019)	(164,035)	39,209	203,244
Fund balance, beginning of year	575,394	575,394	575,394	-
Fund balance, end of year	\$ 458,375	\$ 411,359	\$ 614,603	\$ 203,244

CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Special Revenue
Land Development
For the Year Ended June 30, 2008

	<u>Budgeted Amounts</u>			Variance With Final Budget- Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Investment income	\$ 77,289	\$ 65,289	\$ 92,466	\$ 27,177
Total revenues	77,289	65,289	92,466	27,177
Expenditures:				
Culture and recreation:				
Current	-	201,308	155,792	45,516
Capital outlay	-	-	206,460	(206,460)
Total expenditures	-	201,308	362,252	(160,944)
Excess (deficiency) of revenues over expenditures	77,289	(136,019)	(269,786)	(133,767)
Other financing sources (uses):				
Contributed Capital	-	-	206,460	206,460
Total other financing sources (uses)	-	-	206,460	206,460
Net change in fund balance	77,289	(136,019)	(63,326)	72,693
Fund balance, beginning of year	1,930,876	1,930,876	1,930,876	-
Fund balance, end of year	\$ 2,008,165	\$ 1,794,857	\$ 1,867,550	\$ 72,693

CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Special Revenue
Special Recreation Leagues
For the Year Ended June 30, 2008

	<u>Budgeted Amounts</u>			Variance With Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Donations and support	\$ 69,550	\$ 69,550	\$ 60,659	\$ (8,891)
Investment income	3,800	3,800	5,169	1,369
Total revenues	73,350	73,350	65,828	(7,522)
Expenditures:				
Culture and recreation:				
Current	66,550	73,474	51,107	22,367
Total expenditures	66,550	73,474	51,107	22,367
Net change in fund balance	6,800	(124)	14,721	14,845
Fund balance, beginning of year	96,551	96,551	96,551	-
Fund balance, end of year	\$ 103,351	\$ 96,427	\$ 111,272	\$ 14,845

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Nonmajor Governmental Funds Capital Projects Funds

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

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

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

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

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

Beautification of Major Arterials – to account for the beautification of medians on Cerrillos Road, St. Francis Drive and Paseo de Peralta.

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

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

Landfill Projects – to account for the Ortiz landfill improvements.

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

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

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

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

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

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

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

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

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

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

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

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

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

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CITY OF SANTA FE, NEW MEXICO
Combining Balance Sheet
Nonmajor Governmental Funds
Capital Projects
June 30, 2008

Assets

	Cash, Investments and Cash Equivalents	Tax Receivable	Grants Receivable	Interest Receivable	Due From other funds	Total Assets
General Government:						
CIP Reallocation	\$ 126,262	\$ -	\$ -	\$ 122,730	\$ -	\$ 248,992
Resource Conservation	250,000	-	-	-	-	250,000
1/2% Gross Receipts Tax	3,609,152	2,779,767	-	-	17,624,545	24,013,464
Building Renovations	5,904,279	-	2,506,586	-	-	8,410,865
Total General Government	9,889,693	2,779,767	2,506,586	122,730	17,624,545	32,923,321
Public Works:						
Beautif. of Major Arterials	1	-	-	-	-	1
Bond Acquisition	81,485	-	-	-	-	81,485
City Drainage Projects	481,159	-	75,000	-	-	536,159
Landfill Projects	70,819	-	-	-	-	70,819
City Paving Projects	4,473,795	95,938	-	3,269	-	4,573,002
Santa Fe River Channel	126,120	-	2,505	-	-	128,625
City Signalization Projects	663,872	-	107,856	-	-	771,728
City Street Const. Projects	3,690,180	-	1,197,915	-	-	4,888,095
City Sidewalk Projects	1,419,019	-	-	-	-	1,419,019
Zia Road Street Lighting	254,886	-	-	-	-	254,886
Total Public Works	11,241,336	95,938	1,383,276	3,269	-	12,723,819
Community Development:						
Affordable Housing Program	1,307,661	-	-	-	-	1,307,661
Public Care Facilities	13,241	-	103,514	-	-	116,755
Total Community Development	1,320,902	-	103,514	-	-	1,424,416
Culture and Recreation:						
Art for CIP Projects	886,548	-	-	-	-	886,548
Museums	549	-	1,009	-	-	1,558
City Parks Improvements	4,173,822	-	759,552	-	-	4,933,374
Open Space Acquisition	703,943	-	246,534	-	-	950,477
Library Improvements	22,911	-	-	-	-	22,911
Total Culture and Recreation	5,787,773	-	1,007,095	-	-	6,794,868
Totals - June 30, 2008	\$ 28,239,704	\$ 2,875,705	\$ 5,000,471	\$ 125,899	\$ 17,624,545	\$ 53,866,424

Liabilities					Fund Balances			
Accounts Payable	Compensated Absences Payable	Accrued Wages Payable	Due to Other Funds	Deposits/ Escrows	Total Liabilities	Unreserved	Total Fund Balances	Total Liabilities and Fund Balances
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	248,992	\$ 248,992	\$ 248,992
						250,000	250,000	250,000
13,544	40,628	90,547	-	-	144,719	23,868,745	23,868,745	24,013,464
570,462	-	8,535	-	-	578,997	7,831,868	7,831,868	8,410,865
584,006	40,628	99,082	-	-	723,716	32,199,605	32,199,605	32,923,321
-	-	-	-	-	-	1	1	1
-	-	-	-	-	-	81,485	81,485	81,485
83,981	-	618	-	-	84,599	451,560	451,560	536,159
-	-	-	-	-	-	70,819	70,819	70,819
16,931	-	33,534	-	-	50,465	4,522,537	4,522,537	4,573,002
359	-	-	-	-	359	128,266	128,266	128,625
2,415	-	-	-	-	2,415	769,313	769,313	771,728
882,949	-	8,075	-	100,000	992,024	3,896,071	3,896,071	4,888,095
-	-	-	-	-	-	1,419,019	1,419,019	1,419,019
-	-	-	-	-	-	254,886	254,886	254,886
986,635	-	43,227	-	100,000	1,129,862	11,593,957	11,593,957	12,723,819
-	-	-	-	-	-	1,307,661	1,307,661	1,307,661
-	-	-	-	-	-	116,755	116,755	116,755
-	-	-	-	-	-	1,424,416	1,424,416	1,424,416
5,153	-	3,008	-	-	8,161	878,387	878,387	886,548
-	-	-	-	-	-	1,558	1,558	1,558
230,679	-	41,165	-	-	271,844	4,661,530	4,661,530	4,933,374
12,119	-	-	-	-	12,119	938,358	938,358	950,477
-	-	-	-	-	-	22,911	22,911	22,911
247,951	-	44,173	-	-	292,124	6,502,744	6,502,744	6,794,868
\$ 1,818,592	\$ 40,628	\$ 186,482	\$ -	\$ 100,000	\$ 2,145,702	\$ 51,720,722	\$ 51,720,722	\$ 53,866,424

CITY OF SANTA FE, NEW MEXICO
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds
Capital Projects
For the Year Ended June 30, 2008

	Revenues				Expenditures		
	Taxes	Intergov- ernmental	Investment Income	Other Revenues	Total Revenues	Current	Capital Outlay
General Government:							
CIP Reallocation	\$ -	\$ -	\$ 1,024,399	\$ -	\$ 1,024,399	\$ -	\$ -
Resource Conservation	-	-	-	-	-	-	-
1/2% Gross Receipts Tax	16,457,363	-	-	-	16,457,363	2,367,132	619,756
Building Renovations	-	2,711,654	-	-	2,711,654	318,454	4,939,482
Total General Government	16,457,363	2,711,654	1,024,399	-	20,193,416	2,685,586	5,559,238
Public Works:							
Beautif. of Major Arterials	-	-	-	-	-	-	-
Bond Acquisition	-	43,078	-	-	43,078	-	31,887
City Drainage Projects	-	75,000	-	69,270	144,270	619	351,930
Landfill Projects	-	-	-	-	-	-	-
City Paving Projects	1,225,364	74,483	33,990	-	1,333,837	1,019,753	1,317,339
Santa Fe River Channel	-	14,730	-	-	14,730	-	5,912
City Signalization Projects	-	107,856	-	8,600	116,656	-	1,349,653
City Street Const. Projects	-	2,318,630	-	129,829	2,448,459	15,279	4,983,488
City Sidewalk Projects	-	94,130	-	-	94,130	16,052	137,259
Zia Road Street Lighting	-	-	-	-	-	-	15,679
Total Public Works	1,225,364	2,727,905	33,990	207,899	4,195,158	1,051,703	8,193,127
Community Development:							
Affordable Housing Program	-	-	-	-	-	-	40,000
Public Care Facilities	-	47,880	-	-	47,880	4,040	30,810
Total Community Development	-	47,880	-	-	47,880	4,040	70,810
Culture and Recreation:							
Art for CIP Projects	-	-	-	3,399	3,399	92,582	-
Museums	-	-	-	-	-	-	66
City Parks Improvements	-	759,552	-	8,245	767,797	695,024	2,725,014
Open Space Acquisition	-	283,128	-	-	283,128	-	4,285,253
Library Improvements	-	-	-	7,253	7,253	-	51,124
Total Culture and Recreation	-	1,042,680	-	18,897	1,061,577	787,806	7,061,457
Totals - June 30, 2008	\$ 17,682,727	\$ 6,530,119	\$ 1,058,389	\$ 226,796	\$ 25,498,031	\$ 4,528,935	\$ 20,884,632

Other Financing Sources (Uses)					Fund Balances	
Total Expenditures	Excess (Deficiency) of Revenues Over Expenditures	Transfers In	Transfers (Out)	Net Changes In Fund Balances	Beginning of Year	End of Year
\$ -	\$ 1,024,399	\$ 1,453,792	\$ (3,470,313)	\$ (992,122)	\$ 1,241,114	\$ 248,992
-	-	250,000	-	250,000	-	250,000
2,986,888	\$ 13,470,475	62,072	(18,093,535)	(4,560,988)	28,429,733	23,868,745
5,257,936	(2,546,282)	7,914,615	(188,428)	5,179,905	2,651,963	7,831,868
8,244,824	11,948,592	9,880,479	(21,752,276)	(123,205)	32,322,810	32,199,605
-	-	-	(14,382)	(14,382)	14,383	1
31,887	11,189	-	(1,399,730)	(1,388,541)	1,470,026	81,485
352,549	(208,279)	300,000	-	91,721	359,839	451,560
-	-	-	-	-	70,819	70,819
2,337,092	(1,003,255)	3,595,000	(30,000)	2,561,745	1,960,792	4,522,537
5,912	8,818	-	-	8,818	119,448	128,266
1,349,653	(1,232,997)	1,531,871	(14,872)	284,002	485,311	769,313
4,998,747	(2,550,288)	3,583,374	(259,521)	774,565	3,121,506	3,896,071
153,311	(59,181)	450,000	(53,850)	336,969	1,082,050	1,419,019
15,679	(15,679)	-	-	(15,679)	270,565	254,886
9,244,830	(5,049,672)	9,460,245	(1,771,355)	2,639,218	8,954,739	11,593,957
40,000	(40,000)	1,100,000	-	1,060,000	247,661	1,307,661
34,850	13,030	-	(79,000)	(65,970)	182,725	116,755
74,850	(26,970)	1,100,000	(79,000)	994,030	430,386	1,424,416
92,582	(89,183)	370,000	-	280,817	597,570	878,387
66	(66)	-	-	(66)	1,624	1,558
3,420,038	(2,652,241)	4,648,357	(119,874)	1,876,242	2,785,288	4,681,530
4,285,253	(4,002,125)	3,862,574	(25,000)	(164,551)	1,102,909	938,358
51,124	(43,871)	-	-	(43,871)	66,782	22,911
7,849,063	(6,787,486)	8,880,931	(144,874)	1,948,571	4,554,173	6,502,744
\$ 25,413,567	\$ 84,464	\$ 29,121,655	\$ (23,747,505)	\$ 5,458,614	\$ 46,262,108	\$ 51,720,722

CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Capital Projects
CIP Reallocation Fund
For the Year Ended June 30, 2008

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual Amounts	
Revenues:				
Investment income	\$ 461,033	\$ 671,033	\$ 1,024,399	\$ 353,366
Total revenues	461,033	671,033	1,024,399	353,366
Expenditures:				
General government:				
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	461,033	671,033	1,024,399	353,366
Other financing sources (uses):				
Transfer in	-	1,453,792	1,453,792	-
Transfers out	(745,400)	(3,470,313)	(3,470,313)	-
Total other financing sources (uses)	(745,400)	(2,016,521)	(2,016,521)	-
Net change in fund balance	(284,367)	(1,345,488)	(992,122)	353,366
Fund balance, beginning of year	1,241,114	1,241,114	1,241,114	-
Fund balance, end of year	\$ 956,747	\$ (104,374)	\$ 248,992	\$ 353,366

CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Capital Projects
Resource Conservation
For the Year Ended June 30, 2008

	Budgeted Amounts			Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final			
Revenues:					
Intergovernmental	\$ -	\$ -	\$ -	\$ -	-
Total revenues	-	-	-	-	-
Expenditures:					
General government:					
Current	-	115,000	-	-	115,000
Capital outlay	-	135,000	-	-	135,000
Total expenditures	-	250,000	-	-	135,000
Excess (deficiency) of revenues over expenditures	-	(250,000)	-	-	135,000
Other financing sources (uses):					
Operating transfers in	-	250,000	250,000	-	-
Total other financing sources (uses)	-	250,000	250,000	-	-
Net changes in fund balance	-	-	250,000	-	135,000
Fund balance, beginning of year	-	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ 250,000	\$ -	135,000

CITY OF SANTA FE, NEW MEXICO
Major Governmental Fund
Capital Projects
1/2 % Gross Receipts Tax
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 15,898,528	\$ 15,898,528	\$ 16,457,363	\$ 558,835
Total revenues	15,898,528	15,898,528	16,457,363	558,835
Expenditures:				
General government:				
Current	2,570,210	2,607,516	2,367,132	240,384
Capital outlay	21,923	1,188,984	619,756	569,228
Total expenditures	2,592,133	3,796,500	2,986,888	809,612
Excess (deficiency) of revenues over expenditures	13,306,395	12,102,028	13,470,475	1,368,447
Other financing sources (uses):				
Transfers in	22,760	62,072	62,072	-
Transfers out	(12,184,164)	(18,093,535)	(18,093,535)	-
Total other financing sources (uses)	(12,161,404)	(18,031,463)	(18,031,463)	-
Net change in fund balance	1,144,991	(5,929,435)	(4,560,988)	1,368,447
Fund balance, beginning of year	28,429,733	28,429,733	28,429,733	-
Fund balance, end of year	\$ 29,574,724	\$ 22,500,298	\$ 23,868,745	\$ 1,368,447

CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Capital Projects
Building Renovations
For the Year Ended June 30, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget- Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
Revenues:				
Intergovernmental	\$ 1,814,750	\$ 3,639,622	\$ 2,711,654	\$ (927,968)
Total revenues	1,814,750	3,639,622	2,711,654	(927,968)
Expenditures:				
General government:				
Current	73,091	485,255	318,454	166,801
Capital outlay	4,241,834	13,505,284	4,939,482	8,565,802
Total expenditures	4,314,925	13,990,539	5,257,936	8,732,603
Excess (deficiency) of revenues over expenditures	(2,500,175)	(10,350,917)	(2,546,282)	7,804,635
Other financing sources (uses):				
Transfers in	100,000	7,914,615	7,914,615	-
Transfers out	-	(188,428)	(188,428)	-
Total other financing sources (uses)	100,000	7,726,187	7,726,187	-
Net change in fund balance	(2,400,175)	(2,624,730)	5,179,905	7,804,635
Fund balance, beginning of year	2,651,963	2,651,963	2,651,963	-
Fund balance, end of year	\$ 251,788	\$ 27,233	\$ 7,831,868	\$ 7,804,635

CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Capital Projects
Beautification of Major Arterials
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ -	\$ -	-
Total revenues	-	-	-	-
Expenditures:				
Public works:				
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	-	-
Other financing sources (uses):				
Operating transfers out	-	(14,382)	(14,382)	-
Total other financing sources (uses)	-	(14,382)	(14,382)	-
Net change in fund balance	-	(14,382)	(14,382)	-
Fund balance, beginning of year	14,383	14,383	14,383	-
Fund balance, end of year	\$ 14,383	\$ 1	\$ 1	-

CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Capital Projects
Bond Acquisition
For the Year Ended June 30, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget- Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
Revenues:				
Intergovernmental	\$ 50,000	\$ 50,000	\$ 43,076	\$ (6,924)
Total revenues	50,000	50,000	43,076	(6,924)
Expenditures:				
Public works:				
Capital outlay	81,559	120,296	31,887	88,409
Total expenditures	81,559	120,296	31,887	88,409
Excess (deficiency) of revenues over expenditures	(31,559)	(70,296)	11,189	81,485
Other financing sources (uses):				
Operating transfers out	-	(1,399,730)	(1,399,730)	-
Total other financing sources (uses)	-	(1,399,730)	(1,399,730)	-
Net change in fund balance	(31,559)	(1,470,026)	(1,388,541)	81,485
Fund balance, beginning of year	1,470,026	1,470,026	1,470,026	-
Fund balance, end of year	\$ 1,438,467	\$ -	\$ 81,485	\$ 81,485

CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Capital Projects
City Drainage Projects
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 75,000	\$ 75,000	\$ 75,000	\$ -
Other Revenue	-	69,270	69,270	-
Total revenues	75,000	144,270	144,270	-
Expenditures:				
Public works:				
Current	-	-	619	(619)
Capital outlay	430,263	793,840	351,930	441,910
Total expenditures	430,263	793,840	352,549	441,291
Excess (deficiency) of revenues over expenditures	(355,263)	(649,570)	(208,279)	441,291
Other financing sources (uses):				
Operating transfers in	-	300,000	300,000	-
Total other financing sources (uses)	-	300,000	300,000	-
Net change in fund balance	(355,263)	(349,570)	91,721	441,291
Fund balance, beginning of year	359,839	359,839	359,839	-
Fund balance, end of year	\$ 4,576	\$ 10,269	\$ 451,560	\$ 441,291

CITY OF SANTA FE, NEW MEXICO
Capital Projects Fund
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Capital Projects
Landfill Projects
For the Year Ended June 30, 2008

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

CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Capital Projects
City Paving Projects
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 1,248,000	\$ 1,248,000	\$ 1,225,364	\$ (22,636)
Intergovernmental	254,473	336,619	74,483	(262,136)
Interest on investments	20,000	24,700	33,990	9,290
Total revenues	1,522,473	1,609,319	1,333,837	(275,482)
Expenditures:				
Public works:				
Current	997,030	1,074,544	1,019,753	54,791
Capital outlay	2,493,784	5,353,568	1,317,339	4,036,229
Total expenditures	3,490,814	6,428,112	2,337,092	4,091,020
Excess (deficiency) of revenues over expenditures	(1,968,341)	(4,818,793)	(1,003,255)	3,815,538
Other financing sources (uses):				
Transfers in	-	3,595,000	3,595,000	-
Transfers out	-	(30,000)	(30,000)	-
Total other financing sources (uses)	-	3,565,000	3,565,000	-
Net change in fund balance	(1,968,341)	(1,253,793)	2,561,745	3,815,538
Fund balance, beginning of year	1,960,792	1,960,792	1,960,792	-
Fund balance, end of year	\$ (7,549)	\$ 706,999	\$ 4,522,537	\$ 3,815,538

CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Capital Projects
Santa Fe River Channel
For the Year Ended June 30, 2008

	Budgeted Amounts			Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final			
Revenues:					
Intergovernmental	\$ 104,706	\$ 113,520	\$ 14,730	\$	(98,790)
Total revenues	104,706	113,520	14,730		(98,790)
Expenditures:					
Public works:					
Capital outlay	152,409	171,319	5,912		165,407
Total expenditures	152,409	171,319	5,912		165,407
Excess (deficiency) of revenues over expenditures	(47,703)	(57,799)	8,818		66,617
Net change in fund balance	(47,703)	(57,799)	8,818		66,617
Fund balance, beginning of year	119,448	119,448	119,448		-
Fund balance, end of year	\$ 71,745	\$ 61,649	\$ 128,266	\$	66,617

CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Capital Projects
City Signalization Projects
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 625,000	\$ 109,504	\$ 107,856	\$ (1,648)
Other revenue	-	8,800	8,800	-
Total revenues	625,000	118,304	116,656	(1,648)
Expenditures:				
Public works:				
Capital outlay	331,824	2,010,843	1,349,653	661,190
Total expenditures	331,824	2,010,843	1,349,653	661,190
Excess (deficiency) of revenues over expenditures	293,176	(1,892,539)	(1,232,997)	659,542
Other financing sources (uses):				
Transfers in	-	1,531,871	1,531,871	-
Transfers out	-	(14,872)	(14,872)	-
Total other financing sources (uses)	-	1,516,999	1,516,999	-
Net change in fund balance	293,176	(375,540)	284,002	659,542
Fund balance, beginning of year	485,311	485,311	485,311	-
Fund balance, end of year	\$ 778,487	\$ 109,771	\$ 769,313	\$ 659,542

CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Capital Projects
City Street Construction Projects
For the Year Ended June 30, 2008

	Budgeted Amounts			Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final			
Revenues:					
Intergovernmental	\$ 2,610,368	\$ 7,515,346	\$ 2,318,630	\$ (5,196,716)	
Other revenue	-	23,000	129,829	106,829	
Total revenues	2,610,368	7,538,346	2,448,459	(5,089,887)	
Expenditures:					
Public works:					
Current	5,779	13,583	15,279	(1,696)	
Capital outlay	4,199,280	13,826,524	4,983,468	8,843,056	
Total expenditures	4,205,059	13,840,107	4,998,747	8,841,360	
Excess (deficiency) of revenues over expenditures	(1,594,691)	(6,301,761)	(2,550,288)	3,751,473	
Other financing sources (uses):					
Transfers in	-	3,583,374	3,583,374	-	
Transfers out	-	(258,521)	(258,521)	-	
Total other financing sources (uses)	-	3,324,853	3,324,853	-	
Net change in fund balance	(1,594,691)	(2,976,908)	774,565	3,751,473	
Fund balance, beginning of year	3,121,506	3,121,506	3,121,506	-	
Fund balance, end of year	\$ 1,526,815	\$ 144,598	\$ 3,896,071	\$ 3,751,473	

CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Capital Projects
City Sidewalk Projects
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 94,130	\$ 94,130	\$ 94,130	\$ -
Total revenues	94,130	94,130	94,130	-
Expenditures:				
Public works:				
Current	-	-	16,052	(16,052)
Capital outlay	1,110,491	1,522,991	137,259	1,385,732
Total expenditures	1,110,491	1,522,991	153,311	1,369,680
Excess (deficiency) of revenues over expenditures	(1,016,361)	(1,428,861)	(59,181)	1,369,680
Other financing sources (uses):				
Operating transfers in	-	450,000	450,000	-
Operating transfers (out)	-	(53,850)	(53,850)	-
Total other financing sources (uses)	-	396,150	396,150	-
Net change in fund balance	(1,016,361)	(1,032,711)	336,969	1,369,680
Fund balance, beginning of year	1,082,050	1,082,050	1,082,050	-
Fund balance, end of year	\$ 65,689	\$ 49,339	\$ 1,419,019	\$ 1,369,680

CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Capital Projects
Zia Road Street Lighting
For the Year Ended June 30, 2008

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual Amounts	
Revenues:				
Intergovernmental	\$ -	\$ -	\$ -	-
Total revenues	-	-	-	-
Expenditures:				
Public works:				
Capital outlay	268,900	266,615	15,679	250,936
Total expenditures	268,900	266,615	15,679	250,936
Excess (deficiency) of revenues over expenditures	(268,900)	(266,615)	(15,679)	250,936
Net change in fund balance	(268,900)	(266,615)	(15,679)	250,936
Fund balance, beginning of year	270,565	270,565	270,565	-
Fund balance, end of year	\$ 1,665	\$ 3,950	\$ 254,886	\$ 250,936

CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Capital Projects
Affordable Housing Program
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ -	\$ -	-
Total revenues	-	-	-	-
Expenditures:				
Community development				
Capital outlay	71,661	1,347,661	40,000	1,307,661
Total expenditures	71,661	1,347,661	40,000	1,307,661
Excess (deficiency) of revenues over expenditures	(71,661)	(1,347,661)	(40,000)	1,307,661
Other financing sources (uses):				
Transfers in	-	1,100,000	1,100,000	-
Transfers out	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	1,100,000	1,100,000	-
Net change in fund balance	(71,661)	(247,661)	1,060,000	1,307,661
Fund balance, beginning of year	247,661	247,661	247,661	-
Fund balance, end of year	\$ 176,000	\$ -	\$ 1,307,661	\$ 1,307,661

CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Capital Projects
Public Care Facilities
For the Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 885,366	\$ 1,159,866	\$ 47,880	\$ (1,111,986)
Total revenues	885,366	1,159,866	47,880	(1,111,986)
Expenditures:				
Community welfare:				
Current	-	276,302	4,040	272,262
Capital outlay	772,000	973,659	30,810	942,849
Total expenditures	772,000	1,249,961	34,850	1,215,111
Excess (deficiency) of revenues over expenditures	113,366	(90,095)	13,030	103,125
Other financing sources (uses):				
Transfers out	-	(79,000)	(79,000)	-
Total other financing sources (uses)	-	(79,000)	(79,000)	-
Net change in fund balance	113,366	(169,095)	(65,970)	103,125
Fund balance, beginning of year	182,725	182,725	182,725	-
Fund balance, end of year	\$ 296,091	\$ 13,630	\$ 116,755	\$ 103,125

CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Capital Projects
Art for CIP Projects
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 6,000	\$ -	\$ -	-
Other revenue	-	-	3,399	3,399
Total revenues	6,000	-	3,399	3,399
Expenditures:				
Culture and recreation:				
Current	524,446	542,242	92,582	449,660
Total expenditures	524,446	542,242	92,582	449,660
Excess (deficiency) of revenues over expenditures	(518,446)	(542,242)	(89,183)	453,059
Other financing sources (uses):				
Transfers in	-	370,000	370,000	-
Total other financing sources (uses)	-	370,000	370,000	-
Net change in fund balance	(518,446)	(172,242)	280,817	453,059
Fund balance, beginning of year	597,570	597,570	597,570	-
Fund balance, end of year	\$ 79,124	\$ 425,328	\$ 878,387	\$ 453,059

CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Capital Projects
Museums
For the Year Ended June 30, 2008

	Budgeted Amounts			Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final			
Revenues:					
Intergovernmental	\$ 2,677	\$ 227,424	\$ -	\$ (227,424)	
Total revenues	2,677	227,424	-	(227,424)	
Expenditures:					
Culture and recreation:					
Capital outlay	2,677	228,415	66	228,349	
Total expenditures	2,677	228,415	66	228,349	
Excess (deficiency) of revenues over expenditures	-	(991)	(66)	925	
Net change in fund balance	-	(991)	(66)	925	
Fund balance, beginning of year	1,624	1,624	1,624	-	
Fund balance, end of year	\$ 1,624	\$ 633	\$ 1,558	\$ 925	

CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Capital Projects
City Parks Improvements
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 576,975	\$ 4,679,057	\$ 759,552	\$ (3,919,505)
Other revenue	-	8,055	8,245	190
Total revenues	576,975	4,687,112	767,797	(3,919,315)
Expenditures:				
Culture and recreation:				
Current	162,799	405,775	695,024	(289,249)
Capital outlay	2,520,856	9,867,657	2,725,014	7,142,643
Total expenditures	2,683,655	10,273,432	3,420,038	6,853,394
Excess (deficiency) of revenues over expenditures	(2,106,680)	(5,586,320)	(2,652,241)	2,934,079
Other financing sources (uses):				
Transfers in	215,000	4,648,357	4,648,357	-
Transfers out	-	(119,874)	(119,874)	-
Total other financing sources (uses)	215,000	4,528,483	4,528,483	-
Net change in fund balance	(1,891,680)	(1,057,837)	1,876,242	2,934,079
Fund balance, beginning of year	2,785,288	2,785,288	2,785,288	-
Fund balance, end of year	\$ 893,608	\$ 1,727,451	\$ 4,661,530	\$ 2,934,079

CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Capital Projects
Open Space Acquisition
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 545,650	\$ 1,484,752	\$ 283,128	\$ (1,201,624)
Total revenues	545,650	1,484,752	283,128	(1,201,624)
Expenditures:				
Culture and recreation:				
Current	13,000	19,560	-	19,560
Capital outlay	894,573	6,001,838	4,285,253	1,716,585
Total expenditures	907,573	6,021,398	4,285,253	1,736,145
Excess (deficiency) of revenues over expenditures	(361,923)	(4,536,646)	(4,002,125)	534,521
Other financing sources (uses):				
Transfers in	-	3,862,574	3,862,574	-
Transfers out	-	(25,000)	(25,000)	-
Total other financing sources (uses)	-	3,837,574	3,837,574	-
Net change in fund balance	(361,923)	(699,072)	(164,551)	534,521
Fund balance, beginning of year	1,102,909	1,102,909	1,102,909	-
Fund balance, end of year	\$ 740,986	\$ 403,837	\$ 938,358	\$ 534,521

CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Capital Projects
Library Improvements
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual Amount	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Other revenue	\$ -	\$ 7,253	\$ 7,253	\$ -
Total revenues	-	7,253	7,253	-
Expenditures:				
Cultural and Recreation:				
Capital Outlay	-	74,003	51,124	22,879
Total expenditures	-	74,003	51,124	22,879
Excess (deficiency) of revenues over expenditures	-	(66,750)	(43,871)	22,879
Net changes in fund balance	-	(66,750)	(43,871)	22,879
Fund balance, beginning of year	66,782	66,782	66,782	-
Fund balance, end of year	\$ 66,782	\$ 32	\$ 22,911	\$ 22,879

**Major Governmental Fund
Debt Service Fund
Budget vs Actual**

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

CITY OF SANTA FE, NEW MEXICO
Major Governmental Fund
Debt Service Fund
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ 526,122	\$ 351,788	\$ 655,839	\$ 304,051
Total revenues	526,122	351,788	655,839	304,051
Expenditures:				
Debt service:				
Principal payments	8,087,536	7,352,698	7,352,698	-
Interest and fiscal agent fees	9,670,802	4,631,168	4,607,888	23,280
Bond issuance costs	-	606,132	753,436	(147,304)
Total expenditures	17,758,338	12,589,998	12,714,022	(124,024)
Excess (deficiency) of revenues over expenditures	(17,232,216)	(12,238,210)	(12,058,183)	180,027
Other financing sources (uses):				
Operating transfers in	17,363,767	12,022,400	12,022,400	-
Operating transfers out	(149,400)	(31,138,222)	(31,138,221)	1
HUD loan payments(flow through)	-	-	7,862	7,862
Issuance of bonds				
Face value of bonds issued	-	41,135,000	40,135,000	(1,000,000)
Premium on issuance of bond	-	1,623,540	1,623,540	-
Total other financing sources (uses)	17,214,367	23,642,718	22,650,581	(992,137)
Net change in fund balance	(17,849)	11,404,508	10,592,398	(812,110)
Fund balance, beginning of year	70,781,291	19,216,622	18,536,628	679,994
Fund balance, end of year	\$ 70,763,442	\$ 30,621,130	\$ 29,129,026	\$ (1,492,104)

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Nonmajor Enterprise Funds

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

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

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

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

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

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

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

Major Enterprise Funds Budget vs Actual

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

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

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

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

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CITY OF SANTA FE, NEW MEXICO
Combining Statement of Net Assets
Nonmajor Enterprise Funds
June 30, 2008

	Solid Waste Management	Municipal Recreation Complex	Parking Enterprise Fund	Transit Bus System
Assets				
Current assets:				
Cash, investments and cash equivalents	\$ 5,674,047	\$ -	\$ 2,856,891	\$ 164,487
Restricted cash, investments and cash equivalents				
Restricted for debt service	108,952	-	-	-
Grants receivable	-	-	13,380	1,314,762
Receivable (net of allowances)				
State-shared taxes	343,661	-	-	-
Accounts	1,877,982	141,400	51,697	-
Interest receivable	29,752	456	14,929	1,797
Total current assets	8,034,394	141,856	2,936,897	1,481,046
Noncurrent assets:				
Deferred Charges (net of amortization)	328,022	324,468	-	-
Capital assets:				
Land and land rights	-	2,250,000	-	-
Buildings and systems	361,316	2,122,713	2,334,359	3,704,468
Less accumulated depreciation	(15,407)	(309,281)	(909,766)	(725,661)
Improvements	533,179	13,336,226	113,620	766,447
Less accumulated depreciation	(271,822)	(13,161,022)	(113,620)	(716,900)
Furniture and fixtures	9,640	-	25,754	9,043
Less accumulated depreciation	(9,640)	-	(22,176)	(4,980)
Equipment and machinery	660,328	1,118,491	807,169	781,944
Less accumulated depreciation	(531,120)	(719,725)	(273,571)	(694,901)
Vehicles	7,205,020	53,479	273,569	8,086,740
Less accumulated depreciation	(4,551,443)	(53,479)	(183,345)	(5,187,816)
Data processing equipment and software	56,905	75,603	714,441	330,315
Less accumulated depreciation	(40,148)	(63,830)	(697,519)	(184,204)
Art	-	-	-	180,971
Construction in progress	75,490	58,886	15,665,790	3,071,035
Total capital assets (net of accumulated depreciation)	3,482,298	4,708,061	17,734,705	9,416,501
Total noncurrent assets	3,810,320	5,032,529	17,734,705	9,416,501
Total assets	\$ 11,844,714	\$ 5,174,385	\$ 20,671,602	\$ 10,897,547
Liabilities				
Current liabilities:				
Accounts payable	\$ 49,960	\$ 23,756	\$ 421,655	\$ 338,894
Miscellaneous payable	70,369	5,407	-	-
Compensated absences payable	339,160	36,780	186,339	313,905
Accrued wages payable	175,373	23,917	114,108	232,707
Deferred Revenue	-	-	-	18,000
Deposits and escrows	176,180	605	6,995	-
Interest payable	53,535	46,221	-	-
Due to other funds	-	45,387	-	-
Bonds payable-current portion	665,000	735,000	-	-
Total current liabilities	1,529,577	917,073	729,097	903,506
Noncurrent liabilities				
Bonds payable-noncurrent portion	13,415,135	12,681,569	-	-
Total noncurrent liabilities	13,415,135	12,681,569	-	-
Total liabilities	14,944,712	13,598,642	729,097	903,506
Net assets				
Invested in capital assets, net of related debt	(10,245,518)	(8,431,939)	17,734,705	9,416,501
Restricted for debt service	108,952	-	-	-
Unrestricted	7,036,568	7,682	2,207,800	577,540
Total net assets	\$ (3,099,998)	\$ (8,424,257)	\$ 19,942,505	\$ 9,994,041

Airport	GCCC	Totals	
\$ 320,355	\$ 1,254,612	\$ 10,270,392	Current assets:
-	-	108,952	Cash, investments and cash equivalents
626,223	144,607	2,098,972	Restricted cash, investments and cash equivalents
-	-	343,661	Restricted for debt service
-	-	2,071,079	Grants receivable
2,700	6,714	56,348	Receivable (net of allowances)
			State-shared taxes
			Accounts
			Interest receivable
<u>949,278</u>	<u>1,405,933</u>	<u>14,949,404</u>	Total current assets
-	-	652,490	Noncurrent assets:
			Deferred Charges (net of amortization)
1	2,072,067	\$ 4,322,068	Capital assets:
755,998	23,405,214	32,684,068	Land and land rights
(113,958)	(4,133,321)	(6,207,394)	Buildings and systems
5,413,589	94,621	20,257,682	Less accumulated depreciation
(5,174,898)	(74,908)	(19,513,170)	Improvements
-	40,830	85,267	Less accumulated depreciation
-	(40,110)	(76,906)	Furniture and fixtures
712,657	459,620	4,540,209	Less accumulated depreciation
(614,371)	(376,067)	(3,209,755)	Equipment and machinery
545,473	43,901	16,208,182	Less accumulated depreciation
(110,393)	(25,991)	(10,112,467)	Vehicles
5,790	190,001	1,373,055	Less accumulated depreciation
(5,790)	(153,021)	(1,144,512)	Data processing equipment and software
-	-	180,971	Less accumulated depreciation
10,061,978	5,356	28,938,535	Art
			Construction in progress
<u>11,476,076</u>	<u>21,508,192</u>	<u>68,325,833</u>	Total capital assets (net of accumulated depreciation)
11,476,076	21,508,192	68,978,323	Total noncurrent assets
<u>\$ 12,425,354</u>	<u>\$ 22,914,125</u>	<u>\$ 83,927,727</u>	Total assets
			Liabilities
\$ 5,721	\$ 133,092	\$ 973,078	Current liabilities:
274	9,181	85,231	Accounts payable
77,928	167,985	1,122,097	Miscellaneous payable
30,871	147,568	724,544	Compensated absences payable
-	-	18,000	Accrued wages payable
-	3,178	186,958	Deferred Revenue
-	-	99,756	Deposits and escrows
-	-	45,387	Interest payable
-	-	1,400,000	Due to other funds
114,794	461,004	4,655,051	Bonds payable-current portion
			Total current liabilities
-	-	28,096,704	Noncurrent liabilities
			Bonds payable-noncurrent portion
-	-	26,096,704	Total noncurrent liabilities
<u>114,794</u>	<u>461,004</u>	<u>30,751,755</u>	Total liabilities
11,476,076	21,508,192	41,458,017	Net assets
-	-	108,952	Invested in capital assets, net of related debt
834,484	944,929	11,609,003	Restricted for capital projects
<u>\$ 12,310,560</u>	<u>\$ 22,453,121</u>	<u>\$ 53,175,972</u>	Unrestricted
			Total net assets

Enterprise Funds
Combining Statement of Revenues, Expenses
and Changes in Net Assets
Nonmajor Enterprise Funds
For the Year Ended June 30, 2008

	Solid Waste Management	Municipal Recreation Complex	Parking Enterprise Fund	Transit Bus System
Operating revenues:				
User fees	\$ 9,419,575	\$ 1,055,670	\$ 3,693,146	\$ 412,810
Other revenue	89,243	118,473	633,501	114,571
Total operating revenues	9,508,818	1,174,143	4,326,647	527,381
Operating expenses:				
Salaries, wages and benefits	3,798,237	455,592	2,559,233	5,361,837
Contractual services and utilities	1,772,452	231,340	504,295	127,595
Repairs and maintenance	539,166	15,237	419,176	408,050
Supplies	813,793	78,822	128,674	612,068
Capital outlay-inventory exempt items	475,494	24,568	19,594	46,795
Depreciation expense	785,641	1,332,493	118,120	924,468
Amortization expense	-	19,670	-	-
Insurance	303,705	32,240	193,337	357,779
Other	650,238	225,924	774,132	840,436
Total operating expenses	9,138,726	2,415,886	4,716,561	8,679,028
Operating income (loss)	370,092	(1,241,743)	(389,914)	(8,151,647)
Non-operating revenues (expenses):				
Investment income	287,387	17,005	197,276	21,523
Intergovernmental				
State-shared taxes	343,661	-	-	-
Grants	-	73,433	24,515	5,461,979
Gain (Loss) on sale of capital assets	(22,393)	6,522	252	-
Interest expense	(724,533)	(559,985)	-	-
Other non-operating expenses	(21,163)	-	-	-
Total non-operating revenues (expenses)	(137,041)	(463,025)	222,043	5,483,502
Income (loss) before transfers	233,051	(1,704,768)	(167,871)	(2,668,145)
Transfers in	1,319,258	1,165,988	-	6,013,460
Transfers out	-	(5,672)	(310,376)	-
Change in net assets	1,552,309	(544,452)	(478,247)	3,345,315
Net assets, beginning of year (previously stated)	9,731,753	(7,879,805)	20,420,752	6,648,726
Adjustment to net assets:				
Reclass debt service	(14,384,060)	-	-	-
Net assets, beginning of year (restated)	(4,652,307)	(7,879,805)	20,420,752	6,648,726
Net assets, end of year	\$ (3,099,998)	\$ (8,424,257)	\$ 19,942,505	\$ 9,994,041

Airport		GCCC		Totals		
\$	354,446	\$	1,480,294	\$	16,415,941	Operating revenues:
	190,975		386,400		1,533,163	User fees
	545,421		1,866,694		17,949,104	Other revenue
						Total operating revenues
	705,125		2,870,589		15,750,613	Operating expenses:
	123,537		716,725		3,475,944	Salaries, wages and benefits
	17,483		132,222		1,531,334	Contractual services and utilities
	22,693		219,637		1,875,687	Repairs and maintenance
	301,155		327,969		1,195,575	Supplies
	342,419		501,690		4,004,831	Capital outlay-inventory exempt items
	-		-		19,670	Depreciation expense
	49,617		92,397		1,029,075	Amortization expense
	71,141		137,858		2,699,729	Insurance
						Other
	1,633,170		4,999,087		31,582,458	Total operating expenses
	(1,087,749)		(3,132,393)		(13,633,354)	Operating income (loss)
	26,023		57,021		606,235	Non-operating revenues (expenses):
	-		-		343,661	Investment income
	1,237,328		144,607		6,941,862	Intergovernmental
	-		384		(15,235)	State-shared taxes
	-		-		(1,284,518)	Grants
	-		-		(21,163)	Gain (Loss) on sale of capital assets
	-		-			Interest expense
	-		-			Other non-operating expenses
	1,263,351		202,012		6,570,842	Total non-operating revenues (expenses)
	175,602		(2,930,381)		(7,062,512)	Income (loss) before transfers
	878,557		2,783,725		12,160,988	Transfers in
	(39,312)		(22,760)		(378,120)	Transfers out
	1,014,847		(169,416)		4,720,356	Change in net assets
	11,295,713		22,622,537		62,839,676	Net assets, beginning of year (previously stated)
	-		-		(14,384,060)	Adjustment to net assets:
	-		-			Reclass debt service
	11,295,713		22,622,537		48,455,616	Net assets, beginning of year (restated)
\$	12,310,560	\$	22,453,121	\$	53,175,972	Net assets, end of year

CITY OF SANTA FE, NEW MEXICO
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended June 30, 2008

	Solid Waste Management	Municipal Recreation Complex	Parking Enterprise Fund	Transit Bus System
Cash flows from operating activities:				
Cash received from customers	\$ 9,343,374	\$ 1,158,603	\$ 4,342,622	\$ 534,728
Cash payments to suppliers for goods and services	(3,954,721)	(565,681)	(2,159,235)	(1,706,042)
Cash paid for interfund services provided and used	(575,276)	-	(279,761)	(431,129)
Cash payments to employees for services	(3,835,691)	(457,750)	(2,601,964)	(5,404,562)
Net cash provided (used) by operating activities:	977,686	135,172	(698,338)	(7,007,005)
Cash flows from noncapital financing activities:				
Intergovernmental	-	73,433	24,515	4,597,096
Transfers-in from other funds	1,319,258	1,165,988	-	6,013,460
Transfers-out to other funds	-	(5,672)	(310,376)	-
Net cash provided (used) by noncapital financing activities	1,319,258	1,233,749	(285,861)	10,610,556
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(528,837)	(296,960)	(4,208,972)	(4,757,573)
Proceeds from sale of capital assets	100,362	6,522	-	-
Principal paid on revenue bond maturities and notes payable	(635,000)	(722,286)	-	-
Interest paid on revenue bonds and notes payable	(670,998)	(562,041)	-	-
Net cash used for capital and related financing activities	(1,734,473)	(1,574,765)	(4,208,972)	(4,757,573)
Cash flows from investing activities:				
Interest and dividends on investments	269,695	17,217	224,865	25,526
Net cash provided by investing activities	269,695	17,217	224,865	25,526
Net increase (decrease) in cash and cash equivalents	832,166	(188,627)	(4,968,306)	(1,128,496)
Cash, investments and cash equivalents at beginning of year	4,950,833	188,627	7,825,197	1,292,983
Cash, investments and cash equivalents at end of year	\$ 5,782,999	\$ -	\$ 2,856,891	\$ 164,487
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ 370,092	\$ (1,241,743)	\$ (389,914)	\$ (8,151,647)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation/amortization	785,641	1,352,163	118,120	924,468
Change in assets and liabilities:				
(Increase) decrease in accounts receivable	(341,624)	(15,540)	15,975	7,347
Increase (decrease) in accounts payable	(117,181)	(3,139)	(399,502)	255,552
Increase (decrease) in compensated absences payable	(30,251)	489	(37,608)	(83,965)
Increase (decrease) in accrued wages payable	35,133	6,588	17,238	69,336
Increase (decrease) in miscellaneous payable	-	(9,033)	-	-
Increase (decrease) in escrow	176,180	-	(286)	-
Increase (decrease) in benefits payable	(42,336)	-	(22,361)	(28,096)
Increase (decrease) in due to other funds	-	45,387	-	-
Increase (decrease) in other payable	142,032	-	-	-
Total adjustments	607,594	1,376,915	(308,424)	1,144,642
Net cash provided (used) by operating activities	\$ 977,686	\$ 135,172	\$ (698,338)	\$ (7,007,005)

Airport		GCCC		Totals	
\$	545,421	\$	1,872,915	\$	17,797,663
	(533,320)		(1,580,791)		(10,499,790)
	(65,358)		-		(1,351,524)
	(687,665)		(2,940,743)		(15,928,375)
	(740,922)		(2,648,619)		(9,982,026)
	1,153,381		10,525		5,858,950
	878,557		2,783,725		12,160,988
	(39,312)		(22,760)		(378,120)
	1,992,626		2,771,490		17,641,818
	(956,771)		829		(10,748,284)
	-		384		107,268
	-		-		(1,357,286)
	-		-		(1,233,039)
	(956,771)		1,213		(13,231,341)
	25,422		56,202		618,927
	25,422		56,202		618,927
	320,355		180,286		(4,952,622)
	-		1,074,326		15,331,966
\$	320,355	\$	1,264,612	\$	10,379,344
\$	(1,087,749)	\$	(3,132,393)	\$	(13,633,354)
	342,419		501,690		4,024,501
	-		6,221		(327,621)
	(13,209)		40,990		(236,489)
	9,750		(83,542)		(225,127)
	7,710		20,731		156,736
	-		-		(9,033)
	-		3,178		179,072
	-		(7,343)		(100,136)
	-		-		45,387
	157		1,849		144,038
	346,827		483,774		3,651,328
\$	(740,922)	\$	(2,648,619)	\$	(9,982,026)

Cash flows from operating activities:

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

Net cash provided (used) by operating activities:

Cash flows from noncapital financing activities:

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

Net cash provided (used) by noncapital financing activities

Cash flows from capital and related financing activities:

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

Net cash used for capital and related financing activities

Cash flows from investing activities:

Interest and dividends on investments

Net cash provided by investing activities

Net increase (decrease) in cash and cash equivalents

Cash, investments and cash equivalents at beginning of year

Cash, investments and cash equivalents at end of year

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

Operating income (loss)

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

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

Total adjustments

Net cash provided (used) by operating activities

CITY OF SANTA FE, NEW MEXICO
Nonmajor Enterprise Fund
Schedule of Revenues, Expenses and
Changes in Net Assets Budget and Actual
Solid Waste Management
For the Year Ended June 30, 2008

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
Operating revenues:				
User fees	\$ 8,938,400	\$ 8,938,400	\$ 9,419,575	\$ 481,175
Other revenues	25,000	25,000	89,243	64,243
Total operating revenues	8,963,400	8,963,400	9,508,818	545,418
Operating expenses:				
Salaries, wages and benefits	3,765,602	4,340,990	3,798,237	542,753
Contractual services and utilities	2,587,003	2,095,876	1,772,452	323,424
Repairs and maintenance	399,599	519,338	539,166	(19,828)
Supplies	572,086	804,265	813,793	(9,528)
Capital outlay-exempt items	1,618,351	2,081,501	475,494	1,606,007
Depreciation expense	-	821,657	785,641	36,016
Insurance	279,685	303,705	303,705	-
Other	596,236	669,600	650,238	19,362
Total operating expenses	9,818,562	11,636,932	9,138,726	2,498,206
Operating income (loss)	(855,162)	(2,673,532)	370,092	3,043,624
Non-operating revenues (expenses):				
Investment income	185,600	188,257	287,387	99,130
Intergovernmental				
State-shared taxes	-	-	343,661	343,661
Gain (Loss) on sale of capital assets	-	66,820	(22,393)	(89,213)
Interest expense	-	(1,305,998)	(724,533)	581,465
Other non-operating expenses	-	-	(21,163)	(21,163)
Total non-operating revenues (expenses)	185,600	(1,050,921)	(137,041)	913,880
Income (loss) before transfers	(669,562)	(3,724,453)	233,051	3,957,504
Transfers in	13,260	1,319,258	1,319,258	-
Change in net assets	(656,302)	(2,405,195)	1,552,309	3,957,504
Net assets, beginning of year (previously stated)	9,731,753	9,731,753	9,731,753	-
Adjustment to net assets:				
Reclass debt service	(14,384,060)	(14,384,060)	(14,384,060)	-
Net assets, beginning of year (restated)	(4,652,307)	(4,652,307)	(4,652,307)	-
Net assets, end of year	\$ (5,308,609)	\$ (7,057,502)	\$ (3,099,998)	\$ 3,957,504

CITY OF SANTA FE, NEW MEXICO
Nonmajor Enterprise Fund
Schedule of Revenues, Expenses and
Changes in Net Assets Budget and Actual
Municipal Recreation Complex
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
Operating revenues:				
User fees	\$ 1,254,900	\$ 1,254,900	\$ 1,055,670	\$ (199,230)
Other revenue	131,000	131,000	118,473	(12,527)
Total operating revenues	1,385,900	1,385,900	1,174,143	(211,757)
Operating expenses:				
Salaries, wages and benefits	470,002	470,002	455,592	14,410
Contractual services and utilities	223,050	234,465	231,340	3,125
Repairs and maintenance	12,000	15,581	15,237	344
Supplies	67,420	76,611	78,822	(2,211)
Capital outlay-exempt items	534,302	822,138	24,568	797,570
Depreciation expense	-	1,409,337	1,332,493	76,844
Amortization	-	-	19,670	(19,670)
Insurance	32,240	32,240	32,240	-
Other	225,938	217,038	225,924	(8,886)
Total operating expenses	1,564,952	3,277,412	2,415,886	861,526
Operating income (loss)	(179,052)	(1,891,512)	(1,241,743)	649,769
Non-operating revenues (expenses):				
Investment income	23,328	17,328	17,005	(323)
Intergovernmental	320,934	575,000	73,433	(501,567)
Gain (Loss) on sale of capital assets	-	-	6,522	6,522
Interest expense	(1,284,328)	(1,284,328)	(559,985)	724,343
Total non-operating revenues (expenses)	(940,066)	(692,000)	(463,025)	228,975
Income (loss) before transfers	(1,119,118)	(2,583,512)	(1,704,768)	878,744
Transfers in	1,165,988	1,165,988	1,165,988	-
Transfers out	(4,500)	(5,672)	(5,672)	-
Change in net assets	42,370	(1,423,196)	(544,452)	878,744
Net assets, beginning of year	(7,879,805)	(7,879,805)	(7,879,805)	-
Net assets, end of year	\$ (7,837,435)	\$ (9,303,001)	\$ (8,424,257)	\$ 878,744

CITY OF SANTA FE, NEW MEXICO
Nonmajor Enterprise Fund
Schedule of Revenues, Expenses and
Changes in Net Assets Budget and Actual
Parking Enterprise Fund
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
Operating revenues:				
User fees	\$ 3,780,180	\$ 3,780,180	\$ 3,693,146	\$ (87,034)
Other revenue	687,000	687,000	633,501	(53,499)
Total operating revenues	4,467,180	4,467,180	4,326,647	(140,533)
Operating expenses:				
Salaries, wages and benefits	3,088,052	3,098,052	2,559,233	538,819
Contractual services and utilities	681,300	706,429	504,295	202,134
Repairs and maintenance	174,855	482,626	419,176	63,450
Supplies	170,900	184,731	128,674	56,057
Capital outlay-exempt items	100,130	4,487,385	19,594	4,467,791
Depreciation expense	-	107,049	118,120	(11,071)
Insurance	193,337	193,337	193,337	-
Other	719,219	812,284	774,132	38,152
Total operating expenses	5,127,793	10,071,893	4,716,561	5,355,332
Operating income (loss)	(660,613)	(5,604,713)	(389,914)	5,214,799
Non-operating revenues (expenses):				
Investment income	172,000	152,000	197,276	45,276
Intergovernmental	-	39,000	24,515	(14,485)
Gain (Loss) on sale of capital assets	-	-	252	252
Interest expense	-	-	(21,163)	(21,163)
Total non-operating revenues (expenses)	172,000	191,000	200,880	9,880
Income (loss) before transfers	(488,613)	(5,413,713)	(189,034)	5,224,679
Transfers in	-	-	-	-
Transfers out	(310,376)	(310,376)	(310,376)	-
Change in net assets	(798,989)	(5,724,089)	(499,410)	5,224,679
Net assets, beginning of year	20,420,752	20,420,752	20,420,752	-
Net assets, end of year	\$ 19,621,763	\$ 14,696,663	\$ 19,921,342	\$ 5,224,679

CITY OF SANTA FE, NEW MEXICO
Nonmajor Enterprise Fund
Schedule of Revenues, Expenses and
Changes in Net Assets Budget and Actual
Transit Bus System
For the Year Ended June 30, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget- Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Operating revenues:				
User fees	\$ 403,000	\$ 543,000	\$ 412,810	\$ (130,190)
Other revenue	140,000	140,000	114,571	(25,429)
Total operating revenues	543,000	683,000	527,381	(155,619)
Operating expenses:				
Salaries, wages and benefits	4,485,453	5,463,139	5,361,837	101,302
Contractual services and utilities	150,400	168,285	127,595	40,690
Repairs and maintenance	293,000	473,426	408,050	65,376
Supplies	482,905	730,873	612,068	118,805
Capital outlay-exempt items	27,080	6,661,363	46,795	6,614,568
Depreciation expense	-	874,985	924,468	(49,483)
Insurance	357,779	357,779	357,779	-
Other	575,518	893,543	840,436	53,107
Total operating expenses	6,372,135	15,623,393	8,679,028	6,944,365
Operating income (loss)	(5,829,135)	(14,940,393)	(8,151,647)	6,788,746
Non-operating revenues (expenses):				
Investment income	28,699	21,999	21,523	(476)
Intergovernmental	2,224,651	7,224,521	5,461,979	(1,762,542)
Total non-operating revenues (expenses)	2,253,350	7,246,520	5,483,502	(1,763,018)
Income (loss) before transfers	(3,575,785)	(7,693,873)	(2,668,145)	5,025,728
Transfers in	4,556,176	6,013,460	6,013,460	-
Change in net assets	980,391	(1,680,413)	3,345,315	5,025,728
Net assets, beginning of year	6,648,726	6,648,726	6,648,726	-
Net assets, end of year	\$ 7,629,117	\$ 4,968,313	\$ 9,994,041	\$ 5,025,728

CITY OF SANTA FE, NEW MEXICO
Nonmajor Enterprise Fund
Schedule of Revenues, Expenses and
Changes in Net Assets Budget and Actual
Airport
For the Year Ended June 30, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget- Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Operating revenues:				
User fees	\$ 437,500	\$ 437,500	\$ 354,446	\$ (83,054)
Other revenue	188,730	191,762	190,975	(787)
Total operating revenues	626,230	629,262	545,421	(83,841)
Operating expenses:				
Salaries, wages and benefits	756,004	756,004	705,125	50,879
Contractual services and utilities	108,690	510,457	123,537	386,920
Repairs and maintenance	18,484	21,137	17,483	3,654
Supplies	33,607	34,479	22,693	11,786
Capital outlay-exempt items	588,818	2,513,443	301,155	2,212,288
Depreciation expense	-	297,043	342,419	(45,376)
Insurance	53,768	53,768	49,617	4,151
Other	73,644	74,021	71,141	2,880
Total operating expenses	1,633,015	4,260,352	1,633,170	2,627,182
Operating income (loss)	(1,006,785)	(3,631,090)	(1,087,749)	2,543,341
Non-operating revenues (expenses):				
Investment income	10,280	18,630	26,023	7,393
Intergovernmental	1,271,581	2,535,452	1,237,328	(1,298,124)
Total non-operating revenues (expenses)	1,281,861	2,554,082	1,263,351	(1,290,731)
Income (loss) before transfers	275,076	(1,077,008)	175,602	1,252,610
Transfers in	255,300	878,557	878,557	-
Transfers out	-	(39,312)	(39,312)	-
Change in net assets	530,376	(237,763)	1,014,847	1,252,610
Net assets, beginning of year	11,295,713	11,295,713	11,295,713	-
Net assets, end of year	\$ 11,826,089	\$ 11,057,950	\$ 12,310,560	\$ 1,252,610

CITY OF SANTA FE, NEW MEXICO
Nonmajor Enterprise Fund
Schedule of Revenues, Expenses and
Changes in Net Assets Budget and Actual
Genoveva Chavez Community Center
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
Operating revenues:				
User fees	\$ 1,609,100	\$ 1,651,500	\$ 1,480,294	\$ (171,206)
Other revenue	357,500	389,050	386,400	(2,650)
Total operating revenues	1,966,600	2,040,550	1,866,694	(173,856)
Operating expenses:				
Salaries, wages and benefits	2,984,548	2,984,548	2,870,589	113,959
Contractual services and utility	686,585	730,616	716,725	13,891
Repairs and maintenance	100,366	154,325	132,222	22,103
Supplies	176,291	234,382	219,637	14,745
Capital outlay-exempt items	10,400	737,845	327,969	409,876
Depreciation expense	-	529,156	501,690	27,466
Insurance	97,450	97,450	92,397	5,053
Other	126,379	135,133	137,858	(2,725)
Total operating expenses	4,182,019	5,603,455	4,999,087	604,368
Operating income (loss)	(2,215,419)	(3,562,905)	(3,132,393)	430,512
Non-operating revenues (expenses):				
Investment income	21,440	37,440	57,021	19,581
Intergovernmental	-	418,750	144,607	(274,143)
Gain/(loss) on sale of capital assets	-	-	384	384
Total non-operating revenues (expenses)	21,440	456,190	202,012	(254,178)
Income (loss) before transfers	(2,193,979)	(3,106,715)	(2,930,381)	176,334
Transfers in	2,501,553	2,783,725	2,783,725	-
Transfers out	(22,760)	(22,760)	(22,760)	-
Change in net assets	284,814	(345,750)	(169,416)	176,334
Net assets, beginning of year	22,622,537	22,622,537	22,622,537	-
Net assets, end of year	\$ 22,907,351	\$ 22,276,787	\$ 22,453,121	\$ 176,334

CITY OF SANTA FE, NEW MEXICO
Major Enterprise Fund
Schedule of Revenues, Expenses and
Changes in Net Assets Budget and Actual
Waste Water Management
For the Year Ended June 30, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget- Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Operating revenues:				
User fees	\$ 9,410,286	\$ 9,410,286	\$ 9,326,934	\$ (83,352)
Other revenue	-	17,434	46,297	28,863
Total operating revenues	9,410,286	9,427,720	9,373,231	(54,489)
Operating expenses:				
Salaries, wages and benefits	4,640,466	5,112,122	4,163,297	948,825
Contractual services and utilities	1,184,028	769,627	822,535	(52,908)
Repairs and maintenance	722,831	1,221,429	795,079	426,350
Supplies	501,031	581,523	437,737	143,786
Capital outlay-exempt items	143,080	20,633,007	69,500	20,563,507
Depreciation expense	-	2,678,255	2,737,400	(59,145)
Insurance	440,763	464,648	464,648	-
Other	642,077	694,648	681,321	13,327
Total operating expenses	8,274,276	32,155,259	10,171,517	21,983,742
Operating income (loss)	1,136,010	(22,727,539)	(798,286)	21,929,253
Non-operating revenues (expenses):				
Investment income	513,399	951,038	1,307,004	355,966
Gain(loss) on sale of capital assets	-	-	(26,474)	(26,474)
Intergovernmental				
State-shared taxes	-	-	343,422	343,422
Grants	-	278,613	45,447	(233,166)
Interest expense	-	(2,107,637)	(1,144,850)	962,787
Other non-operating expenses	-	-	(35,907)	(35,907)
Total non-operating revenues (expenses)	513,399	(877,986)	488,642	1,366,628
Income (loss) before transfers	1,649,409	(23,605,525)	(309,644)	23,295,881
Transfers in	-	12,032,208	12,032,208	-
Transfers out	(968,633)	(47,733)	(47,733)	-
Change in net assets	680,776	(11,621,050)	11,674,831	23,295,881
Net assets, beginning of year (previously stated)	47,746,214	47,746,214	47,746,214	-
Adjustment to net assets:				
Reclass debt service	(27,943,310)	(27,943,310)	(27,943,310)	-
Net assets, beginning of year (restated)	19,802,904	19,802,904	19,802,904	-
Net assets, end of year	\$ 20,483,680	\$ 8,181,854	\$ 31,477,735	\$ 23,295,881

CITY OF SANTA FE, NEW MEXICO
Major Enterprise Fund
Schedule of Revenues, Expenses and
Changes in Net Assets Budget and Actual
Water Management
For the Year Ended June 30, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
Operating revenues:				
User fees	\$ 27,920,549	\$ 27,920,549	\$ 30,119,505	\$ 2,198,956
Facilities rental	-	-	28,845	28,845
Other revenue	28,847	228,847	105,789	(123,058)
Total operating revenues	27,949,396	28,149,396	30,254,139	2,104,743
Operating expenses:				
Salaries, wages and benefits	6,624,589	8,876,679	7,577,625	1,299,054
Contractual services and utilities	8,901,763	9,037,325	3,419,567	5,617,758
Repairs and maintenance	1,282,885	1,480,862	950,386	530,476
Supplies	849,446	1,174,828	1,024,665	150,163
Capital outlay-exempt items	9,729,622	29,781,697	131,906	29,649,791
Depreciation expense	-	3,531,979	3,534,604	(2,625)
Amortization	-	-	(81,702)	81,702
Insurance	422,052	496,572	508,073	(11,501)
Other	1,291,853	1,494,537	1,519,810	(25,273)
Total operating expenses	29,102,210	55,874,479	18,584,934	37,289,545
Operating income (loss)	(1,152,814)	(27,725,083)	11,669,205	39,394,288
Non-operating revenues (expenses):				
Investment income	1,525,363	2,308,467	3,469,745	1,161,278
Intergovernmental				
State-shared taxes	7,716,846	7,716,846	8,113,414	396,568
Grants	-	4,683,660	1,567,685	(3,115,975)
Gain on sale of capital assets	-	-	12,776	12,776
Interest expense	(6,720,819)	(6,735,494)	-	6,735,494
Other non-operating expenses	-	-	(489,617)	(489,617)
Total non-operating revenues (expenses)	2,521,390	7,973,479	12,674,003	4,700,524
Income (loss) before transfers	1,368,576	(19,751,604)	24,343,208	44,094,812
Transfers in	64,500	226,500	226,500	-
Transfers out	(71,000)	(71,000)	(71,000)	-
Change in net assets	1,362,076	(19,596,104)	24,498,708	44,094,812
Net assets, beginning of year	84,638,601	84,638,601	84,638,601	-
Net assets, end of year	\$ 86,000,677	\$ 65,042,497	\$ 109,137,309	\$ 44,094,812

CITY OF SANTA FE, NEW MEXICO
Major Enterprise Fund
Schedule of Revenues, Expenses and
Changes in Net Assets Budget and Actual
Rallyard Property
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
Operating revenues:				
Facilities rental	\$ -	\$ 634,870	\$ 634,870	\$ -
Total operating revenues	-	634,870	634,870	-
Operating expenses:				
Contractual services and utility	199,302	28,176	35,552	(7,376)
Capital outlay-exempt items	-	19,750,060	-	19,750,060
Other operating	3,629	3,629	3,629	-
Total operating expenses	202,931	19,781,865	39,181	19,742,684
Operating income (loss)	(202,931)	(19,146,995)	595,689	19,742,684
Non-operating revenues (expenses):				
Investment income	130,868	130,868	305,778	174,910
Intergovernmental		7,878,782	7,187,248	(691,534)
Interest expense	(562,009)	(702,402)	(305,778)	396,624
Total non-operating revenues (expenses)	(431,141)	7,307,248	7,187,248	(120,000)
Income (loss) before transfers	(634,072)	(11,839,747)	7,782,937	19,622,684
Transfers in	-	4,100,000	4,100,000	-
Transfers out	-	(2,015,648)	(2,015,648)	-
Change in net assets	(634,072)	(9,755,395)	9,867,289	19,622,684
Net assets, beginning of year	29,053,481	29,053,481	29,053,481	-
Net assets, end of year	\$ 28,419,409	\$ 19,298,086	\$ 38,920,770	\$ 19,622,684

CITY OF SANTA FE, NEW MEXICO
Major Enterprise Fund
Schedule of Revenues, Expenses and
Changes in Net Assets Budget and Actual
Santa Fe Convention Center
For the Year Ended June 30, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget- Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Operating revenues:				
Other revenue	\$ -	\$ -	\$ 4,344	\$ 4,344
Total operating revenues	-	-	4,344	4,344
Operating expenses:				
Salaries, wages and benefits	510,417	510,417	83,913	426,504
Contractual services and utilities	28,000	357,976	158,185	199,791
Supplies	90,000	91,706	12,831	78,875
Capital outlay-exempt items	193,878	45,699,513	22,241	45,677,272
Depreciation expense	-	10,574	9,465	1,109
Insurance	20,000	20,000	20,000	-
Other	563,820	564,335	374,377	189,958
Total operating expenses	1,406,115	47,254,521	681,012	46,573,509
Operating income (loss)	(1,406,115)	(47,254,521)	(676,668)	46,577,853
Non-operating revenues (expenses):				
Interest income	225,023	321,023	1,389,603	1,068,580
Intergovernmental	-	25,000	-	(25,000)
Gain (Loss) on sale of capital assets	-	-	4,330	4,330
Interest Expense	-	(2,253,800)	(1,389,603)	864,197
Other non-operating expenses	-	-	(12,419)	(12,419)
Total non-operating revenues (expenses)	225,023	(1,907,777)	(8,089)	1,912,107
Income (loss) before transfers	(1,181,092)	(49,162,298)	(684,757)	48,489,960
Transfers in	1,500,000	3,859,350	3,859,350	-
Transfers out	(75,500)	(75,500)	(75,500)	-
Change in net assets	243,408	(45,378,448)	3,099,093	48,489,960
Net assets, beginning of year (previously stated)	58,211,004	58,211,004	58,211,004	-
Adjustment to net assets:				
Reclass debt service	(44,240,175)	(44,240,175)	(44,240,175)	-
Net assets, beginning of year (restated)	13,970,829	13,970,829	13,970,829	-
Net assets, end of year	\$ 14,214,237	\$ (31,407,619)	\$ 17,069,922	\$ 48,477,541

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Internal Service Funds

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

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

Santa Fe Health – to account for the cost of operating a self-insured health insurance program. The City contributes 76.50% of the costs and the employee contributes 23.50%.

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

Retiree Health Care – to account for the cost of operating the retiree health care program for the benefit of City of Santa Fe retirees.

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

CITY OF SANTA FE, NEW MEXICO
Internal Service Funds
Combining Statement of Net Assets
June 30, 2008

	Risk Management	Santa Fe Health	Worker's Compensation	Retiree Health Care	Union Sick Leave Bank	Totals
Assets						
Current assets:						
Cash, investments and cash equivalents	\$ 5,931,059	\$ 7,222,639	\$ 3,354,803	\$ 26,264	\$ 27,407	\$ 16,562,172
Interest receivable	27,661	32,977	15,745	-	-	76,383
Total current assets	5,958,720	7,255,616	3,370,548	26,264	27,407	16,638,555
Noncurrent assets:						
Capital assets:						
Furniture and fixtures	34,818	-	-	-	-	34,818
Less accumulated depreciation	(9,915)	-	-	-	-	(9,915)
Equipment and machinery	12,910	-	-	-	-	12,910
Less accumulated depreciation	(12,910)	-	-	-	-	(12,910)
Data processing equipment and software	5,307	-	-	-	-	5,307
Less accumulated depreciation	(4,648)	-	-	-	-	(4,648)
Vehicles	47,306	-	-	-	-	47,306
Less accumulated depreciation	(13,334)	-	-	-	-	(13,334)
Total capital assets (net of accum depreciation)	59,534	-	-	-	-	59,534
Total noncurrent assets	59,534	-	-	-	-	59,534
Total assets	6,018,254	7,255,616	3,370,548	26,264	27,407	16,698,089
Liabilities						
Current liabilities:						
Accounts payable	57,963	132,030	4,533	-	-	194,526
Compensated absences payable	110,105	-	-	-	-	110,105
Accrued wages payable	41,352	-	99	-	2,411	43,862
Claims payable	2,862,219	1,114,633	2,244,335	-	-	6,221,187
Other payables	-	-	221	-	-	221
Total current liabilities	3,071,639	1,246,663	2,249,188	-	2,411	6,569,901
Net Assets						
Invested in capital assets, net of related debt	59,534	-	-	-	-	59,534
Unrestricted	2,887,081	6,008,953	1,121,360	26,264	24,996	10,068,654
Total net assets	\$ 2,946,615	\$ 6,008,953	\$ 1,121,360	\$ 26,264	\$ 24,996	\$ 10,128,188

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

CITY OF SANTA FE, NEW MEXICO
Internal Service Funds
Combining Statement of Revenues, Expenses
and Changes in Net Assets
For the Year Ended June 30, 2008

	Risk Management	Santa Fe Health	Worker's Compensation	Retiree Health Care	Union Sick Leave Bank	Totals
Operating revenues:						
Premiums	\$ 5,151,855	\$ 13,976,409	\$ 1,566,344	\$ 102,518	\$ 72,046	\$ 20,869,172
Total operating revenues	5,151,855	13,976,409	1,566,344	102,518	72,046	20,869,172
Operating expenses:						
Salaries, wages and fringe benefits	956,383	-	10,575	-	89,986	1,056,944
Contractual services and utilities	248,535	430,755	54,244	-	-	733,534
Repairs and maintenance	847	-	-	-	-	847
Supplies	52,603	-	-	-	-	52,603
Depreciation expense	7,980	-	-	-	-	7,980
Insurance premiums	2,408,730	361,257	-	76,255	-	2,846,242
Claims and judgements	1,207,995	11,189,778	812,132	-	-	13,209,905
Excess insurance	-	452,625	118,701	-	-	571,326
Workers comp administration fee	-	-	278	-	-	278
Other	33,033	1,013	-	-	-	34,046
Total operating expenses	4,916,106	12,435,428	995,930	76,255	89,986	18,513,705
Operating income (loss)	235,749	1,540,981	570,414	26,263	(17,940)	2,355,467
Non-operating revenues (expenses):						
Investment income	254,087	285,925	148,365	-	-	688,377
Total non-operating revenues (expenses)	254,087	285,925	148,365	-	-	688,377
Income (loss) before transfers	489,836	1,826,906	718,779	26,263	(17,940)	3,043,844
Other Financing Sources (uses):						
Transfers in	-	579,504	-	-	-	579,504
Transfers out	-	-	-	(579,504)	-	(579,504)
Total other financing sources (uses)	-	579,504	-	(579,504)	-	-
Change in net assets	489,836	2,406,410	718,779	(553,241)	(17,940)	3,043,844
Net assets, beginning of year	2,456,779	3,602,543	402,581	579,505	42,936	7,084,344
Net assets, end of year	\$ 2,946,615	\$ 6,008,953	\$ 1,121,360	\$ 26,264	\$ 24,996	\$ 10,128,188

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

CITY OF SANTA FE, NEW MEXICO
Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended June 30, 2008

	Risk Management	Santa Fe Health	Worker's Compensation	Retiree Health Care	Union Sick Leave Bank	Totals
Cash flows from operating activities:						
Cash received from customers	\$ 19,463	\$ 13,976,409	\$ 12,156	\$ 102,518	\$ 72,046	\$ 14,182,592
Cash received from interfund services provided and used	5,132,392	-	1,554,188	-	-	6,686,580
Cash payments to suppliers for goods and services	(3,915,725)	(12,648,571)	(1,044,323)	(115,737)	-	(17,724,356)
Cash payments to employees for services	(954,765)	-	(11,260)	-	(90,440)	(1,056,465)
Net cash (used) by operating activities	281,365	1,327,838	510,761	(13,219)	(18,394)	2,088,351
Cash flows from noncapital financing activities:						
Transfers-in from other funds	-	579,504	-	-	-	579,504
Transfers-out to other funds	-	-	-	(579,504)	-	(579,504)
Net cash provided (used) by noncapital financing activities	-	579,504	-	(579,504)	-	-
Cash flows from capital and related financing activities:						
Acquisition and construction of capital assets	(65,126)	-	-	-	-	(65,126)
Net cash used for capital & related financing activities	(65,126)	-	-	-	-	(65,126)
Cash flows from investing activities:						
Interest and dividends on investments	255,483	279,650	147,438	-	-	682,571
Net cash provided by investing activities	255,483	279,650	147,438	-	-	682,571
Net increase (decrease) in cash and cash equivalents	471,722	2,186,992	658,199	(592,723)	(18,394)	2,705,796
Cash, investments & cash equivalents at beg of year	5,459,337	5,035,647	2,696,604	618,987	45,801	13,856,376
Cash, investments & cash equivalents at end of year	\$ 5,931,059	\$ 7,222,639	\$ 3,354,803	\$ 26,264	\$ 27,407	\$ 16,562,172
Reconciliation of operating income (loss) to cash provided (used) by operating activities:						
Operating income (loss)	\$ 235,749	\$ 1,540,981	\$ 570,414	\$ 26,263	\$ (17,940)	\$ 2,355,467
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	7,980	-	-	-	-	7,980
Change in assets and liabilities:						
Increase (decrease) in accounts payable	(27,356)	45,013	(2,411)	-	-	15,246
Increase (decrease) in other payable	-	-	(460)	(39,482)	-	(39,942)
Increase (decrease) in compensated abs. payable	(2,364)	-	-	-	-	(2,364)
Increase (decrease) in accrued wages payable	3,982	-	(685)	-	(454)	2,843
Increase (decrease) in claims payable	67,744	(258,156)	(56,097)	-	-	(246,509)
(Increase) decrease in deferred charges	(4,370)	-	-	-	-	(4,370)
Total adjustments	45,616	(213,143)	(59,653)	(39,482)	(454)	(267,116)
Net cash (used) by operating activities	\$ 281,365	\$ 1,327,838	\$ 510,761	\$ (13,219)	\$ (18,394)	\$ 2,088,351

CITY OF SANTA FE, NEW MEXICO
Internal Service Fund
Schedule of Revenues, Expenses and
Changes in Net Assets - Budget and Actual
Risk Management
For the Year Ended June 30, 2008

	<u>Budgeted Amounts</u>			Variance With Final Budget- Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Operating revenues:				
Premiums	\$ 5,154,202	\$ 5,154,202	\$ 5,151,855	\$ (2,347)
Total operating revenues	5,154,202	5,154,202	5,151,855	(2,347)
Operating expenses:				
Salaries, wages and fringe benefits	925,213	977,200	956,383	20,817
Contractual services and utilities	271,000	478,489	248,535	229,954
Repairs and maintenance	2,800	2,800	847	1,953
Supplies	44,416	55,557	52,603	2,954
Depreciation expense	-	2,860	7,980	(5,120)
Insurance premiums	2,536,365	2,495,536	2,408,730	86,806
Claims and judgements	1,619,800	1,835,510	1,207,995	627,515
Other	126,659	108,619	33,033	75,586
Total operating expenses	5,526,253	5,956,571	4,916,106	1,040,465
Operating income (loss)	(372,051)	(802,369)	235,749	1,038,118
Non-operating revenues (expenses):				
Investment income	177,600	177,600	254,087	76,487
Total non-operating revenues (expenses)	177,600	177,600	254,087	76,487
Change in net assets	(194,451)	(624,769)	489,836	1,114,605
Net assets, beginning of year	2,456,779	2,456,779	2,456,779	-
Net assets, end of year	\$ 2,262,328	\$ 1,832,010	\$ 2,946,615	\$ 1,114,605

CITY OF SANTA FE, NEW MEXICO
Internal Service Fund
Schedule of Revenues, Expenses and
Changes in Net Assets - Budget and Actual
Santa Fe Health
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variance With Final Budget- Positive (Negative)
	Original	Final		
Operating revenues:				
Premiums	\$ 13,161,776	\$ 13,161,776	\$ 13,976,409	\$ 814,633
Total operating revenues	13,161,776	13,161,776	13,976,409	814,633
Operating expenses:				
Contractual services and utilities	455,601	455,601	430,755	24,846
Insurance premiums	379,612	379,612	361,257	18,355
Claims and judgements	12,036,000	12,036,000	11,189,778	846,222
Excess insurance	414,691	453,387	452,625	762
Other	1,500	1,500	1,013	487
Total operating expenses	13,287,404	13,326,100	12,435,428	890,672
Operating income (loss)	(125,628)	(164,324)	1,540,981	1,705,305
Non-operating revenues (expenses):				
Investment income	185,600	185,600	285,925	100,325
Total non-operating revenues (expenses)	185,600	185,600	285,925	100,325
Income (loss) before transfers	59,972	21,276	1,826,906	1,805,630
Other Financing Sources (uses):				
Transfers in	-	579,504	579,504	-
Total other financing sources (uses)	-	579,504	579,504	-
Change in net assets	59,972	600,780	2,406,410	1,805,630
Net assets, beginning of year	3,602,543	3,602,543	3,602,543	-
Net assets, end of year	\$ 3,662,515	\$ 4,203,323	\$ 6,008,953	\$ 1,805,630

CITY OF SANTA FE, NEW MEXICO
Internal Service Fund
Schedule of Revenues, Expenses and
Changes in Net Assets - Budget and Actual
Worker's Compensation
For the Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Operating revenues:				
Premiums	\$ 1,584,306	\$ 1,584,306	\$ 1,565,884	\$ (18,422)
Other revenues	-	-	460	460
Total operating revenues	1,584,306	1,584,306	1,566,344	(17,962)
Operating expenses:				
Salaries, wages and fringe benefits	-	10,517	10,575	(58)
Contractual services and utilities	60,000	60,000	54,244	5,756
Workers comp administration fee	300	300	278	22
Claims and judgements	1,150,000	1,150,000	812,132	337,868
Excess insurance	160,000	160,000	118,701	41,299
Total operating expenses	1,370,300	1,380,817	995,930	384,887
Operating income (loss)	214,006	203,489	570,414	366,465
Non-operating revenues (expenses):				
Investment income	100,000	100,000	148,365	48,365
Total non-operating revenues (expenses)	100,000	100,000	148,365	48,365
Change in net assets	314,006	303,489	718,779	415,290
Net assets, beginning of year	402,581	402,581	402,581	-
Net assets, end of year	\$ 716,587	\$ 706,070	\$ 1,121,360	\$ 415,290

CITY OF SANTA FE, NEW MEXICO
Internal Service Fund
Schedule of Revenues, Expenses and
Changes in Net Assets - Budget and Actual
Retiree Health Care
For the Year Ended June 30, 2008

	Budgeted Amounts			Variance With Final Budget- Positive (Negative)
	Original	Final	Actual	
Operating revenues:				
Premiums	\$ 1,014,836	\$ -	\$ 102,518	\$ 102,518
Total operating revenues	1,014,836	-	102,518	102,518
Operating expenses:				
Insurance premiums	-	-	76,255	(76,255)
Total operating expenses	-	-	76,255	(76,255)
Operating income (loss)	1,014,836	-	26,263	26,263
Non-operating revenues (expenses):				
Investment income	15,000	-	-	(15,000)
Total non-operating revenues (expenses)	15,000	-	-	(15,000)
Income (loss) before transfers	1,029,836	-	26,263	11,263
Other Financing Sources (uses);				
Transfers out	-	(579,504)	(579,504)	-
Total other financing sources (uses)	-	(579,504)	(579,504)	(579,504)
Change in net assets	1,029,836	(579,504)	(553,241)	26,263
Net assets, beginning of year	579,505	579,505	579,505	-
Net assets, end of year	\$ 1,609,341	\$ 1	\$ 26,264	\$ 26,263

CITY OF SANTA FE, NEW MEXICO
Internal Service Fund
Schedule of Revenues, Expenses and
Changes in Net Assets - Budget and Actual
Union Sick Leave Bank
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variance With Final Budget- Positive (Negative)
	Original	Final		
Operating revenues:				
Donations	\$ -	\$ 100,000	\$ 72,046	\$ (27,954)
Total operating revenues	-	100,000	72,046	(27,954)
Operating expenses:				
Salaries, wages and fringe benefits		140,000	89,986	50,014
Total operating expenses	-	140,000	89,986	50,014
Operating income (loss)	-	(40,000)	(17,940)	22,060
Change in net assets	-	(40,000)	(17,940)	22,060
Net assets, beginning of year	-	42,936	42,936	-
Net assets, end of year	\$ -	\$ 2,936	\$ 24,996	\$ 22,060

Capital Assets Used in the Operation of Governmental Fund

CITY OF SANTA FE, NEW MEXICO
Capital Assets Used in the Operation of Governmental Funds
Comparative Schedule By Source
June 30, 2008 and 2007

	2008	2007
Governmental Funds Capital Assets:		
Land	\$ 166,359,453	\$ 162,499,280
Buildings	42,587,066	42,493,519
Improvements	23,607,384	19,285,272
Equipment and machinery	14,642,130	13,789,954
Furniture and fixtures	579,702	597,437
Vehicles	18,231,086	15,858,519
Data processing	7,579,769	6,590,633
Construction in progress	30,705,212	24,205,840
Art	922,920	922,920
Traffic Signals	21,752,077	21,752,077
Streets	174,822,970	174,583,118
Bridges	2,109,269	1,954,017
Total governmental funds capital assets	\$ 503,899,038	\$ 484,532,586
Investment in Governmental Funds Capital Assets by sources:		
General Fund	\$ 335,504,789	\$ 335,806,354
Special Revenue Funds	15,963,545	13,010,805
Capital Project Funds	141,831,221	125,105,671
Other Sources	9,875,360	9,885,633
Donations	724,123	724,123
Total governmental funds capital assets	\$ 503,899,038	\$ 484,532,586

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

CITY OF SANTA FE, NEW MEXICO
Capital Assets Used In the Operation of Governmental Funds
Schedule By Function and Activity
June 30, 2008

Function and Activity	Land	Buildings	Improvements	Equipment and Machinery	Furniture and Fixtures	Vehicles
General Government:						
City Manager	\$ 24,274,581	\$ 29,402,973	\$ 5,403,906	\$ -	\$ -	\$ -
City Clerk	-	-	-	302,918	22,241	56,850
Administrative Department	-	-	-	1,093,146	13,522	4,854,135
Planning	-	-	-	-	236,897	106,935
City Services	137,673,821	6,637,667	383,869	815,276	132,166	894,839
Total General Government	161,948,402	36,040,640	5,787,775	2,211,340	404,826	5,912,759
Public Safety:						
Police	-	3,220	3,053,074	103,265	167,072	5,934,199
Fire	-	6,430,417	-	2,125,341	-	1,528,833
Total Public Safety	-	6,433,637	3,053,074	2,228,606	167,072	7,463,032
Public Works:						
Administration	-	104,455	9,332,951	5,313,701	3,026	494,110
Total Public Works	-	104,455	9,332,951	5,313,701	3,026	494,110
Community Welfare:						
Human services	178,225	4,500	640,543	2,269,278	-	803,192
Total Community Welfare	178,225	4,500	640,543	2,269,278	-	803,192
Culture and Recreation:						
Parks and Grounds Maintenance	4,232,826	3,834	4,793,041	2,619,205	4,778	3,517,815
Arts Commission	-	-	-	-	-	40,178
Total Culture and Recreation	4,232,826	3,834	4,793,041	2,619,205	4,778	3,557,993
Total governmental funds capital assets	\$ 166,359,453	\$ 42,587,066	\$ 23,607,384	\$ 14,642,130	\$ 579,702	\$ 18,231,086

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

Data Processing Equipment and Software	Construction In Progress	Art	Traffic Signals	Streets	Bridges	Total
\$ 17,527	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 59,098,987
3,352	-	-	-	-	-	385,361
4,910,403	377,470	-	-	-	-	11,248,676
203,999	-	-	-	-	-	547,831
1,102,316	122,556	-	-	-	-	147,762,510
<u>6,237,597</u>	<u>500,026</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>219,043,365</u>
650,468	3,333,658	-	-	-	-	13,244,956
578,074	505,438	-	-	-	-	11,168,103
<u>1,228,542</u>	<u>3,839,096</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,413,059</u>
38,639	21,469,427	-	21,494,562	174,822,970	2,109,269	235,183,110
<u>38,639</u>	<u>21,469,427</u>	<u>-</u>	<u>21,494,562</u>	<u>174,822,970</u>	<u>2,109,269</u>	<u>235,183,110</u>
17,662	35,487	-	-	-	-	3,948,887
<u>17,662</u>	<u>35,487</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,948,887</u>
2,669	1,702,201	-	257,515	-	-	17,133,884
54,660	3,158,975	922,920	-	-	-	4,176,733
<u>57,329</u>	<u>4,861,176</u>	<u>922,920</u>	<u>257,515</u>	<u>-</u>	<u>-</u>	<u>21,310,617</u>
<u>\$ 7,579,769</u>	<u>\$ 30,705,212</u>	<u>\$ 922,920</u>	<u>\$ 21,752,077</u>	<u>\$ 174,822,970</u>	<u>\$ 2,109,269</u>	<u>\$ 503,899,038</u>

CITY OF SANTA FE, NEW MEXICO
Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes By Function and Activity
For the Year Ended June 30, 2008

Function and Activity	Governmental Funds Capital Assets July 1, 2007	Additions	Deletions	Governmental Funds Capital Assets June 30, 2008
General Government:				
City Manager	\$ 59,098,987	\$ -	\$ -	\$ 59,098,987
City Clerk	367,101	18,260	-	385,361
Administrative Department	10,923,452	417,614	(92,390)	11,248,676
Planning	547,831	-	-	547,831
City Services	146,237,156	1,644,683	(119,329)	147,762,510
Total General Government	<u>217,174,527</u>	<u>2,080,557</u>	<u>(211,719)</u>	<u>219,043,365</u>
Public Safety:				
Police	9,835,387	3,533,146	(123,577)	13,244,956
Fire	9,880,564	1,335,377	(47,838)	11,168,103
Total Public Safety	<u>19,715,951</u>	<u>4,868,523</u>	<u>(171,415)</u>	<u>24,413,059</u>
Public Works:				
Administration	226,937,011	8,393,545	(147,446)	235,183,110
Total Public Works	<u>226,937,011</u>	<u>8,393,545</u>	<u>(147,446)</u>	<u>235,183,110</u>
Community Welfare:				
Human Services	3,704,470	446,247	(201,830)	3,948,887
Total Community Welfare	<u>3,704,470</u>	<u>446,247</u>	<u>(201,830)</u>	<u>3,948,887</u>
Culture and Recreation:				
Parks and Grounds Maint.	12,823,894	4,530,970	(220,980)	17,133,884
Culture	4,176,733	-	-	4,176,733
Total Culture and Recreation	<u>17,000,627</u>	<u>4,530,970</u>	<u>(220,980)</u>	<u>21,310,617</u>
Total governmental funds capital assets	<u>\$ 484,532,586</u>	<u>\$ 20,319,842</u>	<u>\$ (953,390)</u>	<u>\$ 503,899,038</u>

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

Discrete Component Units

The Santa Fe Civic Housing Authority consists of proprietary funds that provide public housing services within the City limits. The City is financially accountable for the Housing Authority since it appoints a voting majority of its governing board and can impose its will on the entity. The Santa Fe Civic Housing Authority is comprised of the nine (major and non-major) programs listed below.

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

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

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

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

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

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

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

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

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

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CITY OF SANTA FE, NEW MEXICO
Component Unit - Enterprise
Combining Statement of Net Assets
For the Year Ended June 30, 2008

	Housing Authority	Capital Projects Fund	SF Civic Housing Development Corporation	La Cieneguita	Section 8 Voucher
ASSETS					
Current assets					
Cash and equivalents	\$ 991,111	\$ -	\$ 1,743,016	\$ 180,550	\$ 824,656
Tenant receivable	38,111	-	2,287	-	-
Federal grants receivable	86,320	-	-	-	-
Other receivable	-	-	-	-	-
Due from other funds	489,180	-	-	-	987,722
Prepaid expenses	56,506	-	11,728	2,745	-
Other current assets	13,456	-	-	-	-
Total current assets	1,674,684	-	1,757,031	183,295	1,812,378
Capital assets					
Land	22,200	-	268,652	244,300	-
Construction in process	303,603	-	-	-	-
Buildings & Improvements	21,519,871	-	3,708,510	1,473,757	-
Furniture and fixtures	43,181	-	200,578	-	-
Equipment and machinery	229,069	-	2,907	4,415	-
Vehicles	213,954	-	-	-	-
Accumulated depreciation	(15,816,755)	-	(2,353,497)	(201,273)	-
Total capital assets (net of depreciation)	6,515,123	-	1,827,150	1,521,199	-
Other assets					
Due from other funds	-	-	500,000	-	-
Total assets	8,189,807	-	4,084,181	1,704,494	1,812,378
LIABILITIES					
Current liabilities					
Accounts payable	128,683	-	14,206	4,030	-
Compensated absences payable	125,813	-	-	-	-
Tenant security deposits	51,414	-	16,555	6,123	-
Current portion of long term debt	-	-	135,000	-	-
Escrows and deposits	47,740	-	-	-	-
Due to other funds	-	-	715,262	11,890	217,213
Accrued interest	-	-	34,275	-	-
Total current liabilities	353,650	-	915,298	22,043	217,213
Noncurrent liabilities					
Notes payable	-	-	200,000	-	-
Bonds payable	-	-	1,955,000	-	-
Due to other funds	-	-	-	-	-
Total noncurrent liabilities	-	-	2,155,000	-	-
Total liabilities	353,650	-	3,070,298	22,043	217,213
NET ASSETS					
Invested in capital assets, net of related debt	6,515,123	-	(462,850)	1,521,199	-
Unrestricted (deficit)	1,321,034	-	1,476,733	161,252	1,595,165
Total net assets	\$ 7,836,157	\$ -	\$ 1,013,883	\$ 1,682,451	\$ 1,595,165

CITY OF SANTA FE, NEW MEXICO
Component Unit - Enterprise
Combining Statement of Net Assets
For the Year Ended June 30, 2008

Mainstream Voucher	Cielo Azul	Region II	Mora County	Total	
					ASSETS
					Current assets
\$ 27,833	\$ 256,785	\$ 421,580	\$ 80,150	\$ 4,525,681	Cash and equivalents
-	1,920	-	-	42,318	Tenant receivable
-	-	-	-	86,320	Federal grants receivable
-	1,200	-	-	1,200	Other receivable
-	1,626	-	-	1,478,528	Due from other funds
-	2,783	-	-	73,762	Prepaid expenses
-	-	-	-	13,456	Other current assets
<u>27,833</u>	<u>264,314</u>	<u>421,580</u>	<u>80,150</u>	<u>6,221,265</u>	Total current assets
					Capital assets
-	300,000	30,000	-	865,152	Land
-	-	-	-	303,603	Construction in process
-	1,300,000	89,721	-	28,091,859	Buildings & Improvements
-	-	-	-	243,759	Furniture and fixtures
-	-	-	-	236,391	Equipment and machinery
-	-	-	-	213,954	Vehicles
-	(173,332)	(4,004)	-	(18,548,861)	Accumulated depreciation
<u>-</u>	<u>1,426,668</u>	<u>115,717</u>	<u>-</u>	<u>11,405,857</u>	Total capital assets (net of depreciation)
					Other assets
-	-	-	-	500,000	Due from other funds
<u>27,833</u>	<u>1,690,982</u>	<u>537,297</u>	<u>80,150</u>	<u>18,127,122</u>	Total assets
					LIABILITIES
					Current liabilities
-	987	-	-	147,906	Accounts payable
-	-	-	-	125,813	Compensated absences payable
-	-	-	-	74,092	Tenant security deposits
-	9,454	5,046	-	149,500	Current portion of long term debt
-	-	-	-	47,740	Escrows and deposits
21,507	3,422	429,084	80,150	1,478,528	Due to other funds
-	-	-	-	34,275	Accrued interest
<u>21,507</u>	<u>13,863</u>	<u>434,130</u>	<u>80,150</u>	<u>2,057,854</u>	Total current liabilities
					Noncurrent liabilities
-	1,202,978	103,167	-	1,506,145	Notes payable
-	-	-	-	1,955,000	Bonds payable
-	500,000	-	-	500,000	Due to other funds
<u>-</u>	<u>1,702,978</u>	<u>103,167</u>	<u>-</u>	<u>3,961,145</u>	Total noncurrent liabilities
<u>21,507</u>	<u>1,716,841</u>	<u>537,297</u>	<u>80,150</u>	<u>6,018,999</u>	Total liabilities
					NET ASSETS
-	214,236	7,504	-	7,795,212	Invested in capital assets, net of related debt
6,326	(240,095)	(7,504)	-	4,312,911	Unrestricted (deficit)
<u>\$ 6,326</u>	<u>\$ (25,859)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,108,123</u>	Total net assets

CITY OF SANTA FE, NEW MEXICO
Component Unit - Enterprise
Combining Statement of Revenues, Expenses
and Changes in Net Assets
For the Year Ended June 30, 2008

	Housing Authority	Capital Projects Fund	SF Civic Housing Development Corporation	La Cieneguita	Section 8 Voucher
Operating Revenues					
Facilities rentals	\$ 1,147,194	\$ -	\$ 700,801	\$ 130,087	\$ -
HUD grant and subsidy	1,291,664	387,822	-	-	4,612,273
Other revenue	99,352	-	38,535	-	813
Total operating revenues	2,538,210	387,822	739,336	130,087	4,613,086
Operating Expenses					
Salaries, wages and benefits	854,195	-	273,925	67,257	391,867
Community welfare	113,379	-	-	-	3,619,576
Contractual services and utilities	425,784	-	98,755	26,420	10,150
Repairs and maintenance	489,923	84,219	82,018	4,210	-
Depreciation expense	990,472	-	272,005	65,423	-
Insurance	131,486	-	25,068	6,849	-
Other	176,019	-	32,110	6,408	69,622
Total operating expenses	3,181,258	84,219	783,881	176,567	4,091,215
Operating income	(643,048)	303,603	(44,545)	(46,480)	521,871
Non-operating revenues (expenses)					
Interest on investments	23,790	-	58,472	2,270	18,553
Interest expense	-	-	(119,165)	-	-
Insurance reimbursement	53,617	-	-	-	-
Total non-operating revenues (expenses)	77,407	-	(60,693)	2,270	18,553
Change in net assets before transfers	(565,641)	303,603	(105,238)	(44,210)	540,424
Operating transfers in	303,603	-	-	-	-
Operating transfers out	-	(303,603)	-	-	-
Net transfers in(out)	303,603	(303,603)	-	-	-
Change in net assets	(262,038)	-	(105,238)	(44,210)	540,424
Capital Contributions - initial set up	-	-	-	-	-
Capital Contributions - closeouts	-	-	-	-	134,691
Net assets (deficit), beginning of year	8,098,195	-	1,119,121	1,726,661	920,050
Net assets (deficit), end of year	\$ 7,836,157	\$ -	\$ 1,013,883	\$ 1,682,451	\$ 1,595,165

CITY OF SANTA FE, NEW MEXICO
Component Unit - Enterprise
Combining Statement of Revenues, Expenses
and Changes in Net Assets
For the Year Ended June 30, 2008

Mainstream Voucher	Cielo Azul	Region II	Mora County	Total	
\$ -	\$ 150,780	\$ 8,250	\$ -	\$ 2,137,112	Operating Revenues
151,841	-	496,350	92,576	7,032,526	Facilities rentals
-	-	113	-	138,813	HUD grant and subsidy
151,841	150,780	504,713	92,576	9,308,451	Other revenue
					Total operating revenues
16,505	3,000	47,357	4,684	1,658,790	Operating Expenses
141,745	-	413,474	36,335	4,324,509	Salaries, wages and benefits
-	10,460	2,289	2,000	575,858	Community welfare
-	3,478	3,538	-	667,386	Contractual services and utilities
-	43,333	4,004	-	1,375,237	Repairs and maintenance
-	2,782	886	-	167,071	Depreciation expense
-	3,176	18,777	2,191	308,303	Insurance
158,250	66,229	490,325	45,210	9,077,154	Other
					Total operating expenses
(6,409)	84,551	14,388	47,366	231,297	Operating income
-	1,606	1,412	162	106,265	Non-operating revenues (expenses)
-	(56,279)	(1,370)	-	(176,814)	Interest on investments
-	-	-	-	53,617	Interest expense
-	(54,673)	42	162	(16,932)	Insurance reimbursement
					Total non-operating revenues (expenses)
(6,409)	29,878	14,430	47,528	214,365	Change in net assets before transfers
-	-	-	-	303,603	Operating transfers in
-	-	-	-	(303,603)	Operating transfers out
-	-	-	-	-	Net transfers in(out)
(6,409)	29,878	14,430	47,528	214,365	Change in net assets
-	-	72,733	-	72,733	Capital Contributions - initial set up
-	-	(87,163)	(47,528)	-	Capital Contributions - closeouts
12,735	(55,737)	-	-	11,821,025	Net assets (deficit), beginning of year
\$ 6,326	\$ (25,859)	\$ -	\$ -	\$ 12,108,123	Net assets (deficit), end of year

CITY OF SANTA FE, NEW MEXICO
Component Unit - Enterprise
Combining Statement of Cash Flows
For the Year Ended June 30, 2008

	Housing Authority	Capital Projects Fund	SF Civic Housing Development Corporation	La Cieneguita	Section 8 Voucher
Cash Flows from Operating Activities					
Cash received from customers and grantors	\$ 2,582,141	\$ 387,822	\$ 1,286,171	\$ 130,667	\$ 4,625,538
Cash payments to suppliers for goods and services	(1,605,017)	(84,219)	(222,263)	(62,094)	(4,132,416)
Cash payments to employees for services	(850,076)	-	(295,275)	(67,257)	(391,867)
Net cash provided (used) by operating activities	127,048	303,603	768,633	1,316	101,255
Cash Flows from Capital Financing Activities					
Insurance reimbursement	53,617	-	-	-	-
Acquisition and construction of capital assets	(348,334)	-	(689,598)	-	-
Net cash used by capital financing activities	(294,717)	-	(689,598)	-	-
Cash Flows from Noncapital Financing Activities					
Cash transfers (to) from other funds	303,603	(303,603)	-	-	-
Proceeds from long term debt	-	-	200,000	-	-
Principal paid on debt maturities	-	-	(130,000)	-	-
Interest paid on debt	-	-	(119,165)	-	-
Net cash used by noncapital financing activities	303,603	(303,603)	(49,165)	-	-
Cash Flows from Investing Activities					
Capital contributions	-	-	-	-	-
Interest and dividends on investments	23,790	-	58,472	2,270	18,553
Net cash provided by investing activities	23,790	-	58,472	2,270	18,553
Net increase (decrease) in cash and cash equivalents	159,724	-	88,342	3,586	119,808
Cash and cash equivalents at beginning of year	831,387	-	1,654,674	176,964	704,848
Cash and cash equivalents at end of year	\$ 991,111	\$ -	\$ 1,743,016	\$ 180,550	\$ 824,656
Reconciliation of operating income to net cash provided by operating activities					
Operating income	\$ (643,048)	\$ 303,603	\$ (44,545)	\$ (46,480)	\$ 521,871
Adjustments to reconcile operating income to net cash provided by operating activities					
Depreciation/amortization	990,472	-	272,005	65,423	-
Change in assets and liabilities					
Accounts receivable	51,430	-	(717)	499	12,452
Prepaid expenses	12,537	-	1,482	883	-
Due from other funds	(335,801)	-	-	-	(628,070)
Other current assets	-	-	-	11,188	-
Accounts payable	(39,533)	-	14,206	4,030	-
Accrued interest	-	-	(21,350)	-	-
Escrow and deposits	(3,738)	-	-	-	-
Compensated absences payable	4,119	-	-	-	-
Deposits	(3,761)	-	2,798	-	-
Due to other funds	-	-	544,754	(34,308)	195,002
Due to HUD	94,371	-	-	-	-
Deferred revenues	-	-	-	81	-
Total adjustments	770,096	-	813,178	47,796	(420,616)
Net cash provided (used) by operating activities	\$ 127,048	\$ 303,603	\$ 768,633	\$ 1,316	\$ 101,255

CITY OF SANTA FE, NEW MEXICO
Component Unit - Enterprise
Combining Statement of Cash Flows
For the Year Ended June 30, 2008

Mainstream Voucher	Cielo Azul	Region II	Mora County	Total	
\$ 152,790	\$ 157,206	\$ 504,713	\$ 92,576	\$ 9,919,624	Cash Flows from Operating Activities
(141,745)	(23,896)	(97,043)	(7,904)	(6,376,597)	Cash received from customers and grantors
(16,505)	(3,000)	(47,357)	(4,684)	(1,676,021)	Cash payments to suppliers for goods and services
					Cash payments to employees for services
(5,460)	130,310	360,313	79,988	1,867,006	Net cash provided (used) by operating activities
					Cash Flows from Capital Financing Activities
-	-	-	-	53,617	Insurance reimbursement
-	-	-	-	(1,037,932)	Acquisition and construction of capital assets
-	-	-	-	(984,315)	Net cash used by capital financing activities
					Cash Flows from Noncapital Financing Activities
-	-	-	-	-	Cash transfers (to) from other funds
-	-	-	-	200,000	Proceeds from long term debt
-	(15,184)	(17,975)	-	(163,159)	Principal paid on debt maturities
-	(30,979)	(1,370)	-	(151,514)	Interest paid on debt
-	(46,163)	(19,345)	-	(114,673)	Net cash used by noncapital financing activities
					Cash Flows from Investing Activities
-	-	79,200	-	79,200	Capital contributions
-	1,606	1,412	162	106,265	Interest and dividends on investments
-	1,606	80,612	162	185,465	Net cash provided by investing activities
(5,460)	85,753	421,580	80,150	953,483	Net increase (decrease) in cash and
33,293	171,032	-	-	3,572,198	Cash and cash equivalents at beginning of year
\$ 27,833	\$ 256,785	\$ 421,580	\$ 80,150	\$ 4,525,681	Cash and cash equivalents at end of year
					Reconciliation of operating income to net cash provided by operating activities
\$ (6,409)	\$ 84,551	\$ 14,388	\$ 47,366	\$ 231,297	Operating income
					Adjustments to reconcile operating income to net cash provided by operating activities
-	43,333	4,004	-	1,375,237	Depreciation/amortization
					Change in assets and liabilities
114,865	6,426	-	-	184,955	Accounts receivable
-	(2,783)	-	-	12,119	Prepaid expenses
-	(1,626)	-	-	(965,497)	Due from other funds
-	-	-	-	11,188	Other current assets
-	987	-	-	(20,310)	Accounts payable
-	-	-	-	(21,350)	Accrued interest
-	-	-	-	(3,738)	Escrow and deposits
-	-	-	-	4,119	Compensated absences payable
-	-	-	-	(963)	Deposits
(113,916)	(578)	341,921	32,622	965,497	Due to other funds
-	-	-	-	94,371	Due to HUD
-	-	-	-	81	Deferred revenues
949	45,759	345,925	32,622	1,635,709	Total adjustments
\$ (5,460)	\$ 130,310	\$ 360,313	\$ 79,988	\$ 1,867,006	Net cash provided (used) by operating activities

CITY OF SANTA FE, NEW MEXICO
Component Unit - Enterprise
Schedule of Revenues, Expenses and
Changes in Net Assets Budget and Actual
Housing Authority
For the Year Ended June 30, 2008

	Budget Amounts		Actual Amount	Variance with Final Budget - Positive (Negative)
	Original	Final		
Operating Revenues				
Facilities rentals	\$ 1,007,000	\$ 1,190,000	\$ 1,147,194	\$ (42,806)
HUD grants and subsidy	953,000	1,239,474	1,244,253	4,479
Other operating revenues	128,000	182,000	99,352	(82,648)
Total operating revenues	<u>2,088,000</u>	<u>2,611,474</u>	<u>2,490,799</u>	<u>(120,675)</u>
Operating Expenses				
Operating	263,900	369,000	297,012	71,988
Community welfare	293,100	212,100	199,462	12,638
Utilities	437,000	494,000	425,785	68,215
Repairs and maintenance	898,000	1,024,000	868,639	155,361
General	377,000	500,000	368,741	131,259
Nonroutine Expenditures	85,000	85,000	31,147	53,853
Depreciation	960,000	1,100,000	990,472	109,528
Total operating expenses	<u>3,314,000</u>	<u>3,784,100</u>	<u>3,181,258</u>	<u>602,842</u>
Operating income (loss)	<u>(1,226,000)</u>	<u>(1,172,626)</u>	<u>(690,459)</u>	<u>482,167</u>
Non-operating Revenue				
Operating transfers in	-	-	303,603	303,603
Interest on investments	-	-	23,790	23,790
Insurance reimbursement	-	-	53,617	53,617
Total non-operating revenues	<u>-</u>	<u>-</u>	<u>381,010</u>	<u>381,010</u>
Change in net assets	<u>(1,226,000)</u>	<u>(1,172,626)</u>	<u>(309,449)</u>	<u>863,177</u>
Net assets, beginning of year	<u>8,098,195</u>	<u>8,098,195</u>	<u>8,098,195</u>	<u>-</u>
Net assets, end of year	<u>\$ 6,872,195</u>	<u>\$ 6,925,569</u>	<u>7,788,746</u>	<u>\$ 863,177</u>
Ross grant revenues			47,411	
GAAP net assets, end of year			<u>\$ 7,836,157</u>	

The notes to the Financial Statements are an integral part of this statement.

CITY OF SANTA FE, NEW MEXICO
Component Unit - Enterprise
Schedule of Revenues, Expenses and
Changes in Net Assets Budget and Actual
Capital Projects Fund
For the Year Ended June 30, 2008

	Budget Amounts		Actual Amount	Variance with Final Budget - Positive (Negative)
	Original	Final		
Operating Revenues				
Intergovernmental	\$ 669,791	\$ 669,791	\$ 387,822	\$ (281,969)
Total operating revenues	<u>667,791</u>	<u>669,791</u>	<u>387,822</u>	<u>(281,969)</u>
Operating Expenses				
Community welfare	669,791	366,188	84,219	281,969
Total operating expenses	<u>669,791</u>	<u>366,188</u>	<u>84,219</u>	<u>281,969</u>
Operating income (loss)	-	303,603	303,603	-
Non-operating Revenue				
Operating transfers out	-	(303,603)	(303,603)	-
Total non-operating revenues	<u>-</u>	<u>(303,603)</u>	<u>(303,603)</u>	<u>-</u>
Change in net assets	-	-	-	-
Net assets, beginning of year	-	-	-	-
Net assets, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The notes to the Financial Statements are an integral part of this statement.

CITY OF SANTA FE, NEW MEXICO
Component Unit - Enterprise
Schedule of Revenues, Expenses and
Changes in Net Assets Budget and Actual
SF Civic Housing Development Corporation
For the Year Ended June 30, 2008

	Budget Amounts		Actual Amount	Variance with Final Budget - Positive (Negative)
	Original	Final		
Operating Revenues				
Facilities rentals	\$ 667,000	\$ 667,000	\$ 700,801	\$ 33,801
Other operating revenues	13,800	13,800	38,535	24,735
Total operating revenues	680,800	680,800	739,336	58,536
Operating Expenses				
Operating	69,100	69,100	67,881	1,219
Community welfare	36,000	36,000	36,000	-
Utilities	77,000	77,000	64,290	12,710
Repairs and maintenance	221,000	221,000	234,825	(13,825)
General	76,000	76,000	108,880	(32,880)
Depreciation	107,000	107,000	272,005	(165,005)
Total operating expenses	586,100	586,100	783,881	(197,781)
Operating income (loss)	94,700	94,700	(44,545)	(139,245)
Non-operating Revenue				
Interest on investments	76,800	76,800	58,472	(18,328)
Interest expense	(113,000)	(113,000)	(119,165)	(6,165)
Total non-operating revenues	(36,200)	(36,200)	(60,693)	(24,493)
Change in net assets	58,500	58,500	(105,238)	(163,738)
Net assets, beginning of year	1,119,121	1,119,121	1,119,121	-
Net assets, end of year	\$ 1,177,621	\$ 1,177,621	\$ 1,013,883	\$ (163,738)

The notes to the Financial Statements are an integral part of this statement.

CITY OF SANTA FE, NEW MEXICO
Component Unit - Enterprise
Schedule of Revenues, Expenses and
Changes in Net Assets Budget and Actual
La Cieneguita
For the Year Ended June 30, 2008

	Budget Amounts		Actual Amount	Variance with Final Budget - Positive (Negative)
	Original	Final		
Operating Revenues				
Facilities rentals	\$ 125,100	\$ 125,100	\$ 130,087	\$ 4,987
Other operating revenues	4,000	4,000	-	(4,000)
Total operating revenues	<u>129,100</u>	<u>129,100</u>	<u>130,087</u>	<u>987</u>
Operating Expenses				
Operating	54,600	54,600	46,575	8,025
Community welfare	1,200	1,200	1,200	-
Utilities	18,800	18,800	18,450	350
Repairs and maintenance	46,500	46,500	38,070	8,430
General	8,000	8,000	6,849	1,151
Depreciation	66,000	66,000	65,423	577
Total operating expenses	<u>195,100</u>	<u>195,100</u>	<u>176,567</u>	<u>18,533</u>
Operating income (loss)	<u>(66,000)</u>	<u>(66,000)</u>	<u>(46,480)</u>	<u>19,520</u>
Non-operating Revenue				
Interest on investments	-	-	2,270	2,270
Change in net assets	(66,000)	(66,000)	(44,210)	21,790
Net assets, beginning of year	<u>1,726,661</u>	<u>1,726,661</u>	<u>1,726,661</u>	<u>-</u>
Net assets, end of year	<u>\$ 1,660,661</u>	<u>\$ 1,660,661</u>	<u>\$ 1,682,451</u>	<u>\$ 21,790</u>

The notes to the Financial Statements are an integral part of this statement.

CITY OF SANTA FE, NEW MEXICO
Component Unit - Enterprise
Schedule of Revenues, Expenses and
Changes in Net Assets Budget and Actual
Section 8 Voucher
For the Year Ended June 30, 2008

	Budget Amounts		Actual Amount	Variance with Final Budget - Positive (Negative)
	Original	Final		
Operating Revenues				
Intergovernmental	\$ 3,994,835	\$ 4,677,000	\$ 4,613,086	\$ (63,914)
Interest income	25,000	20,000	18,553	(1,447)
Total operating revenues	4,019,835	4,697,000	4,631,639	(65,361)
Operating Expenses				
Operating	424,500	510,000	471,639	38,361
Community welfare	3,634,835	4,200,000	3,619,576	580,424
Total operating expenses	4,059,335	4,710,000	4,091,215	618,785
Change in net assets	(39,500)	(13,000)	540,424	553,424
Net assets, beginning of year	920,050	920,050	920,050	-
Net assets, end of year	\$ 880,550	\$ 907,050	1,460,474	\$ 553,424
Contributed Capital - Closeout of Region II and Mora			<u>134,691</u>	
GAAP net assets, end of year			<u>\$ 1,595,165</u>	

The notes to the Financial Statements are an integral part of this statement.

CITY OF SANTA FE, NEW MEXICO
 Component Unit - Enterprise
 Schedule of Revenues, Expenses and
 Changes in Net Assets Budget and Actual
 Mainstream Voucher
 For the Year Ended June 30, 2008

	Budget Amounts		Actual Amount	Variance with Final Budget - Positive (Negative)
	Original	Final		
Operating Revenues				
Intergovernmental	\$ 164,000	\$ 164,000	\$ 151,841	\$ (12,159)
Total operating revenues	164,000	164,000	151,841	(12,159)
Operating Expenses				
Salaries, wages, and benefits	20,000	20,000	16,505	3,495
Community welfare	144,000	144,000	141,745	2,255
Total operating expenses	164,000	164,000	158,250	5,750
Change in net assets	-	-	(6,409)	(6,409)
Net assets, beginning of year	12,735	12,735	12,735	-
Net assets, end of year	\$ 12,735	\$ 12,735	\$ 6,326	\$ (6,409)

The notes to the Financial Statements are an integral part of this statement.

CITY OF SANTA FE, NEW MEXICO
Component Unit - Enterprise
Schedule of Revenues, Expenses and
Changes in Net Assets Budget and Actual
Cielo Azul
For the Year Ended June 30, 2008

	Budget Amounts		Actual Amount	Variance with Final Budget - Positive (Negative)
	Original	Final		
Operating Revenues				
Facilities rentals	\$ 126,000	\$ 126,000	\$ 150,780	\$ 24,780
Total operating revenues	126,000	126,000	150,780	24,780
Operating Expenses				
Operating	5,000	5,000	4,176	824
Utilities	17,500	17,500	10,460	7,040
Repairs and maintenance	14,000	14,000	5,479	8,521
General	10,000	10,000	2,781	7,219
Depreciation	50,000	50,000	43,333	6,667
Total operating expenses	96,500	96,500	66,229	30,271
Operating income (loss)	29,500	29,500	84,551	55,051
Non-operating Revenue				
Interest on investments	-	-	1,606	1,606
Interest expense	(50,000)	(50,000)	(56,279)	(6,279)
Total non-operating revenues	(50,000)	(50,000)	(54,673)	(4,673)
Change in net assets	(20,500)	(20,500)	29,878	50,378
Net assets, beginning of year	(55,737)	(55,737)	(55,737)	-
Net assets, end of year	\$ (76,237)	\$ (76,237)	\$ (25,859)	\$ 50,378

The notes to the Financial Statements are an integral part of this statement.

CITY OF SANTA FE, NEW MEXICO
Component Unit - Non-Major Enterprise
Schedule of Revenues, Expenses and
Changes in Net Assets Budget and Actual
Region II Voucher
For the Year Ended June 30, 2008

	Budget Amounts		Actual Amount	Variance with Final Budget - Positive (Negative)
	Original	Final		
Operating Revenues				
Intergovernmental	\$ 687,000	\$ 687,000	\$ 504,713	\$ (182,287)
Interest income	500	500	-	(500)
Total operating revenues	687,500	687,500	504,713	(182,787)
Operating Expenses				
Operating	68,000	68,000	67,020	980
Community welfare	600,000	600,000	413,474	186,526
Other	17,100	17,100	9,831	7,269
Total operating expenses	685,100	685,100	490,325	194,775
Operating income (loss)	2,400	2,400	14,388	11,988
Non-operating Revenue				
Interest on investments	-	-	1,412	1,412
Interest expense	(12,000)	(12,000)	(1,370)	10,630
Total non-operating revenues	(12,000)	(12,000)	42	12,042
Change in net assets	(9,600)	(9,600)	14,430	24,030
Net assets, beginning of year	-	-	-	-
Net assets, end of year	\$ (9,600)	\$ (9,600)	14,430	\$ 24,030
Contributed Capital - Closeout into Section 8 Vouchers			(14,430)	
GAAP net assets, end of year			\$ -	

The notes to the Financial Statements are an integral part of this statement.

CITY OF SANTA FE, NEW MEXICO
Component Unit - Non-Major Enterprise
Schedule of Revenues, Expenses and
Changes in Net Assets Budget and Actual
Mora County
For the Year Ended June 30, 2008

	Budget Amounts		Actual Amount	Variance with Final Budget - Positive (Negative)
	Original	Final		
Operating Revenues				
Intergovernmental	\$ 228,000	\$ 228,000	\$ 92,576	\$ (135,424)
Interest income	200	200	-	(200)
Total operating revenues	228,200	228,200	92,576	(135,624)
Operating Expenses				
Salaries, wages, and benefits	21,000	21,000	4,684	16,316
Community welfare	180,000	180,000	36,335	143,665
Contractual services and utilities	1,000	1,000	2,000	(1,000)
Other	24,000	24,000	2,191	21,809
Total operating expenses	226,000	226,000	45,210	180,790
Operating income (loss)	2,200	2,200	47,366	45,166
Non-operating Revenue				
Interest on investments	-	-	162	162
Change in net assets	2,200	2,200	47,528	45,328
Net assets, beginning of year	-	-	-	-
Net assets, end of year	\$ 2,200	\$ 2,200	47,528	\$ 45,328
Contributed Capital - Closeout into Section 8 Vouchers			(47,528)	
GAAP net assets, end of year			\$ -	

The notes to the Financial Statements are an integral part of this statement.

Statistical Section

**CITY OF SANTA FE, NEW MEXICO
STATISTICAL SECTION
For the Fiscal Year Ended June 30, 2008**

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

<u>Contents</u>	<u>Pages</u>
Financial Trends These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.	184-189
Revenue Capacity These schedules contain information to help the reader assess the factors affecting the city's ability to generate its gross receipts tax.	190-196
Debt Capacity These schedules present information to help the reader the affordability of the city's current levels of outstanding debt and the city's ability to issue additional debt in the future.	197-202
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place and to help make comparisons over time and with other governments.	203-208
Operating information These schedules contain information about the city's operations and resources to help the reader understand how the city's financial information relates to the services the the city provides and the activities it performs.	209-211

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

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

	Fiscal Year				
	2002	2003	2004	2005	2006
Governmental Activities					
Invested in capital assets, net of related debt	\$ (30,832,057)	\$ 1,349,357	\$ 157,113,667	\$ 143,746,053	\$ 166,025,629
Restricted	4,970,892	6,103,794	4,128,579	3,285,631	3,168,740
Unrestricted	83,264,368	86,932,817	99,594,397	98,610,581	90,576,169
Total governmental activities net assets	\$ 57,403,203	\$ 94,385,968	\$ 260,836,643	\$ 245,642,265	\$ 259,770,538
Business-type activities					
Invested in capital assets, net of related debt	\$ 54,323,125	\$ 66,834,205	\$ 75,547,411	\$ 100,137,996	\$ 100,419,310
Restricted	8,018,524	10,763,947	9,189,925	9,232,551	1,165,686
Unrestricted	20,664,954	20,751,616	37,983,865	48,735,531	86,526,932
Total business -type activities	\$ 83,006,603	\$ 98,349,768	\$ 122,721,201	\$ 158,106,078	\$ 188,111,928
Primary government					
Invested in capital assets, net of related debt	\$ 23,491,068	\$ 68,183,562	\$ 232,661,078	\$ 243,884,049	\$ 266,444,939
Restricted	12,989,416	16,867,741	13,318,504	12,518,182	4,334,426
Unrestricted	103,929,322	107,684,433	137,578,262	147,346,112	177,103,101
Total primary government net assets	\$ 140,409,806	\$ 192,735,736	\$ 383,557,844	\$ 403,748,343	\$ 447,882,466
Governmental Activities					
Invested in capital assets, net of related debt	\$ 142,109,428	\$ 182,790,257			
Restricted	2,504,394	10,174,773			
Unrestricted	63,338,892	98,944,233			
Total governmental activities net assets	\$ 207,952,714	\$ 291,909,263			
Business-type activities					
Invested in capital assets, net of related debt	\$ 152,636,141	\$ 159,508,099			
Restricted	2,668,245	724,528			
Unrestricted	127,184,590	89,549,081			
Total business -type activities	\$ 282,488,976	\$ 249,781,708			
Primary government					
Invested in capital assets, net of related debt	\$ 294,745,569	\$ 342,298,356			
Restricted	5,172,639	10,899,301			
Unrestricted	190,523,482	188,493,314			
Total primary government net assets	\$ 490,441,690	\$ 541,690,971			

Note: GASB 34 Implemented 2002

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

	Fiscal Year						
	2002	2003	2004	2005	2006	2007	2008
Expenses							
Governmental Activities:							
General Government	\$ 21,195,929	\$ 21,451,013	\$ 22,393,020	\$ 31,765,902	\$ 21,318,849	\$ 23,484,442	27,873,924
Public Safety	24,083,675	26,538,341	28,500,025	31,103,547	31,355,147	33,841,007	34,894,206
Public Works	8,479,296	13,024,063	14,621,049	11,639,112	12,020,924	13,570,355	13,577,325
Community development	9,520,528	9,761,578	10,180,137	10,946,430	10,722,375	11,289,698	11,397,085
Culture and recreation	8,857,134	9,017,844	9,708,241	10,900,710	11,770,657	13,029,432	13,430,563
Education	2,231,343	2,280,164	2,456,459	2,528,186	2,573,152	2,737,868	2,864,722
Interest on Long term debt	5,166,341	5,375,063	5,093,359	5,630,475	5,404,184	9,583,608	4,563,643
Total Governmental activities expenses	79,534,246	87,448,066	92,952,290	104,514,362	95,165,288	107,536,410	108,601,468
Business-type activities:							
Wastewater Management	6,749,379	10,141,412	9,352,601	9,523,908	9,648,572	9,879,594	11,352,274
Water Management	19,371,310	19,240,504	20,258,711	20,647,005	20,115,817	23,608,849	19,074,551
Municipal Recreation Complex	3,050,869	3,205,273	3,302,425	3,263,270	3,634,257	3,021,228	2,975,871
Railyard Center	-	-	-	173,224	205,168	608,703	344,959
Genoveva Chavez Community Center	3,486,675	3,541,519	3,910,851	3,988,449	4,118,677	4,895,292	4,999,087
Santa Fe Convention Center	-	734,108	769,541	854,946	1,060,315	218,000	2,083,034
Solid Waste Management	-	7,921,077	8,296,083	8,373,182	8,745,255	8,888,090	8,884,422
Transit and Airport Systems	-	6,093,452	6,702,672	6,911,775	7,394,114	8,309,125	10,312,198
Parking Enterprise Fund	-	3,188,057	3,456,637	3,977,672	4,006,651	4,194,759	4,716,561
All other proprietary funds	19,117,587	-	-	-	-	-	0
Total business-type expenses	51,775,820	54,065,402	56,049,521	57,713,431	58,928,826	63,623,640	65,742,957
Total primary government expenses	\$ 131,310,066	\$ 141,513,468	\$ 149,001,811	\$ 162,227,793	\$ 154,094,114	\$ 171,160,050	\$ 174,344,425
Program Revenues							
Governmental activities:							
Charges for services:							
General Government	\$ 4,341,543	\$ 4,736,202	\$ 5,390,550	\$ 5,928,430	\$ 6,484,371	\$ 2,729,053	1,908,694
Public Safety	467,493	494,337	534,425	671,958	437,873	3,746,109	3,551,192
Public Works	1,540,498	153,334	1,158,799	3,052,065	3,101,740	3,420,434	2,246,481
Community development	128,978	127,639	146,216	144,195	130,376	321,145	491,313
Culture and recreation	73,174	62,230	18,900	106,684	114,848	518,602	536,901
Operating grants and contributions:							
General Government	376,460	243,831	119,129	26,578	224,321	400,848	417,614
Public Safety	877,486	911,513	1,140,086	1,201,267	899,851	577,716	1,032,705
Public Works	902,130	359,329	404,971	536,523	740,683	449,214	210,213
Community development	2,132,899	3,316,551	3,324,270	3,474,113	2,806,880	3,260,771	3,250,551
Culture and recreation	312,028	133,474	342,327	801,047	439,671	297,649	301,646
Education	44,724	-	-	226,070	-	-	-
Capital grants and contributions:							
General Government	-	160,287	122,541	10,168,219	184,045	401,529	2,711,654
Public Safety	32,275	-	-	-	283,119	418,952	0
Public Works	1,185,871	5,310,660	1,985,617	1,326,180	1,086,433	946,360	2,727,905
Community development	353,335	334,517	18,911	120,244	1,436,378	171,251	372,517
Culture and recreation	27,130	347,788	718,156	324,260	1,901,844	1,215,780	1,042,680
Total governmental activities program revenues	12,796,024	16,691,692	15,424,898	28,107,833	20,272,433	18,875,413	20,802,066

(Continued)

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

	Fiscal Year						
	2002	2003	2004	2005	2006	2007	2008
Business-type activities:							
Charges for services:							
Wastewater Management	\$ 6,953,092	\$ 6,976,843	\$ 8,088,178	\$ 8,388,757	\$ 8,596,112	\$ 8,718,755	\$ 9,326,934
Water Management	26,886,400	27,100,848	29,506,311	26,305,704	36,401,216	29,158,277	30,148,350
Municipal Recreation Complex	1,451,570	1,231,628	1,195,813	1,073,646	1,164,630	1,035,847	1,055,670
Railyard Center				737,700		273,221	634,870
Genoveva Chavez Community Center	1,433,828	1,453,790	1,212,399	1,559,775	1,372,712	1,804,043	1,480,294
Santa Fe Convention Center		137,051		179,925	3,750		
Solid Waste Management		7,477,676	8,682,479	8,877,203	8,906,200	9,249,160	9,419,575
Transit and Airport Systems		710,410	643,268	829,695	673,316	890,065	767,256
Parking Enterprise Fund		3,091,690	3,626,228	3,559,993	3,661,069	3,726,114	3,693,146
All other proprietary funds	13,119,957						
Operating grants and contributions:							
Municipal Recreation Complex	4,545	2,700					
Transit and Airport Systems		435,724	215,000	805,979	905,751	935,944	1,260,704
All other proprietary funds	523,786						
Capital grants and contributions:							
Wastewater Management		1,586,829	10,458,328	1,339,601	18,124	82,458	45,447
Water Management	695,657				6,759,310	3,203,186	1,567,685
Municipal Recreation Complex					8,622	1,315	73,433
Railyard Center				412,659	166,007	2,495,258	7,187,248
Genoveva Chavez Community Center				24,428	32,952	36,834	144,607
Transit and Airport Systems		2,274,673	1,816,745	943,507	1,416,163	5,230,489	5,438,603
All other proprietary funds	216,416						24,515
Total business-type activities program revenues	\$ 51,285,251	\$ 52,479,892	\$ 65,444,749	\$ 55,038,572	\$ 70,085,934	\$ 66,840,966	\$ 72,268,337
Total primary government program revenues	\$ 64,081,275	\$ 69,171,554	\$ 80,869,647	\$ 83,146,405	\$ 90,358,367	\$ 85,716,379	\$ 93,070,403
Net (Expenses)/Revenue							
Governmental activities							
General Government	\$ (16,477,926)	\$ (16,310,693)	\$ (16,760,800)	\$ (15,642,675)	\$ (14,426,112)	\$ (19,953,012)	\$ (22,635,962)
Public Safety	(22,706,421)	(25,132,491)	(26,825,514)	(29,230,322)	(29,734,304)	(29,098,230)	(30,310,309)
Public Works	(4,850,797)	(7,200,740)	(11,071,662)	(6,724,344)	(7,092,068)	(8,754,347)	(8,392,726)
Community development	(6,905,316)	(5,982,871)	(6,690,740)	(7,207,878)	(6,348,741)	(7,536,531)	(7,282,704)
Culture and recreation	(8,444,802)	(8,474,352)	(8,458,758)	(9,668,719)	(9,314,294)	(10,997,401)	(11,549,336)
Education	(2,186,619)	(2,280,164)	(2,456,459)	(2,302,116)	(2,573,152)	(2,737,868)	(2,864,722)
Interest on Long term debt	(5,166,341)	(5,375,063)	(5,093,359)	(5,630,475)	(5,404,184)	(9,583,608)	(4,563,643)
Business-type activities							
Wastewater Management	203,713	(3,164,569)	(1,264,423)	(1,135,151)	(1,034,336)	(1,078,381)	(1,979,893)
Water Management	8,210,747	9,447,173	19,705,928	6,998,300	23,044,709	8,752,614	12,641,484
Municipal Recreation Complex	(1,594,754)	(1,970,945)	(2,106,612)	(2,189,624)	(2,461,005)	(1,984,066)	(1,846,768)
Railyard Center				977,135	(39,161)	2,159,776	7,477,159
Genoveva Chavez Community Center	(2,052,847)	(2,087,729)	(2,698,452)	(2,404,246)	(2,713,013)	(3,054,415)	(3,374,186)
Santa Fe Convention Center		(597,057)	(769,541)	(675,021)	(1,056,565)	(218,000)	(2,063,034)
Solid Waste Management		(443,401)	386,396	504,021	160,945	361,070	(464,847)
Transit and Airport Systems		(2,672,645)	(4,027,659)	(4,332,594)	(4,398,884)	(1,252,627)	(2,845,635)
Parking Enterprise Fund		(96,367)	169,591	(417,679)	(345,562)	(468,645)	(1,023,415)
All other proprietary funds	(5,257,428)						24,515
Total primary government expense	\$ (67,228,791)	\$ (72,341,914)	\$ (67,962,064)	\$ (79,081,388)	\$ (63,735,747)	\$ (85,443,671)	\$ (81,274,022)

(Continued)

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

	Fiscal Year						
	2002	2003	2004	2005	2006	2007	2008
General Revenues and Other Changes in Net Assets							
Governmental activities							
Taxes							
Property taxes	\$ 1,388,393	\$ 1,462,020	\$ 1,545,895	\$ 1,646,328	\$ 1,759,219	\$ 3,584,591	3,964,867
Sales taxes	75,360,232	79,760,433	82,323,111	85,755,995	92,621,304	88,146,556	91,972,070
Lodgers taxes	2,075,035	2,086,183	2,269,999	2,308,962	2,418,323	8,677,392	8,797,321
Franchise taxes	1,332,463	299,457	1,307,593	1,432,826	1,592,130	2,391,985	2,549,067
Motor fuel taxes	148,163	153,932	141,980	145,074	126,683	1,130,555	1,654,875
Cigarette taxes	4,618,919	3,592,394	840,040	2,049,567	3,570,611	107,712	113,820
Unrestricted investment earnings	1,444,175	1,209,258	1,463,231	1,984,446	991,112	7,187,724	4,383,448
Miscellaneous revenues	553,731	3,976	1,039,062	-	117,180	1,947,896	1,401,382
Gain on sale of capital assets	(5,822,656)	(8,496,185)	(12,103,500)	(13,262,714)	(14,175,434)	-	142,601
Transfers	-	-	-	(20,145,837)	-	(76,331,238)	(29,791,045)
Special item-transfer of capital asset	-	-	-	61,914,647	-	-	-
Total governmental activities	81,098,475	80,071,468	78,827,411	89,021,128	89,021,128	36,843,173	85,188,406
Business-type activities							
Property taxes	1,932,195	1,499,788	1,347,344	1,822,075	2,608,907	7,123,902	8,800,497
Unrestricted investment earnings	3,556,171	-	1,567,250	2,793,229	1,650,873	6,301,086	7,078,365
Miscellaneous revenues	-	(41,845)	(41,889)	35,881	413,528	379,523	1,689,593
Gain (loss) on sale of capital assets	5,822,656	8,496,185	12,103,500	13,262,714	14,175,434	1,023,973	(24,603)
Transfers	-	-	-	20,145,837	-	76,331,238	29,791,045
Special item-transfer of capital asset	-	-	-	38,059,736	-	-	-
Total business-type activities	11,311,022	9,954,128	14,976,205	99,974,383	18,848,742	91,159,722	47,334,897
Total primary government	\$ 92,409,497	\$ 90,025,596	\$ 93,803,616	\$ 107,974,383	\$ 107,869,870	\$ 128,002,895	\$ 132,523,303
Change in Net Assets							
Governmental activities	\$ 14,360,253	\$ 9,315,094	\$ 1,470,119	\$ (14,491,882)	\$ 14,128,273	\$ (51,817,824)	\$ (2,610,996)
Business-type activities	10,820,453	8,368,588	24,371,433	35,384,877	30,005,850	94,377,048	53,860,277
Total primary government	\$ 25,180,706	\$ 17,683,682	\$ 25,841,552	\$ 20,892,995	\$ 44,134,123	\$ 42,559,224	\$ 51,249,281

Note: GASB 34 Implemented 2002

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

	Fiscal Year						
	2002	2003	2004	2005	2006	2007	2008
General fund							
Reserved	\$ 639,743	\$ 835,208	\$ 1,675,855	\$ 1,517,007	\$ 1,187,102	\$ 1,469,090	\$ 3,920,763
Restricted	-	-	-	-	-	-	6,722,866
Unreserved	14453097	16,621,949	19,280,645	19,527,994	25,105,946	26,378,133	16,309,042
Total general fund	<u>\$ 15,092,840</u>	<u>\$ 17,457,157</u>	<u>\$ 20,956,500</u>	<u>\$ 21,045,001</u>	<u>\$ 26,293,048</u>	<u>\$ 27,847,223</u>	<u>\$ 26,952,671</u>
All Other Governmental Funds							
Reserved, designated for, reported in							
Special revenue funds	\$ 21,325,023	\$ 20,555,714	\$ 21,068,096	\$ 24,748,085	\$ 27,354,805	\$ 19,576,314	\$ 23,697,756
Debt service funds	5,453,066	7,112,747	5,108,988	4,627,065	71,980,338	18,536,628	25,927,119
Capital projects funds	48,561,040	42,877,220	55,001,474	50,737,536	51,579,609	46,262,108	51,720,722
Restricted, designated for, reported in							
Special revenue funds	-	-	-	-	-	2,689,162	250,000
Debt service funds	-	-	-	-	-	-	3,201,907
Total all other governmental funds	<u>\$ 75,339,129</u>	<u>\$ 70,545,681</u>	<u>\$ 81,178,558</u>	<u>\$ 80,112,686</u>	<u>\$ 150,914,752</u>	<u>\$ 87,064,212</u>	<u>\$ 104,797,504</u>

Note: GASB 34 Implemented 2002

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

	Fiscal Year						
	2002	2003	2004	2005	2006	2007	2008
Revenues							
Taxes	\$80,304,306	\$ 83,762,025	\$ 87,588,578	\$ 91,289,185	\$ 98,517,659	\$ 104,038,791	109,052,020
Licenses and permits	1,465,954	1,442,754	2,667,343	2,727,092	2,946,359	2,863,976	2,211,926
Intergovernmental revenues	6,244,338	11,117,950	8,176,008	18,204,501	10,003,225	8,140,070	12,067,485
Fees and charges for services	4,025,034	3,410,981	4,751,647	7,176,240	7,322,849	7,871,367	6,522,655
Sale of capital assets	30,663	3,976	18,888	79,164	197,052	28,793	42,601
Fines and forfeitures	376,051	421,146	319,827	375,497	290,372	304,993	527,173
Rents, royalties and concessions	647,162	298,861	586,737	99,520	79,202	165,995	79,490
Investment income	3,685,469	2,984,761	703,634	1,794,068	3,260,419	6,498,985	3,695,071
Land Sales	523,068	215,598	520,174	428,823	80,392	267,786	100,000
Other revenues	1,480,265	993,660	556,667	767,606	541,146	1,209,122	864,065
Total Revenues	98,782,310	104,651,712	105,889,503	122,941,696	123,238,675	131,389,878	135,162,486
Expenditures							
General government	16,655,252	17,408,043	18,286,525	29,315,163	19,036,303	22,514,387	26,330,509
Public safety	23,121,768	25,881,312	27,719,898	30,499,746	30,740,879	32,864,855	32,809,858
Public works	6,117,328	6,672,395	6,053,746	6,333,134	6,478,166	7,702,612	6,218,207
Community development	9,307,102	9,633,956	10,000,586	10,846,818	10,606,676	11,160,216	11,217,328
Culture and recreation	7,898,557	8,021,152	8,852,562	10,058,953	10,207,370	10,813,076	11,920,461
Education	2,210,671	2,274,474	2,450,329	2,522,707	2,568,199	2,732,739	2,859,578
Capital outlay	13,277,460	13,359,356	13,532,467	10,329,737	17,210,254	18,273,680	20,319,842
Capital outlay/inventory exempt	2,775,370	2,776,689	1,698,664	1,316,442	582,837	3,845,167	5,909,298
Debt Service:							
Principal	7,812,252	8,122,744	7,724,078	7,813,894	8,072,719	22,635,861	7,352,698
Interest and fiscal agent fees	5,642,227	5,445,493	5,681,334	5,505,673	6,050,067	10,603,454	5,361,324
Total expenditures	94,817,987	99,595,614	102,000,189	114,542,267	111,553,470	143,146,047	130,299,103
Excess of revenues over (under)	3,964,323	5,056,098	3,889,314	8,399,429	11,685,205	(11,756,169)	4,863,383
Other Financing Sources (Uses)							
Transfers in	57,118,507	28,240,815	46,999,843	26,708,209	38,270,293	40,684,259	61,064,891
Transfers out	(63,290,445)	(35,874,406)	(56,589,827)	(39,687,743)	(52,070,727)	(116,975,199)	(90,855,936)
HUD loan payments (flow through)	-	-	-	-	-	25,656	7,862
Other uses	-	-	-	-	(300,000)	-	-
Other sources	18,944,263	-	19,880,589	1,716,667	14,986,587	-	-
Issuance of Bonds:							
Face value of bonds Issued	-	-	-	8,470,000	59,930,000	24,940,000	40,135,000
Premium on issuance of bond	-	-	-	133,355	3,548,755	785,088	1,623,540
Payments to refund bond	-	-	-	(8,399,880)	-	-	-
Total other Financing sources (uses)	12,772,325	(7,633,591)	10,280,605	(11,059,392)	64,364,908	(50,540,196)	11,975,357
Net change in fund balances	16,736,648	(2,577,493)	14,179,919	(2,659,963)	76,050,113	(62,296,365)	16,838,740
Debt service as a percentage of noncapital expenditures	16.5%	15.7%	15.2%	12.8%	15.0%	26.6%	11.6%

Note: GASB 34 Implemented 2002

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

Fiscal Year Ended June 30	Real Property Assessed Value	Estimated Actual Value	Personal Property Assessed Value	Estimated Actual Value	Exemptions Real Property	Total Assessed Value	Total Estimated Actual Value	Ratio of Total Assessed to Total Estimated
1999	1,800,317	5,400,951	53,687	161,063	24,912	1,829,092	5,492,769	33.3%
2000	1,871,374	5,614,122	70,697	212,092	24,408	1,917,663	5,758,748	33.3%
2001	1,936,438	5,809,895	67,293	201,899	24,175	1,979,555	5,944,610	33.3%
2002	2,026,036	6,084,192	71,447	214,556	24,087	2,073,426	6,226,505	33.3%
2003	2,141,583	6,431,180	68,192	204,780	29,939	2,179,836	6,456,054	33.3%
2004	2,338,417	7,022,273	70,907	212,934	33,767	2,375,557	7,133,805	33.3%
2005	2,587,264	7,769,562	71,734	215,417	36,567	2,622,431	7,875,168	33.3%
2006	2,849,552	8,557,213	78,279	235,072	38,889	2,888,942	8,675,502	33.3%
2007	3,138,480	9,424,865	72,456	217,586	39,751	3,171,185	9,523,081	33.3%
2008	3,315,706	9,957,075	175,280	526,985	39,987	3,450,999	10,363,360	33.3%

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

Source: Santa Fe County Assessor's Office

TABLE VI

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

RESIDENTIAL

Tax Year Ended June 30	City	State	County	School District	Santa Fe Community College	Total Residential Tax Levy
1999	0.460	1.482	5.169	7.654	2.935	17.700
2000	0.464	1.529	5.479	7.622	2.948	18.042
2001	0.472	1.765	5.543	7.544	3.346	18.670
2002	0.468	1.123	5.360	7.578	3.318	17.847
2003	0.454	1.520	5.917	7.488	3.264	18.643
2004	0.459	1.028	5.624	7.162	3.221	17.494
2005	0.440	1.234	6.319	7.022	4.046	19.061
2006	1.033	1.291	6.147	6.999	2.220	17.690
2007	1.026	1.221	6.282	6.960	3.119	18.608
2008	1.516	1.250	6.476	6.982	3.160	19.384

NON-RESIDENTIAL

Tax Year Ended June 30	City	State	County	School District	Santa Fe Community College	Total Non- Residential Tax Levy
1999	1.159	1.482	7.938	7.787	3.291	21.657
2000	1.158	1.529	8.225	7.652	3.235	21.799
2001	1.234	1.765	9.438	7.781	4.046	24.264
2002	1.268	1.123	9.648	7.798	4.046	23.883
2003	1.292	1.520	10.608	7.803	4.046	25.269
2004	1.266	1.028	10.868	7.440	4.046	24.648
2005	1.284	1.234	11.824	7.443	4.046	25.831
2006	1.901	1.291	11.935	7.269	4.046	26.442
2007	1.945	1.221	11.856	7.237	4.030	26.289
2008	2.459	1.250	12.500	7.247	4.046	27.502

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

TABLE VII

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

Taxpayer	2008			1998		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Public Service New Mexico	\$ 92,142,657	1	2.67%	\$ 32,998,854	2	1.85%
Qwest/ U.S. West	65,859,091	2	1.91%	58,983,497	1	3.30%
Singleton Properties	47,450,399	3	1.37%	-	-	-
B & B Santa Fe Mall LLC	36,725,046	4	1.06%	19,339,678	4	1.08%
Truzaf Ltd. Partnership	33,717,436	5	0.98%	-	-	-
Gas Company of NM	30,940,605	6	0.90%	15,479,800	6	0.87%
La Posada	25,000,000	7	0.72%	-	-	-
De Vargas Mall	20,500,000	8	0.59%	-	-	-
El Dorado Partnership	18,633,300	9	0.54%	18,294,500	5	1.02%
La Fonda Hotel	18,558,668	10	0.54%	12,714,390	8	0.71%
St. Vincent Hospital	-	-	-	20,000,000	3	1.12%
IBM Credit Corporation	-	-	-	13,274,887	7	0.74%
Meadows Apartments	-	-	-	11,840,024	9	0.66%
Shadowridge Apartments	-	-	-	11,534,078	10	0.65%
Total	\$ 389,527,202		11.29%	\$ 214,459,708		12.00%

Source: Santa fe County Assessor's Office

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

	2002	2003	2004	2005	2006	2007	2008
Agriculture, Forestry, Hunting, Fishing	14,535,305	13,323,327	14,835,226	14,233,052	15,543,808	15,220,498	14,074,406
Mining	-	-	28,792	-	-	55,455	8,736
Transportation, Comm., Utilities	125,832,865	125,328,634	126,928,178	132,492,509	134,687,705	88,766,665	99,278,414
Construction	226,063,778	260,034,725	263,352,787	271,432,965	380,430,714	388,417,042	436,060,485
Manufacturing	52,401,641	53,881,403	54,428,710	57,877,054	65,874,819	64,132,851	65,750,198
Wholesale	71,782,783	70,050,020	33,008,529	52,857,424	75,216,827	82,665,311	64,371,974
Retail	1,007,896,673	1,033,006,717	1,111,472,486	1,109,047,122	1,174,552,952	989,287,438	987,207,613
Finance, Insurance & Real Estate	82,194,438	76,265,903	90,920,308	101,515,174	112,402,443	111,654,920	108,156,523
Services	913,806,542	971,407,620	994,134,811	991,322,300	1,100,096,163	1,101,909,545	1,118,560,311
Government	-	-	19,848	231,683	-	5,802	9,243
Unclassified/Misc. Other	2,076,962	5,922,033	61,077,685	104,911,676	5,113,158	13,316,089	38,073,156
Total	2,496,590,987	2,609,220,382	2,750,207,360	2,835,920,959	3,063,918,589	2,855,431,615	2,931,551,059

Source: State of New Mexico Taxation and Revenue Department

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

Note: GASB 34 Implemented 2002

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

	Fiscal Year						
	2002	2003	2004	2005	2006 ⁽¹⁾	2007	2008 ⁽²⁾
Agriculture, forestry, hunting	\$ 347,880	\$ 360,156	\$ 394,162	\$ 401,436	\$ 455,081	\$ 456,874	\$ 425,121
Mining	588	722	(771)	-	-	1,663	112
Utilities	-	101,488	1,502,911	1,216,904	1,543,145	2,240,231	2,312,988
Construction	6,124,825	7,363,629	7,200,207	7,538,377	9,413,746	11,877,725	13,329,669
Manufacturing	1,485,782	1,465,851	1,557,272	1,582,900	1,839,688	1,954,756	1,972,298
Wholesale	1,959,464	2,002,390	1,811,327	1,453,583	1,726,084	2,541,040	1,923,131
Retail	31,861,671	30,092,879	30,852,659	29,019,897	28,049,244	30,363,839	29,388,707
Transportation & warehousing	3,234,982	763,649	150,146	210,111	217,660	389,881	625,939
Information & Cultural Indust.	-	-	792,009	1,209,249	1,238,465	1,673,707	1,631,339
Finance & insurance	2,323,365	1,726,658	669,778	775,655	809,785	960,829	1,168,871
Real estate, rental & leasing	-	429,851	1,853,383	2,019,600	2,474,170	2,450,804	2,094,448
Prof, Scientific, Technical	-	-	3,200,770	4,959,538	5,516,711	5,997,613	6,356,094
Management of companies	-	50,162	241,479	241,936	300,174	376,823	344,512
Admin & Support, Waste Mgt	-	-	35,204	101,389	203,807	289,906	442,406
Educational Services	-	-	133,238	185,471	227,896	254,368	254,901
Health Care & Social Assist	-	-	2,843,387	3,803,193	3,291,168	3,769,174	3,969,203
Arts, Entertainment & Recr	-	-	131,952	236,192	271,597	342,073	387,837
Accomodation & Food	-	-	4,392,307	7,431,444	8,900,411	10,039,922	10,134,875
Other Services	21,819,789	21,644,932	15,566,920	10,932,030	10,278,795	10,291,231	9,940,018
Public Administration	-	-	472	1,393	491	133	274
Unclassified	-	5,999,655	2,231,658	2,490,505	3,948,493	463,376	1,199,556
State Reimb-Food/Med Tax-Exempt	-	-	-	2,493,403	8,370,340	7,461,268	12,605,194
Total GRT Revenue Distribution	\$ 69,158,346	\$ 72,002,023	\$ 75,560,469	\$ 78,304,206	\$ 89,076,953	\$ 94,197,236	\$100,507,493
City direct Gross Receipts Tax rate	6.44%	6.69%	6.69%	7.31%	7.63%	7.63%	7.94%

Note: GASB 34 Implemented 2002

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

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

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

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

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

TABLE X

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

<u>Fiscal Year</u>	<u>City Direct Rate</u>	<u>Santa Fe County</u>
2002	6.44%	5.88%
2003	6.69%	6.13%
2004	6.69%	6.13%
2005	7.31%	6.25%
2006	7.63%	6.31%
2007	7.63%	6.31%
2008	7.94%	6.63%

Source: New Mexico Taxation and Revenue Department

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

Note: GASB 34 Implemented 2002

TABLE XI

CITY OF SANTA FE, NEW MEXICO
SCHEDULE OF PLEDGED REVENUES
FISCAL YEAR 2007 AND 2008
(UNAUDITED)

	Fiscal Year	
	2007 (1)	2008 (2)
0.05% Municipal Gross Receipts Tax (GRT) revenues	\$ 15,567,593	\$ 16,457,363
MGRT Infrastructure revenues	1,922,480	1,689,805.00
MGRT Environmental revenues	1,923,944	1,691,581.00
State shared GRT revenues	39,035,621	41,112,958.00
TOTAL	\$ 58,449,638	\$ 60,951,707

CITY OF SANTA FE, NEW MEXICO
SCHEDULE OF GROSS RECEIPTS TAX REVENUES
FISCAL YEAR 2007 AND 2008

	Fiscal Year	
	2007 (1)	2008 (2)
Municipal general GRT (Including Capital Improvements)	\$ 31,135,186	\$ 32,914,726
Infrastructure revenues	7,689,920	7,789,486
MGRT revenues	7,783,796	8,228,681
Environmental revenues	1,923,944	1,691,581
State-shared GRT revenues	39,035,621	41,112,958
Water Capital Outlay	7,503,571	8,113,597
TOTAL	\$ 95,072,038	\$ 99,851,029

Source: City of Santa Fe Cash Management and Investment Officer

- (1) Includes year-end accruals
(2) Unaudited

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

GENERAL FUND EQUITY DEBT

Fiscal Year Ended June 30	Population ¹	Assessed Value ²	Total General Obligation Debt Outstanding June 30	Amount Available Debt Service Fund	Net Bonded Debt	Ratio of Net Long Term Debt To Assessed Value	Net General Long Term Debt Per Capita
1999	61,700	1,829,092,934	-	-	-	-	-
2000	62,203	1,917,663,295	-	-	-	-	-
2001	63,000	1,979,555,408	-	-	-	-	-
2002	63,500	2,073,426,259	-	-	-	-	-
2003	64,700	2,179,835,636	-	-	-	-	-
2004	65,800	2,375,557,803	-	-	-	-	-
2005	66,500	2,622,431,696	-	-	-	-	-
2006	68,359	2,888,942,909	-	-	-	-	-
2007	69,142	3,171,185,528	-	-	-	-	-
2008 (3)	69,961	3,450,998,939	20,000,000	-	20,000,000	0.6%	286

¹ Estimated population figures for 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007 and 2008 were provided by the City of Santa Fe Planning Department staff. Estimated population figures for 1997 were provided by, "Population Estimated Program," U.S. Bureau of Census released March 1997.

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

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

TABLE XIII

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

FISCAL YEAR	PRINCIPAL	INTEREST	DEBT SERVICE	TOTAL GENERAL FUND EXPENDITURE	RATIO OF DEBT SERVICE TO GENERAL GOVERNMENTAL EXPENDITURES
2008	\$ -	\$ -	\$ -	\$ -	0.00%

The City of Santa Fe issued its first general obligation bond in 28 years on June 10, 2008
 There were no principal or interest expenditures for the fiscal year ending June 30, 2008

CITY OF SANTA FE, NEW MEXICO
 COMPUTATION OF DIRECT AND OVERLAPPING DEBT
 JUNE 30, 2008
 (UNAUDITED)

	General Obligation as of June 30, 2008	Percentage Applicable to City of Santa Fe	City of Santa Fe Share of Debt
State of New Mexico	\$ 353,220,000	6.98%	\$ 24,654,756
City of Santa Fe	20,000,000	100.00%	20,000,000
Santa Fe County	80,295,000	53.47%	42,933,737
Santa Fe Public Schools	55,100,000	57.80%	31,847,800
Santa Fe Community College	24,320,000	57.80%	14,056,960
Total Direct and Overlapping Debt			<u>\$ 133,493,253</u>

Ratios:

Total direct and overlapping debt to assessed valuation for tax year 2008 \$3,497,344	3.82%
Direct and overlapping debt to actual valuation of \$10,508,328,192	1.27%
Direct and overlapping debt per capita of 73,199	\$ 1,824

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

		Legal Debt Margin Calculation for Fiscal Year 2008									
		Fiscal Year									
		1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Debt Limit		\$73,163,717	\$76,705,127	\$79,182,200	\$82,937,050	\$87,193,425	\$85,022,312	\$104,897,268	\$115,557,716	\$126,847,421	\$138,039,594
Total net debt applicable to limit		-	-	-	-	-	-	-	-	-	-
Legal debt margin		\$73,163,717	\$76,705,127	\$79,182,200	\$82,937,050	\$87,193,425	\$85,022,312	\$104,897,268	\$115,557,716	\$126,847,421	\$138,039,594
Total net debt applicable to the limit as a percentage of debt limit		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	Assessed Value										\$ 3,450,989,839
	Debt Limit (4% of Assessed Value)										\$ 138,039,594
	Debt applicable to limit										-
	General obligation bonds										-
	Less: Amount set aside for repayment of general obligation										-
	Total net debt applicable to limit										-
	Legal debt margin										\$ 138,039,594

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

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

Refuse System Bonds

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

Water Refunding Bonds

Fiscal Year	Gross Revenues	Less: Operating Expenses	Net Revenue Available for		Coverage	
			Debt Service	Debt Principal		Service Interest
1999	14,058,294	11,276,255	2,782,039	1,250,000	4,433,097	0.49
2000	16,054,358	10,990,899	5,063,459	1,520,000	4,379,972	0.86
2001	22,525,336	14,825,552	7,699,784	2,560,000	4,313,092	1.12
2002	28,391,646	9,782,972	18,608,674	2,680,000	4,197,892	2.71
2003	30,603,150	12,980,867	17,622,283	2,805,000	4,074,612	2.56
2004	28,068,292	16,399,297	11,668,995	2,935,000	3,942,778	1.70
2005	25,672,488	16,891,351	8,781,137	3,170,000	3,707,978	1.28
2006	27,989,331	16,124,320	11,865,011	3,425,000	3,454,378	1.72
2007	30,092,304	18,063,030	12,029,274	3,695,000	3,549,049	1.66
2008	30,583,912	17,138,584	13,445,328	3,995,000	2,725,818	2.00

Municipal Recreation Complex Bonds

Fiscal Year	Gross Revenues	Less: Operating Expenses	Net Revenue Available for		Coverage	
			Debt Service	Debt Principal		Service Interest
1999	4,640,220	1,081,864	3,558,356	305,000	1,094,705	2.54
2000	3,410,269	2,069,710	1,340,559	320,000	1,029,467	0.99
2001	3,244,066	1,190,557	2,053,509	335,000	1,014,747	1.52
2002	2,316,542	727,534	1,589,008	465,000	996,190	1.09
2003	2,288,481	740,862	1,547,619	495,000	973,632	1.05
2004	2,433,497	817,025	1,616,472	515,000	949,227	1.10
2005	2,392,543	1,740,581	651,962	545,000	923,133	0.44
2006	2,280,039	1,578,402	701,637	580,000	894,988	0.48
2007	2,097,707	1,583,318	514,389	670,000	606,128	0.40
2008	2,382,508	1,533,264	849,244	705,000	579,328	0.66

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

Fiscal Year	Government Activities				Business-Type Activities				Total Primary Government	Percent of Personal Income ¹	Per Capita ¹			
	GRT Bonds	General Oblig. Bonds	NMFA Loans	HUD 108 Loan	Capital Lease	MRC Bonds	Convention Center Bonds	Water Bonds				Wastewater Bonds	Solid Waste Bonds	NMFA Loans
1999	99,240,000	-	-	-	-	18,705,000	-	75,000,000	-	-	-	192,945,000	12.67%	3,127
2000	110,875,000	-	-	-	2,650,328	16,385,000	-	73,480,000	-	-	-	205,390,328	12.97%	3,302
2001	103,305,000	-	-	-	2,153,234	18,050,000	-	70,920,000	-	-	2,045,532	196,473,766	11.90%	3,119
2002	113,775,000	-	-	-	1,529,916	17,585,000	-	68,240,000	-	-	1,903,148	203,033,064	11.84%	3,197
2003	105,955,000	-	-	-	1,009,666	17,090,000	-	65,435,000	-	-	1,755,647	191,245,313	10.63%	2,956
2004	117,210,000	-	-	-	462,868	16,575,000	-	62,500,000	-	-	1,604,296	198,352,164	10.52%	3,014
2005	109,910,000	-	-	300,000	110,959	16,030,000	-	59,330,000	-	-	7,135,548	193,983,174	9.89%	2,917
2006	161,900,000	-	-	299,000	1,033,941	16,021,535	-	55,905,000	-	-	5,686,677	255,361,153	12.14%	3,736
2007	164,345,000	-	-	298,000	770,795	13,845,000	-	53,785,000	-	-	14,221,135	263,146,604	12.01%	3,806
2008	92,615,000	20,000,000	15,739,976	297,000	520,046	13,140,000	50,505,000	49,790,000	26,895,000	13,710,000	28,962,201	312,174,223	13.71%	4,462

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

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

² GRT/revenue debt for solid waste, convention center and wastewater was reclassified FY 2007-2008 to respective enterprise funds.

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

TABLE XVIII

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

Year	Population	Personal Income (<i>thousands of dollars</i>)	Per Capita Personal Income	Unemployment Rate
1999	61,700	1,523,373	24,690	2.80%
2000	62,203	1,583,315	25,454	3.60%
2001	63,000	1,651,734	26,218	3.60%
2002	63,500	1,714,754	27,004	3.80%
2003	64,700	1,799,566	27,814	4.30%
2004	65,800	1,885,104	28,649	4.30%
2005	66,500	1,962,282	29,508	4.50%
2006	68,359	2,103,816	30,776	3.50%
2007	69,142	2,191,041	31,689	3.10%
2008	69,961	2,276,951	32,546	3.30%

Source: The City of Santa Fe's Planning Department

POPULATION:

YEAR	CITY	COUNTY	STATE
1999	61,700	123,386	1,736,931
2000	62,203	124,288	1,823,000
2001	63,000	130,915	1,829,146
2002	63,500	134,525	1,855,059
2003	64,700	138,000	1,874,614
2004	65,800	141,000	1,903,289
2005	66,500	144,000	1,928,384
2006	68,359	144,809	1,954,599
2007	69,142	146,295	1,964,402
2008	69,961	147,781	1,984,356

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

AGE PROFILE:

AGE	CITY	STATE	UNITED STATES
0-19	22.80%	31.10%	28.70%
20-34	20.00%	19.50%	20.90%
35-44	15.30%	15.50%	16.10%
45-54	17.30%	13.50%	18.10%
55+	24.60%	20.40%	16.20%
	100.00%	100.00%	100.00%

Source: Age profile for, "State and United States," U.S. Department of Commerce released December 2000.

(Continued)

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

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

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

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

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

CALENDAR YEAR	SANTA FE COUNTY	STATE OF NEW MEXICO	UNITED STATES
1999	29,346	20,920	27,859
2000	29,949	21,931	29,469
2001	31,568	23,081	30,413
2002	32,932	24,730	30,795
2003	32,378	24,903	31,487
2004	36,095	26,184	33,090
2005	37,934	28,042	34,685
2006	38,854	29,929	36,714
2007	40,020	31,474	38,611
2008	41,221	33,019	39,769

Source: Bureau of Business & Economic Research, UNM

(Continued)

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

PUBLIC SCHOOL DISTRICT ENROLLMENT

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

YEAR	PRE- KINDERGARTEN KINDERGARTEN	1-6	7-12	SPECIAL EDUCATION	TOTAL
1999	1,088	7,063	5,432	0	13,583
2000	1,113	7,072	5,527	0	13,712
2001	1,011	6,860	5,507	0	13,378
2002	1,015	6,879	5,199	0	13,093
2003	1,094	6,745	5,626	0	13,465
2004	1,056	6,819	5,682	0	13,557
2005	1,292	6,770	5,673	0	13,735
2006	1,269	6,796	5,675	0	13,740
2007	1,241	6,850	5,274	0	13,365
2008	1,216	6,947	5,395	0	13,558

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

Source: New Mexico Department of Education

PRIVATE SCHOOL DISTRICT ENROLLMENT-ASSESS EVALUATION UNIT

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

YEAR	KINDERGARTEN	1-6	7-12	SPECIAL EDUCATION	TOTAL
1999	287	826	2,120	4	3,237
2000	228	874	1,994	1	3,097
2001	263	868	1,700	0	2,831
2002	222	872	2,258	0	3,352
2003	275	847	2,244	0	3,366
2004	216	805	2,263	0	3,284
2005	188	820	2,379	0	3,387
2006	150	808	1,600	0	2,558
2007	195	859	1,643	0	2,697
2008	482	875	2,379	0	3,736

Source: New Mexico Department of Education

(Continued)

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

HIGHER EDUCATION ENROLLMENT

School Year Ending	College of Santa Fe	Santa Fe Community College	St. Johns College	UNM Graduate Center	Institute of Indian Arts
1999	1,809	5,262	535	249	128
2000	1,788	5,078	528	173	130
2001	2,392	8,421	516	118	146
2002	2,369	8,535	467	118	194
2003	2,520	8,756	444	82	199
2004	2,565	9,747	450	15	182
2005	2,543	8,592	463	34	231
2006	2,576	8,537	473	40	239
2007	2,614	8,961	473	50	337
2008	2,121	9,039	483	Not Available	270

Source: Individual Institutions

TABLE XIX

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

CALENDAR YEAR	PROPERTY VALUE ¹	CONSTRUCTION PERMITS ²	
		ISSUED	VALUE
1997	2,795,111,929	1,427	84,583,077
1998	3,048,763,623	1,384	89,121,016
1999	3,231,587,632	5,441	125,101,646
2000	3,443,148,983	4,373	115,792,548
2001	3,616,542,015	5,209	154,772,016
2002	3,789,882,996	6,392	154,617,427
2003	4,053,243,194	6,006	135,332,034
2004	4,374,594,705	6,722	160,606,719
2005	4,887,341,479	6,871	487,596,832
2006	5,405,014,766	7,076	249,530,361
2007	6,074,890,747	6,224	213,697,011

Utility Connections

CALENDAR YEAR	WATER METERS ³	ELECTRIC METERS ⁴	GAS METERS ⁵	TELEPHONE STATIONS ⁶
1996	24,398	48,678	34,022	15,076
1997	24,996	49,934	35,743	22,777
1998	26,723	55,170	37,671	23,000
1999	27,642	55,238	38,871	Not Available
2000	28,221	56,325	40,096	Not Available
2001	28,893	58,593	40,489	Not Available
2002	31,477	60,515	41,968	Not Available
2003	31,615	62,330	42,599	Not Available
2004	33,734	64,199	43,876	Not Available
2005	35,287	66,124	45,192	Not Available
2006	36,169	68,107	46,547	Not Available
2007	37,073	70,150	47,943	Not Available

Source:

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

² City of Santa Fe Building Inspectors Office.

³ Sangre De Cristo Water Division

⁴ Public Service Company of New Mexico

⁵ Public Service Company of New Mexico

⁶ Public Regulation Commission

CITY OF SANTA FE, NEW MEXICO
TEN LARGEST EMPLOYERS
SANTA FE METROPOLITAN AREA
JUNE 30, 2008
(UNAUDITED)

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

¹ These percentages are based on a total civilian labor force (Santa Fe County) of 79,729 from the New Mexico Department of Labor for 2008.

TABLE XXI

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

Function	Authorized Budgeted Positions of Employees as of June 30								
	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Government	325	329	267	262	271	271	284	313	313
Public safety									
Police									
Officers	96	115	147	151	150	150	150	120	158
Civilians	37	34	73	48	49	49	49	80	42
Fire									
Firefighters and officers	107	107	113	112	112	112	118	127	126
Civilians	8	13	10	12	10	10	9	15	16
Highways and streets									
Engineering	6	6	60	65	71	71	77	72	74
Maintenance	119	121	83	83	87	87	83	84	80
Sanitation	91	89	65	125	135	135	132	131	131
Culture and recreation	493	538	552	561	570	570	574	567	570
Water	68	82	119	71	74	80	86	86	87
Transit	76	72	78	78	84	84	89	101	111
Parking	52	53	58	60	59	59	54	56	58
Total	1478	1559	1625	1628	1672	1678	1705	1752	1766

Source: City of Santa Fe Budget Office

CITY OF SANTA FE, NEW MEXICO
SCHEDULE OF INSURANCE IN FORCE
June 30, 2008
(Unaudited)

Insurance Carrier/Description	Policy #	Term	Coverage Limits	Annual Premium	Deductible	Miscellaneous
I. City of Santa Fe Self Insurance						
A. Worker's Compensation		Jul 01 - Jun 30	Maximum benefits under law	\$868,229	\$350,000	(Medical and Indemnity)
B. Retiree Health Insurance		Jul 01 - Jun 30	Unlimited	\$99,713		
C. Group Health Insurance		Jul 01 - Jun 30	Unlimited	\$12,487,439		
D. Fleet/Physical Damage	GPO6301413	Jul 01 - Jun 30	Replacement cost	\$197,951	\$25,000	
II. Employers Reinsurance Corporation						
Excess Worker's Compensation	SP-9938-NM	July 1 - June 30	Statutory limit	\$118,701	\$350,000	Self-Insured Retention
III. St. Paul Insurance Company.						
Public Entity Package	GPO6301413	July 1 - June 30		\$1,457,469		
A. Public Building Contents/Pers. Prop			\$250,000,000		\$75,000	
B. General Liability			Aggregate \$3 million, \$1,050,000 tort limit		\$50,000	Self-Insured Retention
C. Foreign Jurisdiction			\$1,050,000		\$50,000	Self-Insured Retention
D. Auto Liability			\$1,050,000		\$50,000	
E. Auto Physical Damage			Actual Cash Value		\$25,000	Self-Insured Retention
F. Healthcare Professional			\$1,050,000		\$50,000	
G. Inland Marine			Various		\$25,000	
H. Law Enforcement			\$4,000,000	\$302,218	\$50,000	
I. Public Officials & Employment Practices			\$4,000,000	\$317,072	\$100,000	
IV. Travelers Indemnity Company						
Boiler/Machinery	BAJBMCR02X8560TIL07	July 1 - June 30	\$10,000,000	\$22,550	\$5,000	
Hazardous Substance			\$100,000			
Water Damage			\$100,000			
Ammonia Contamination			\$100,000			
Expediting Expenses			\$100,000			
Ordinance or Law			\$500,000			
V. The Hartford Insurance Company						
A. Crime (TD&D - Money & Securities)	59BPEDK8427	July 1 - June 30	\$100,000	\$3,295	\$5,000	
B. Employee Dishonesty	59BPEDK8427	July 1 - June 30	\$500,000	\$5,568	\$5,000	
VI. Talbot Insurance Company						
A. Old Republic Insurance Company Airport General Liability	AAPN0097867A	July 1 - June 30	\$20,000,000	\$16,150	\$2,500	
VII. Ing Benefits (ReliaStar)						
A. Specific Stop Loss	26001-1	Aug 31 - Aug 31	Medical in excess of \$200,000	\$437,690		
B. Aggregate Stop Loss			\$2,000,000	\$14,000		
C. Supplemental Life			2x annual salary-Natural death, 4x annual salary-Accidental death	\$346,777		
VIII. Zurich American Insurance Company						
Underground Storage Tank Liability	USC 92723845	July 1 - June 30	\$1,000,000 Total	\$2,745	\$5,000	
IX. AIG Environmental						
A. Pollution Legal Liability	PLS2673957	July 1 - June 30	\$2,000,000 aggregate	\$74,185	\$50,000	
B. Santa Fe Solid Waste Mgmt. Agency	EG 2671908	July 1 - June 30	\$1,000,000	\$66,623	\$25,000	
C. Fiduciary Employee Benefit Plan	672-82-86	July 1 - June 30	\$2,000,000 aggregate	\$10,400	\$25,000	Retention
X. Fireman's Fund						
Exhibition Floater	MXI-98387070	July 1 - June 30	\$50,000	\$1,000	\$500	
XI. St. Paul Insurance Co.						
Skateboard/BMXTrack/Parks	GPO6301413	July 1 - June 30	\$1,000,000 aggregate	Incl' in Blanket Policy	\$50,000	Self insurance Retention

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

Form of Government

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

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

Year of incorporation	1891
City area (square miles)	41.6
Fire Protection	
Number of stations (Manned and Unmanned)	10
Total employees (Includes 7 Civilians)	133
Police Protection	
Number of stations	2
Total employees (Includes 46 Civilians)	201
Parks	
Acreage (developed, not open space or trails)	1,225
Number of parks	87
Community centers and recreational buildings	6
Swimming pools	4
Tennis courts	22
Libraries	
Holdings	360,562 items
Circulation	548,218 per year
Municipal Sewer	
Number of sewer accounts	24,100
Miles of sanitary lines	315

Notes:

Data as of June 30, 2008

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Supplementary Schedules

CITY OF SANTA FE, NEW MEXICO
COMBINED SCHEDULE OF DEPOSITS AND INVESTMENTS
(RECONCILIATION OF BANK BALANCE TO CARRYING BALANCE)

ALL FUNDS
June 30, 2008

	Type of Account	Bank Balance	Outstanding Checks	Deposits In Transit	Carrying Balance	FAIR VALUE
Primary government						
Change, Imprest funds	Petty cash	\$ -	\$ -	\$ -	\$ 9,324	\$ 9,324
Deposits with financial institutions:						
Wells Fargo Bank - Medical Claims	Checking	92,832	776	-	92,056	92,056
Wells Fargo Bank - Medical Claims - UHC	Checking	14,078	-	-	14,078	14,078
Wells Fargo Bank - General Liability	Checking	40,289	33,185	-	7,104	7,104
Wells Fargo Bank - Workers' Comp.	Checking	67,385	28,218	-	39,167	39,167
Wells Fargo Bank - E&O/Law Enforcement	Checking	89,784	-	-	89,784	89,784
Wells Fargo Bank - HUD Loan Repayment	Checking	1,911	-	-	1,911	1,911
Wells Fargo Bank - HUD Debt Service Reserve	Checking	40,000	-	-	40,000	40,000
Wells Fargo Bank - Common	Checking	302,262	-	-	302,262	302,262
Wells Fargo Bank - Overland Sweep	Sweep	12,458,041	3,160,621	1,604,626	10,902,046	10,902,046
Wells Fargo Bank - Credit Card	Checking	-	-	45,619	45,619	45,619
Wells Fargo Bank - Business Savings	Savings	14,859,319	-	-	14,859,319	14,859,319
Wells Fargo Bank - Escrow for Water Rights Purchase	Savings	5,143	-	-	5,143	5,143
Wells Fargo Gov't Money Market - 2004B Reserve Cas	Trust	967,388	-	-	967,388	967,388
Bank of Albuq. - NMFA Fire Veh. Loan-Reserve	Trust	116,986	-	-	116,986	116,986
New Mexico Finance Authority-Fire Veh. Trust	Trust	11,645	-	-	11,645	11,645
New Mexico Finance Authority-Pkg Garage	Trust	425,836	-	-	425,836	425,836
New Mexico Finance Authority-SWAMA Reserve	Trust	100,000	-	-	100,000	100,000
NMFA - Rallyard Phase II Tax Exempt	Trust	338,102	-	-	338,102	338,102
NMFA - Rallyard Phase II Taxable	Trust	55,726	-	-	55,726	55,726
Bank of Albuq.-NMFA Rallyard Loan-Reserve	Trust	429,560	-	-	429,560	429,560
Bank of Albuq.-NMFA Rallyard Loan-Reserve	Trust	52,885	-	-	52,885	52,885
New Mexico Finance Authority-Rallyard Phase I	Trust	23	-	-	23	23
New Mexico Finance Authority-Rallyard Phase I	Trust	3	-	-	3	3
Century Bank-Certificate of Deposit	Time Deposit	100,000	-	-	100,000	100,000
Guadalupe Credit Union-CD	Time Deposit	100,000	-	-	100,000	100,000
First Community Bank-CD	Time Deposit	200,000	-	-	200,000	200,000
State Employees Credit Union-CD	Time Deposit	100,000	-	-	100,000	100,000
Wells Fargo Bank-CD	Time Deposit	100,000	-	-	100,000	100,000
Los Alamos National Bank-CD	Time Deposit	100,000	-	-	100,000	100,000
Community Bank-CD	Time Deposit	200,000	-	-	200,000	200,000
New Mexico Bank & Trust	Time Deposit	1,000,000	-	-	1,000,000	1,000,000
First National Bank of Santa Fe	Time Deposit	1,000,000	-	-	1,000,000	1,000,000
First National Bank of Santa Fe	Time Deposit	3,000,000	-	-	3,000,000	3,000,000
Total bank and carrying balances		36,369,198	3,222,800	1,650,245	34,796,643	34,796,643
Wells Fargo Gov't Money Market Forward Purchase Agr.	Investment	181,358	-	-	181,358	181,358
Wells Fargo Government Money Market - Inv. Trust	Investment	18,528,707	-	-	18,528,707	18,528,707
Blackrock Investors T-Fund Money Mkt	Investment	10,500,000	-	-	10,500,000	10,500,000
Fidelity Government Fund-Money Mkt	Investment	15,000,000	-	-	15,000,000	15,000,000
NM State Local Government Investment Pool	Investment	41,500,324	-	-	41,500,324	41,500,324
NM State Local Government Investment Pool	Investment	2,204,716	-	-	2,204,716	2,204,716
New Mexico Municipal Securities	Investment	5,850,000	-	-	5,891,844	5,891,844
U.S. Government Agency Securities	Investment	121,107,753	-	-	121,107,753	122,944,484
Total investment balances		214,872,858	-	-	214,872,858	216,751,233
Total Accounts		251,242,056	3,222,800	1,650,245	249,678,825	251,557,200
<i>Less: joint venture share of pooled cash</i>		<i>(14,449,623)</i>	<i>-</i>	<i>-</i>	<i>(14,449,544)</i>	<i>(14,604,327)</i>
Total primary government		236,792,433	3,222,800	1,650,245	235,229,281	236,952,873

CITY OF SANTA FE, NEW MEXICO
COMBINED SCHEDULE OF DEPOSITS AND INVESTMENTS
(RECONCILIATION OF BANK BALANCE TO CARRYING BALANCE)
ALL FUNDS
June 30, 2008

(continued)	Type of Account	Bank Balance	Outstanding Checks	Deposits In Transit	Carrying Balance	FAIR VALUE
Component unit						
Change, Imprest funds	Petty cash	\$ -	\$ -	\$ -	\$ 225	\$ 225
Deposits with financial Institutions:						
New Mexico Bank and Trust-Security / Deposit	Savings	11,305	-	-	11,305	11,305
New Mexico Bank and Trust-Operating (La Cieneguita)	Checking	20,936	868	-	20,068	20,068
New Mexico Bank and Trust-Insurance & Taxes	Savings	5,156	-	-	5,156	5,156
New Mexico Bank and Trust-Replacement Reserves	Savings	33,933	-	-	33,933	33,933
New Mexico Bank and Trust-Residual Receipts	Savings	110,089	-	-	110,089	110,089
New Mexico Bank and Trust-Operating (Camino Consu)	Checking	263,903	-	-	263,903	263,903
First Community Bank-General Fund Operating	Checking	493,574	195,751	3,504	301,327	301,327
First Community Bank-Operating (Voucher)	Checking	835,451	11,269	474	824,656	824,656
First Community Bank-Reserves (Voucher)	Savings	576,339	-	-	576,339	576,339
First Community Bank-FSS Escrow	Checking	43,428	-	-	43,428	43,428
Los Alamos Natl Bank-Operating (Region II)	Checking	73,300	2,097	-	71,203	71,203
Los Alamos Natl Bank-Board account	Checking	8,277	-	-	8,277	8,277
Los Alamos Natl Bank-Operating (Camino Consueio)	Checking	86,318	26,437	25,000	84,881	84,881
Los Alamos Natl Bank-Security deposit (Camino Consu)	Checking	20,042	-	-	20,042	20,042
Los Alamos Natl Bank-Security deposit (HA)	Savings	22,707	2,830	-	19,877	19,877
Los Alamos Natl Bank-Operating (Cielo Azul)	Checking	106,305	985	-	105,320	105,320
Los Alamos Natl Bank-Operating (Voucher)	Checking	27,833	-	-	27,833	27,833
Los Alamos Natl Bank-Operating (Mora County)	Checking	80,150	-	-	80,150	80,150
Los Alamos Natl Bank-Employee Fund	Checking	1,676	211	-	1,465	1,465
Wells Fargo Bank-Operating (Region II)	Checking	350,377	-	-	350,377	350,377
Total bank and carrying balances		<u>3,171,099</u>	<u>240,448</u>	<u>28,978</u>	<u>2,959,854</u>	<u>2,959,854</u>
Investments						-
Bank of New York-Bond fund	Investment	294,126	-	-	294,126	294,126
Bank of New York-Debt service fund	Investment	263,365	-	-	263,365	263,365
Bank of New York-Extraordinary maintenance	Investment	24,537	-	-	24,537	24,537
Bank of New York-Insurance escrow	Investment	116,584	-	-	116,584	116,584
Bank of New York-Operating	Investment	26,459	-	-	26,459	26,459
Bank of New York-PY Surplus fund	Investment	496,109	-	-	496,109	496,109
Bank of New York-Revenue fund	Investment	144,647	-	-	144,647	144,647
Los Alamos Natl Bank-CD's	Investment	200,000	-	-	200,000	200,000
		<u>1,565,827</u>	<u>-</u>	<u>-</u>	<u>1,565,827</u>	<u>1,565,827</u>
Total component unit		<u>4,736,926</u>	<u>240,448</u>	<u>28,978</u>	<u>4,525,681</u>	<u>4,525,681</u>
TOTAL BANK BALANCE ALL FUNDS			<u>\$ 3,463,248</u>	<u>\$ 1,679,223</u>	<u>\$ 239,754,962</u>	<u>\$ 241,478,554</u>

**CITY OF SANTA FE, NEW MEXICO
SCHEDULE OF PLEDGED COLLATERAL
(MARKET VALUE)
June 30, 2008**

	Bank Balance	Total Unsecured Public Funds	Pledged Securities Market Value	Maturity Date
PRIMARY GOVERNMENT:				
<u>WELLS FARGO BANK:</u>				
Medical Claims Checking-Wausau	92,056			
Medical Claims Checking-UHC	14,078			
General Liability Checking	7,104			
Worker's Comp. Checking	39,167			
E&O/Law Enforcement Liability Checking	89,784			
HUD Debt Service Reserve Checking	40,000			
HUD Guaranteed Loan Funds Checking	1,911			
Common Checking	12,760,303			
<u>Outgoing Elect. Payment Checking</u>	<u>0</u>			
Total Checking Requiring Collateral	13,044,403			
<u>Federal Depository Insurance</u>	<u>(100,000)</u>			
Total Unsecured Public Funds (Checking)		12,944,403		
 <u>Business Savings</u>				
Total Savings Requiring Collateral	14,859,319			
<u>Federal Depository Insurance</u>	<u>(100,000)</u>			
Total Unsecured Public Funds (Savings)		14,759,319		
 Total Unsecured Public Funds		 27,703,722		
 <u>Collateral held by Wells Fargo Bank, California:</u>				
FNCL, CUSIP 31409CV69			(29,285,982)	05/01/36
Total Pledged Collateral			(29,285,982)	
Difference between Pledged Collateral and Unsecured Funds			(1,582,260)	
 102% pledged collateral requirement			28,257,797	
Total Pledged Collateral			(29,285,982)	
Pledged collateral (over) under 102% requirement			(1,028,186)	
 <u>COMMUNITY BANK:</u>				
Certificate of Deposit	200,000			
<u>Federal Deposit Insurance</u>	<u>(100,000)</u>			
Total Unsecured Public Funds		100,000		
 <u>Collateral held by Federal Reserve Bank of Boston:</u>				
FHLMC, CUSIP 31282R4S0			(45,778)	08/01/10
FNMA, CUSIP 31360FCZ6			(1,362)	02/01/24
FNMA, CUSIP 31360YKS2			(19,194)	11/01/24
FNMA, CUSIP 313612MQ3			(6,063)	10/01/25
FNMA, CUSIP 31361SQY5			(4,753)	01/01/07
FNMA, CUSIP 31361SVR4			(6,912)	01/01/27
FHLMC, CUSIP 3128X3SL8			(101,411)	07/30/09
Total Pledged Collateral			(185,473)	
Difference between Pledged Collateral and Unsecured Funds			(85,473)	
 102% pledged collateral requirement			102,000	
Total Pledged Collateral			(185,473)	
Pledged collateral (over) under 102% requirement			(83,473)	

(continued)

**CITY OF SANTA FE, NEW MEXICO
SCHEDULE OF PLEDGED COLLATERAL
(MARKET VALUE)
June 30, 2008**

	<u>Bank Balance</u>	<u>Total Unsecured Public Funds</u>	<u>Pledged Securities Market Value</u>	<u>Maturity Date</u>
<u>FIRST COMMUNITY BANK:</u>				
Certificate of Deposit	200,000			
<u>Federal Deposit Insurance</u>	<u>(100,000)</u>			
Total Unsecured Public Funds		100,000		
<u>Collateral held at Federal Home Loan Bank of Dallas:</u>				
Taos, NM GRT CUSIP 87601RAL4			(124,150)	06/01/23
Total Pledged Collateral			<u>(124,150)</u>	
Difference between Pledged Collateral and Unsecured Funds			(24,150)	
102% pledged collateral requirement			102,000	
Total Pledged Collateral			<u>(124,150)</u>	
Pledged collateral (over) under 102% requirement			<u><u>(22,150)</u></u>	
<u>FIRST NATIONAL BANK OF SANTA FE:</u>				
Certificate of Deposit	3,000,000			
Certificate of Deposit	1,000,000			
<u>Federal Deposit Insurance</u>	<u>(100,000)</u>			
Total Unsecured Public Funds		3,900,000		
<u>Collateral held at Federal Reserve Bank of Boston:</u>				
FHLMC, CUSIP 3128M1UF4			(1,921,428)	01/01/22
FNMA, CUSIP 31371JZS6			(69,171)	04/01/21
FNMA, CUSIP 31371KBN0			(52,536)	08/01/21
FNMA, CUSIP 31371KU41			(309,635)	10/01/09
FNMA, CUSIP 31371RMM5			(352,937)	02/01/33
FNMA, CUSIP 31382N2V3			(385,682)	03/01/29
FHLMC, CUSIP 31394GTX1			(1,104,323)	12/15/16
GNMA, CUSIP 36202DLU3			<u>(71,669)</u>	02/20/31
Total Pledged Collateral			<u>(4,267,381)</u>	
Difference between Pledged Collateral and Unsecured Funds			(367,381)	
102% pledged collateral requirement			3,978,000	
Total Pledged Collateral			<u>(4,267,381)</u>	
Pledged collateral (over) under 102% requirement			<u><u>(289,381)</u></u>	
<u>NEW MEXICO BANK AND TRUST:</u>				
Certificate of Deposit	1,000,000			
<u>Federal Deposit Insurance</u>	<u>(100,000)</u>			
Total Unsecured Public Funds		900,000		
<u>Collateral held at Commerce Bank:</u>				
FHLB, CUSIP 3133XL6B4			(1,121,109)	06/04/09
Total Pledged Collateral			<u>(1,121,109)</u>	
Difference between Pledged Collateral and Unsecured Funds			(221,109)	
102% pledged collateral requirement			918,000	
Total Pledged Collateral			<u>(1,121,109)</u>	
Pledged collateral (over) under 102% requirement			<u><u>(203,109)</u></u>	

(continued)

**CITY OF SANTA FE, NEW MEXICO
SCHEDULE OF PLEDGED COLLATERAL
(MARKET VALUE)
June 30, 2008**

	Bank Balance	Total Unsecured Public Funds	Pledged Securities Market Value	Maturity Date
COMPONENT UNIT:				
<u>New Mexico Bank and Trust</u>				
Checking and Savings	\$ 445,322			
Federal Depository Insurance		(200,000)		
Total Unsecured Public Funds		245,322		
<u>Collateral held at Commerce Bank of St Louis:</u>				
Eastern NM Univ Rev, CUSIP 276785UD2 (par value)			(239,110)	4/1/17
Total Pledged Collateral			(239,110)	
Difference between Pledged Collateral and Unsecured Funds			6,212	
50% pledged collateral requirement			122,661	
Total Pledged Collateral			(239,110)	
Pledged collateral (over) under 50% requirement			(116,449)	
<u>First Community Bank</u>				
Checking	\$ 1,948,792			
Federal Depository Insurance		(200,000)		
Total Unsecured Public Funds		1,748,792		
<u>Collateral held at FRB Dallas:</u>				
FFCB, CUSIP 31331Q7A9			(110,917)	8/4/09
FHR 2836 DY, CUSIP 31395F6H2			(88,430)	8/15/14
MBS FHLMC Gold, CUSIP 312962FT5			(434,275)	10/1/18
TAOS N MEX ST, CUSIP 87601RAL4			(297,960)	6/1/23
FHR 2812 OB, CUSIP 31395AU9			(53,745)	12/15/23
FNR 2004-18 EA, CUSIP 31393XSV0			(12,386)	3/25/31
FNR 2003-49 JE, CUSIP 31393CY80			(600,770)	4/25/33
FNR 2003-64 YA, CUSIP 31393DKW0			(252,908)	5/25/23
FNR 2417 CH, CUSIP 31339D5M6			(167,166)	7/15/30
Total Pledged Collateral			(2,018,557)	
Difference between Pledged Collateral and Unsecured Funds			(269,765)	
50% pledged collateral requirement			874,396	
Total Pledged Collateral			(2,018,557)	
Pledged collateral (over) under 50% requirement			(1,144,161)	
<u>Los Alamos National Bank:</u>				
Checking and savings	\$ 426,608			
Certificate of deposit		200,000		
Federal Depository Insurance		(200,000)		
Total Unsecured Public Funds		426,608		
<u>Collateral held at FRB Dallas</u>				
FHLB, cusip 31339XLHQ9			(750,000)	6/10/11
Total Pledged Collateral			(750,000)	
Difference between Pledged Collateral and Unsecured Funds			(323,392)	
50% pledged collateral requirement			213,304	
Total Pledged Collateral			(750,000)	
Pledged collateral (over) under 50% requirement			(536,696)	

(continued)

**CITY OF SANTA FE, NEW MEXICO
SCHEDULE OF PLEDGED COLLATERAL
(MARKET VALUE)
June 30, 2008**

	<u>Bank Balance</u>	<u>Total Unsecured Public Funds</u>	<u>Pledged Securities Market Value</u>	<u>Maturity Date</u>
<u>Wells Fargo Bank:</u>				
Checking		\$ 350,377		
Federal Depository Insurance		<u>(100,000)</u>		
Total Unsecured Public Funds		250,377		
<u>Collateral held</u>				
None				
Difference between Pledged Collateral and Unsecured Funds			(250,377)	
50% pledged collateral requirement			125,189	
Total Pledged Collateral			<u>-</u>	
Pledged collateral (over) under 50% requirement			125,189	

CITY OF SANTA FE, NEW MEXICO
Proprietary Funds and Discretely Presented Component Units
Schedule of Capital Assets and Depreciation
For the Year Ended June 30, 2008

	ASSETS			ALLOWANCE FOR DEPRECIATION			
	Balance July 1, 2007	Additions	Deletions	Balance June 30, 2008	Current Fiscal Year Deprec.	Accumulated Balance June 30, 2008	Net Asset Value June 30, 2008
Enterprise funds							
Primary government							
Land	\$ 26,966,063	\$ -	\$ -	\$ 26,966,063	\$ -	\$ -	\$ 26,966,063
Buildings and structures	57,866,507	465,691	-	58,332,198	939,240	22,591,228	35,740,970
Improvements	107,945,660	1,197,055	-	109,142,715	6,195,527	61,375,494	47,767,221
Sewerlines	21,120,966	1,083,769	-	22,204,735	475,554	13,075,816	9,128,919
Equipment and machinery	13,012,778	1,677,614	(215,845)	14,474,547	827,404	12,035,436	2,439,111
Furniture and fixtures	794,128	-	(24,623)	769,505	21,505	709,414	60,091
Vehicles	18,571,085	3,048,607	(1,489,115)	20,130,577	1,646,110	13,150,710	6,979,867
Intangible plant	57,625	-	-	57,625	180,960	57,625	-
Data processing and software	2,523,907	210,950	(140,005)	2,594,852	-	1,891,985	702,867
Art	180,971	5,000	-	185,971	-	-	185,971
Construction in progress	105,909,489	70,715,727	(2,554,901)	174,070,315	-	-	174,070,315
Total - primary government	354,949,179	78,404,413	(4,424,489)	428,929,103	10,286,300	124,887,708	304,041,395
Component unit							
Housing Authority:							
Land	835,152	30,000	-	865,152	-	-	865,152
WIP	559,102	375,886	(631,385)	303,603	-	-	303,603
Buildings and improvements	26,867,755	1,224,104	-	28,091,859	1,308,212	17,984,613	10,107,246
Equipment and machinery	195,309	41,082	-	236,391	33,393	164,967	71,424
Furniture and fixtures	243,759	-	-	243,759	-	243,759	-
Vehicles	199,514	23,595	(9,155)	213,954	33,632	155,522	58,432
Total	28,900,591	1,694,667	(640,540)	29,954,718	1,375,237	18,548,861	11,405,857
Total component unit	28,900,591	1,694,667	(640,540)	29,954,718	1,375,237	18,548,861	11,405,857
Total Enterprise funds	383,849,770	80,099,080	(5,065,029)	458,883,821	11,661,537	143,436,569	315,447,252
Total Proprietary funds:							
Primary government	354,949,179	78,404,413	(4,424,489)	428,929,103	10,286,300	124,887,708	304,041,395
Component unit	28,900,591	1,694,667	(640,540)	29,954,718	1,375,237	18,548,861	11,405,857
Total Proprietary funds	\$ 383,849,770	\$ 80,099,080	\$ (5,065,029)	\$ 458,883,821	\$ 11,661,537	\$ 143,436,569	\$ 315,447,252

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Other Supplementary Financial Data

CITY OF SANTA FE, NEW MEXICO
Schedule of Industrial Revenue Bonds Authorized
As of June 30, 2008
(Unaudited)

Recipient	Year Issue	Year of Retirement	Interest Rate	Amount of Issue	Purpose
Hillhaven Corporation	1983	2013	68% of prime rate of Bank of New York	4,060,000	Construction of Nursing Home
Crow-Hobbs	1983	2013	10.25%	4,000,000	Commercial Office
College of Santa Fe	1997	2021	3.9% - 6.0%	8,770,000	Redeem portion of Outstanding debt and Fund capital projects
Tierra Contenta	1998	2008	Variable	3,000,000	Acquisition and Construction of a housing/commercial development
St. John's College	1998	2024	4.50%-5.50%	6,900,000	Refund outstanding balance on the 1992 debt issue and construction of campus facilities
College of Santa Fe	1998	2028	5.00%-5.50%	3,825,000	Construction and remodeling of 48 student housing units
College of Santa Fe	2001	2026	4.50%-6.25%	2,335,000	Renovation of an 86 student residence hall
College of Santa Fe	2004	2029	3.125%-5.75%	5,400,000	Acquiring, renovating and expanding classroom and teaching facilities
College of Santa Fe	2006	2036	Variable	25,000,000	Refund all prior debt, construct student services center
Ridgetop Road LLC	2007	2037	15.00%	45,000,000	Commercial office

CITY OF SANTA FE, NEW MEXICO
Schedule of Bonds Payable
Classified by Fund and Purpose
June 30, 2008 (UNAUDITED)

Fund and Purpose	Interest Rate	Date of Issue	Amount of Issue	Date of Final Maturity	Outstanding June 30, 2008 Series Issue Total
Revenue bonds payable solely from state-shared taxes:					
Gross receipts tax	4.50% - 5.50%	11/25/97	22,000,000	June 1, 2010	7,905,000
	4.00% - 5.60%	11/30/99	18,500,000	June 1, 2012	15,250,000
	3.00% - 5.25%	02/01/02	17,995,000	June 1, 2015	15,400,000
	2.00% - 4.00%	01/14/04	18,660,000	June 1, 2018	14,440,000
	2.75% - 4.25%	08/25/04	8,470,000	June 1, 2010	2,980,000
	4.00% - 5.00%	02/14/06	17,710,000	June 1, 2023	16,505,000
	3.25% - 5.50%	04/07/08	20,135,000	June 1, 2022	20,135,000
Total bonds payable solely from state-shared taxes					<u>92,615,000</u>
General obligation bonds payable solely from property tax:					
Property tax	3.75% - 5.00%	06/10/2008	20,000,000	June 1, 2028	20,000,000
Total bonds payable solely from property tax					<u>20,000,000</u>
Total bonds payable from tax revenue (governmental)					\$ 112,615,000
Revenue bonds payable from Enterprise funds (primary government)					
Convention Center	3.75% - 4.75%	03/28/06	42,220,000	June 15, 2035	41,935,000
	3.250% - 5.50%	04/07/08	8,570,000	June 1, 2022	8,570,000
Total bonds payable from Convention Center fund					<u>50,505,000</u>
Solid Waste	4.25% - 5.00%	07/31/06	15,160,000	June 1, 2023	13,810,000
Total bonds payable from Solid Waste fund					<u>13,810,000</u>
Municipal Recreation Complex	4.00% - 4.25%	08/30/05	15,315,000	June 1, 2024	13,140,000
Total bonds payable from Municipal Recreation Complex fund					<u>13,140,000</u>
Water Revenue Bonds	4.25% - 5.00%	08/09/06	49,790,000	June 1, 2025	49,790,000
Total bonds payable from Water fund					<u>49,790,000</u>
Wastewater Bonds	4.00% - 6.00%	12/11/97	20,800,000	June 1, 2022	18,000,000
	4.125% - 5.00%	09/29/06	9,780,000	June 1, 2021	8,895,000
Total bonds payable from Wastewater fund					<u>26,895,000</u>
Total revenue bonds payable from Enterprise funds (business-type)					<u>154,140,000</u>
TOTAL LONG-TERM INDEBTEDNESS					<u><u>\$ 266,755,000</u></u>

CITY OF SANTA FE, NEW MEXICO
Schedule of Mortgage Revenue Bonds Authorized
As of June 30, 2008
(Unaudited)

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

CITY OF SANTA FE, NEW MEXICO
SCHEDULE OF JOINT POWERS AGREEMENTS
FISCAL YEAR ENDED
June 30, 2008

PARTICIPANTS	RESPONSIBLE PARTY	DESCRIPTION	DATES OF AGREEMENT	TOTAL AMOUNT/ CITY SHARE	FY07 AMOUNT	AUDIT RESPONSIBILITY
City of Santa Fe Santa Fe County	Solid Waste Management Agency	Disposal of Solid Waste	09/08/1995 until termination	Fees for Usage	\$2,333,871	SWAMA
City of Santa Fe Santa Fe County	Regional Emergency Regional Center	Establishment of E911 Communication Center	11/01/2001 until termination	-	-	RECC
City of Santa Fe Santa Fe County	Both	Extra Territorial Zoning	03/25/1981 until termination	-	-	Both
City of Santa Fe Santa Fe County	Both	Create Regional City/ County Planning Authority	06/30/1982 until termination	-	-	Both
City of Santa Fe Santa Fe County	Both	Sanitary Sewer Service	02/14/1996 until termination	-	-	N/A
City of Santa Fe Santa Fe County	Both	Urban Growth Area within the Extraterritorial Zone	06/04/2002 until termination	-	-	N/A
City of Santa Fe Santa Fe County	Both	Joint Regional Trails and Open Space Santa Fe River Trails Project	09/14/2004 to 06/30/2008	\$285,000	285,000	City of Santa fe
City of Santa Fe Santa Fe County	Both	Joint Regional Trails and Open Space Santa Fe River Trails Project	09/14/2004 to 06/30/2008	\$1,330,000	1,330,000	City of Santa fe
City of Santa Fe Santa Fe County	Both	Governing the Buckman Direct Diversion Project	10/07/2004 until termination	50% Ownership	-	City of Santa Fe
City of Santa Fe Santa Fe County	Both	Water Resource Agreement	01/12/2005 until termination	-	-	City of Santa Fe (Continued)

CITY OF SANTA FE, NEW MEXICO
SCHEDULE OF JOINT POWERS AGREEMENTS
FISCAL YEAR ENDED
June 30, 2008

PARTICIPANTS	RESPONSIBLE PARTY	DESCRIPTION	DATES OF AGREEMENT	TOTAL AMOUNT/ CITY SHARE	FY07 AMOUNT	AUDIT RESPONSIBILITY
City of Santa Fe Santa Fe County	Both	Buckman Direct Diversion Project	01/12/2005 until termination	-	-	City of Santa Fe
City of Santa Fe Santa Fe County	Both	Household Hazardous Waste Day	07/01/07 to 07/31/2008	-	-	City of Santa Fe
City of Santa Fe Santa Fe County	Both	Comprehensive Community DWI	04/26/2007 until termination	-	-	City of Santa Fe
City of Santa Fe Santa Fe County	Both	Operation of the Santa Fe Regional Emergency Communications Center	05/09/2007 until termination	-	-	City of Santa Fe
City of Santa Fe ENMRD	Both	Wild Fire Protection and Suppression	06/06/2006 to 06/06/20011	-	-	Both
City of Santa Fe Santa Fe County	Both	Senior Citizen Programs	07/01/04 to 06/30/2007	-	\$424,551	City of Santa Fe
City of Santa Fe NIM Dept of Tourism	Both	International Conference on Creative Tourism	01/01/2008 06/30/2008	\$85,000	\$85,000	Both
City of Santa Fe Santa Fe County	Both	Day Reporting Program for Juveniles	07/01/2007 06/30/2008	\$93,000	\$93,000	Both
City of Santa Fe Navel Criminal Investigation Service	Both	Participation in New Mexico Law Enforcement Information Exchange	07/01/2007 01/25/2008	Per Agreement	Per Agreement	Both
City of Santa Fe New Mexico Energy, Minerals and Natural Resources Department	Both	Regional Mobilization Plan Wildlife Fire Protection and Suppression Fire Department	07/01/2007 06/30/2008	-	-	Both

(Continued)

CITY OF SANTA FE, NEW MEXICO
SCHEDULE OF JOINT POWERS AGREEMENTS
FISCAL YEAR ENDED
June 30, 2008

PARTICIPANTS	RESPONSIBLE PARTY	DESCRIPTION	DATES OF AGREEMENT	TOTAL AMOUNT/CITY SHARE		FY07 AMOUNT	AUDIT RESPONSIBILITY
				\$25/warrant	Served		
City of Santa Fe Administrative Office of the Courts	Both	Cooperate in the Services of Enforcement and issuing of Outstanding Warrants	07/01/2007 06/30/2008	\$25/warrant	Served	\$25/warrant	Both
City of Santa Fe North Central NM Economic Development	Both	Nutrition Services Incentive Program for Senior Services	07/01/2007 06/30/2008	\$4,884		\$4,884	Both
City of Santa Fe Santa Fe Public Schools	Both	School Crossing Guard Program	07/01/2007 06/30/2008	\$175,000		\$175,000	Both
City of Santa Fe New Mexico Tourism Department	Both	Santa Fe Visitors Information Center	07/01/2007 06/30/2008	\$25,000		\$25,000	Both
City of Santa Fe Casa Real Healthcare Center	Both	Senior assisted program for 12 seniors with exceptional needs	07/01/2007 06/30/2008	-		-	City of Santa fe
City of Santa Fe Santa Fe Public Schools	Both	Senior assisted program for 12 seniors with exceptional needs	07/01/2007 06/30/2008	-		-	City of Santa fe
City of Santa Fe Sombrillo Elementary	Both	Senior assisted program for 12 seniors with exceptional needs	07/01/2007 06/30/2008	-		-	City of Santa fe

CITY OF SANTA FE, NEW MEXICO
SCHEDULE OF OTHER FINANCIAL ASSISTANCE
FISCAL YEAR ENDED
June 30, 2008
(UNAUDITED)

Grantor Program Name Grant Number	State Program or Award Amount	Cash/Accrued or (Deferred) Revenue at July 1, 2007	Cash or Receipts Recognized	Disbursements/ Expenditures	Cash/Accrued or (Deferred) Revenue at June 30, 2008
N.M. HIGHWAY AND TRANSPORTATION DEPARTMENT					
Operation Buckle Down	\$ 16,509	\$ 4,725	\$ 1,200	\$ 1,200	\$ 4,725
Selective Traffic Enforcement Program	20,000	-	9,132	9,132	-
Operation DWI	36,593	8,716	9,557	7,220	6,379
Selective Traffic Enforcement Program	18,382	4,115	18,382	18,382	4,115
Camino Alire Bridge	100,000	100,000	100,000	-	-
Cerrillos Road Project	4,909,978	-	190,348	913,263	722,915
Southside Signal	25,000	23,351	23,351	-	-
Small Drainage	75,000	-	-	75,000	75,000
Intersection Safety	60,000	60,000	60,000	-	-
Paved Street Resurfacing	74,483	-	74,483	74,483	-
El Camino Real Scenic Byways	151,352	1,186	3,412	4,731	2,505
Richards Avenue/Rodeo Road Intersection Improvements	930,368	-	930,368	930,368	-
Camino de los Montoyas Cold Milling	50,000	-	43,076	43,076	-
Airport Improvements	200,000	-	-	24,273	24,273
Airport Improvements	15,000	-	14,047	-	-
Airport Improvements	5,263	-	-	1,024	1,024
Airport Improvements	195,668	38,589	19,730	22,374	41,233
Airport Improvements	59,951	7,512	7,512	-	-
Airport Improvements	6,000	-	-	240	240
Temporary Assistance to Needy Families (TANF)	50,000	6,610	6,610	-	-
Commuter Rail System Infrastructure	682,000	682,000	682,000	-	-
TOTAL Highway and Transportation Department	\$ 7,681,547	\$ 936,804	\$ 2,193,208	\$ 2,138,813	\$ 882,409
N.M. DEPARTMENT OF TOURISM					
International Conference on Creative Tourism	\$ 85,000	\$ -	\$ 85,000	\$ 85,000	\$ -
Beautification and Litter Control Program	74,400	17,079	17,079	-	-
Beautification and Litter Control Program	31,200	-	14,784	26,861	12,077
Design Week	14,000	14,000	6,000	3,000	11,000
Marketing Program	12,000	-	12,000	12,000	-
TOTAL N.M. Department of Tourism	\$ 216,600	\$ 31,079	\$ 134,883	\$ 128,861	\$ 23,077
N.M. PUBLIC REGULATION COMMISSION					
Fire Protection	\$ 471,847	\$ -	\$ 471,847	\$ 471,847	\$ -
TOTAL PUBLIC REGULATION COMMISSION	\$ 471,847	\$ -	\$ 471,847	\$ 471,847	\$ -
N.M. HEALTH AND ENVIRONMENT DEPARTMENT					
Emergency Medical Service	\$ 20,000	\$ -	\$ 20,000	\$ 20,000	\$ -
Sewer Line 2400 Block Aqua Fria	75,000	-	-	4,477	4,477
SF Water Treatment Facility	2,000,000	87,102	87,102	-	-
Effluent Line-Tierra Contenta	25,000	-	6,876	6,876	-
Effluent Line-Tierra Contenta	79,000	-	34,094	34,094	-
TOTAL Health and Environment Department	\$ 2,199,000	\$ 87,102	\$ 148,072	\$ 65,447	\$ 4,477
N.M. ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT					
Wildland Urban Interface (Project 3)	\$ 180,000	\$ 119,081	\$ 119,081	\$ -	\$ -
Hazardous Fuel Reduction (Project 4)	225,000	100,909	111,961	11,052	-
Santa Fe Rail and River Trail	238,364	201,770	238,364	36,594	-
Tierra Contenta Spine Trail	94,130	-	94,130	94,130	-
Santa Fe River Channel Improvement	10,000	-	10,000	10,000	-
Compressed Natural Gas Vehicles	60,000	-	60,000	60,000	-
TOTAL Energy, Minerals and Natural Resources	\$ 807,494	\$ 421,760	\$ 633,536	\$ 211,776	\$ -

(continued)

CITY OF SANTA FE, NEW MEXICO
SCHEDULE OF OTHER FINANCIAL ASSISTANCE
FISCAL YEAR ENDED
June 30, 2008
(UNAUDITED)

Grantor Program Name Grant Number	State Program or Award Amount	Cash/Accrued or (Deferred) Revenue at July 1, 2007	Cash or Receipts Recognized	Disbursements/ Expenditures	Cash/Accrued or (Deferred) Revenue at June 30, 2008
STATE AGENCY ON AGING					
Senior Companion Program	\$ 129,009	\$ 14,082	\$ 127,678	\$ 129,009	\$ 15,413
Senior Employment Program	30,460	5,735	29,908	30,460	6,287
Foster Grandparent Program	117,772	7,412	110,711	117,772	14,473
Retired Senior Volunteer Program	37,506	14,947	44,993	37,506	7,480
HB-2- Nutrition	315,330	-	292,576	315,330	22,754
HB-2- In Home Support	164,327	-	81,328	164,327	82,999
HB-2- Assisted Transportation	95,246	-	95,246	95,246	-
HB-2- Miscellaneous programs	5,000	-	3,398	5,000	1,602
State Area On Aging Capital improvements	324,637	-	-	324,637	324,637
Title III-E	133,472	56,437	56,437	-	-
Senior Center Renovations	274,500	-	-	4,500	4,500
Mary Ester Gonzales Senior Center	120,000	-	-	29,892	29,892
TOTAL State Agency on Aging	\$ 1,747,259	\$ 98,613	\$ 842,275	\$ 1,283,679	\$ 610,017
COUNTY OF SANTA FE					
Senior Administration	\$ 76,006	\$ -	\$ 73,254	\$ 76,006	\$ 2,752
Senior Nutrition	240,618	-	120,240	240,618	120,378
County Grant	332,576	85,284	85,284	-	-
Section 9-Santa Fe County	96,011	15,313	111,324	96,011	-
Senior Assisted Transportation	107,927	-	70,303	107,927	37,624
Southside Library	20,000	-	20,000	20,000	-
Trails/Bike Paths	85,000	-	-	1,975	1,975
Santa Fe Rail/River Trail	285,000	-	-	228,066	226,066
Santa Fe Railyard Park & Plaza	470,000	-	-	470,000	470,000
TOTAL County of Santa Fe	\$ 1,693,138	\$ 100,597	\$ 480,405	\$ 1,238,604	\$ 868,796
SANTA FE PUBLIC SCHOOLS					
Crossing Guards Grant	\$ 175,000	\$ -	\$ 98,703	\$ 98,703	\$ -
TOTAL Santa Fe Public Schools	\$ 175,000	\$ -	\$ 98,703	\$ 98,703	\$ -
N.M. DEPARTMENT OF FINANCE AND ADMINISTRATION					
Click It or Ticket	\$ 6,000	\$ 4,350	\$ -	\$ -	\$ 4,350
Domestic Violence Awareness - CYFD	2,000	-	2,000	2,000	-
Planning for Transit Oriented Development	200,000	-	-	138,320	138,320
Monica Roybal Center	50,000	-	-	45,705	45,705
Villa Real de la Santa Fe de St. Francisco de Assisi	40,000	-	14,682	14,682	-
Municipal Court Automation	32,871	-	3,422	3,422	-
Hazardous Equipment & Training	7,000	-	7,000	7,000	-
Law Enforcement Protection	111,600	-	111,600	111,600	-
Santa Fe Boys and Girls Club	232,250	22,500	22,500	-	-
Santa Fe Boys and Girls Club	35,000	-	35,000	35,000	-
Santa Fe Boys and Girls Club	110,000	-	89,760	89,760	-
Women's Health Services	120,000	28,724	28,724	-	-
National Dance Institute	248,500	169,266	169,266	-	-
Santa Fe Junior Wrestling	30,000	-	29,991	29,991	-
Lenseic	50,000	22,329	-	-	22,329
Open Hands	35,000	10,000	10,000	-	-
Rape Crisis Center	95,000	95,000	95,000	-	-
Santa Fe Children's Museum	120,000	9,433	9,433	-	-
Santa Fe Children's Museum	30,000	-	25,595	-	-
Santa Fe Civic Housing Authority	75,000	-	-	66,325	66,325
Santa Fe Civic Housing Authority	25,000	-	-	25,000	25,000
Library General Obligation Bonds	168,792	86,066	98,793	20,434	7,707
New Mexico State Library	28,827	-	6,828	6,828	-
La Farge Branch Library	75,000	-	17,079	44,783	27,704

(continued)

CITY OF SANTA FE, NEW MEXICO
SCHEDULE OF OTHER FINANCIAL ASSISTANCE
FISCAL YEAR ENDED
June 30, 2008
(UNAUDITED)

Grantor Program Name Grant Number	State Program or Award Amount	Cash/Accrued or (Deferred) Revenue at July 1, 2007	Cash or Receipts Recognized	Disbursements/ Expenditures	Cash/Accrued or (Deferred) Revenue at June 30, 2008
Joint Training Facility	150,000	148,500	148,500	-	-
Joint Training Facility	40,000	40,000	40,000	-	-
Joint Training Facility	675,000	178,028	263,402	490,223	404,849
Police & Fire Training Site	700,000	-	-	693,000	693,000
Police/Fire Joint Training Facility	50,000	-	-	50,000	50,000
Public Safety Building (Police Main Facility)	1,000,000	-	-	691,502	691,502
Santa Fe Police Department	450,000	-	-	445,500	445,500
La Familia	1,809,150	55,634	-	43,380	99,014
Korean War Memorial	16,000	6,000	6,000	-	-
Ragle Park Exp	50,000	-	-	7,924	7,924
Santa Fe Boys & Girls Club	20,000	20,000	20,000	-	-
Santa Fe Boys & Girls Club	50,000	15,000	50,000	35,000	-
Santa Fe Boys & Girls Club	48,800	-	-	14,139	14,139
Santa Fe Boys & Girls Club	75,000	-	67,616	-	-
Fort Marcy	150,000	-	-	150,000	150,000
Franklin Miles Park Improvements	40,000	-	-	40,000	40,000
El Museo Cultural	198,000	1,009	-	-	1,009
Larragoite Park	30,000	-	-	30,000	30,000
Larragoite Park	50,000	-	-	50,000	50,000
Larragoite Park	25,000	-	-	25,000	25,000
La Tierra Trails	40,000	16,842	16,842	20,468	20,468
Alto Park	200,000	200,000	200,000	50,000	50,000
Santa Fe Youth Consortium	486,400	19,602	19,602	-	-
Southside Library	1,941,920	183,150	183,150	-	-
Cathedral Park	120,000	33,416	33,416	40,013	40,013
Bikeways/Horse Trails, Grant	3,500,000	-	-	489,640	489,640
Tierra Contenta/Vistas Del Sol	235,000	-	-	25,000	25,000
Amilia White Park	30,000	30,000	30,000	-	-
Parking Enterprise Fund Transportation Section	25,000	-	24,515	24,515	-
Marty Sanchez Golf Course	20,000	-	20,000	20,000	-
MRC Rugby Fields	335,000	-	53,433	53,433	-
Genoveva Chavez Center	45,000	10,525	10,525	-	-
Genoveva Chavez Center	123,750	-	-	123,750	123,750
Genoveva Chavez Center	50,000	-	-	20,856	20,856
Santa Fe Municipal Airport	250,000	-	-	250,000	250,000
Airport Lighting Project	75,000	-	-	9,021	9,021
Santa Fe Railyard-Farmer's Market	1,493,950	320,000	-	1,466,000	1,786,000
Santa Fe Railyard-Traffic Impact	500,000	80,345	1,118	-	79,227
Santa Fe Railyard-Park and Plaza	2,225,000	669,663	1,390,000	1,730,337	1,010,000
Santa Fe Railyard-Park and Plaza	725,000	-	-	725,000	725,000
Railyard Property - Teen Art Center - Warehouse 21	95,000	-	-	95,000	95,000
Railyard-Youth Center - Warehouse 21	75,000	-	-	75,000	75,000
Railyard-Youth Center - Warehouse 21	100,000	-	-	100,000	100,000
Railyard-Youth Center - Warehouse 21	382,635	-	-	382,635	382,635
Railyard-Youth Center - Warehouse 21	123,750	-	-	123,750	123,750
Railyard Teen Art Center - Warehouse 21	371,250	-	-	371,250	371,250
Railyard Teen Art Center - Warehouse 21	108,900	-	-	38,006	38,006
TOTAL Dept. of Finance and Administration	\$ 21,232,345	\$ 2,475,382	\$ 3,354,792	\$ 9,733,403	\$ 8,853,993
NM FINANCE AUTHORITY					
Buckman Direct Diversion	\$ 3,380,954	\$ 889,365	\$ 889,365	\$ -	-
Water Project Grant/Loan	2,000,000	-	-	1,767,685	1,767,685
Drinking Water State Revolving Loan	15,150,000	-	-	14,686,973	14,686,973
TOTAL NM Mortgage Finance Authority	\$ 20,530,954	\$ 889,365	\$ 889,365	\$ 16,454,658	\$ 16,454,658

(continued)

CITY OF SANTA FE, NEW MEXICO
SCHEDULE OF OTHER FINANCIAL ASSISTANCE
FISCAL YEAR ENDED
June 30, 2008
(UNAUDITED)

Grantor Program Name Grant Number	State Program or Award Amount	Cash/Accrued or (Deferred) Revenue at July 1, 2007	Cash or Receipts Recognized	Disbursements/ Expenditures	Cash/Accrued or (Deferred) Revenue at June 30, 2008
NM ARTS COMMISSION					
NM Arts Grant	\$ 10,000	\$ 7,409	\$ 8,009	\$ 600	\$ -
NEA-Arts in School	32,000	52,451	52,451	-	-
TOTAL NM Arts Commission	\$ 42,000	\$ 59,860	\$ 60,460	\$ 600	\$ -
OTHER					
US Conference of Mayors	\$ 25,000	\$ -	\$ 25,000	\$ 25,000	\$ -
Easter Seals Grant	4,108	4,108	2,567	-	1,541
Santa Fe Regional Juvenile Justice Board	2,500	-	2,500	2,500	-
Millstream Fund	1,500	-	1,500	1,500	-
McCune Charitable Foundation "Arts Work"	10,000	-	10,000	10,000	-
Witter Bynner Foundation for Poetry	4,000	-	4,000	4,000	-
Buckaroo Ball Committee, Inc	15,260	-	15,260	15,260	-
Susan Kathleen Black Foundation	5,000	-	5,000	5,000	-
Bettinn Baruch Foundation	2,300	-	2,300	2,300	-
TOTAL Other	\$ 89,668	\$ 4,108	\$ 88,127	\$ 65,560	\$ 1,541
GRAND TOTAL	\$ 56,866,852	\$ 5,104,670	\$ 9,375,653	\$ 31,859,961	\$ 27,688,968

Single Audit Section

CITY OF SANTA FE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FISCAL YEAR ENDED
June 30, 2008

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Program or Award Amount	Cash/Accrued or (Deferred) Revenue at July 1, 2007	C/Y Cash Receipts Recognized	Disbursements/ Expenditures	Cash/Accrued or (Deferred) Revenue at June 30, 2008
Primary Government							
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT							
Department of Housing and Urban Development Direct Programs:							
CDBG-Entitlement and (HUD-Administered) Small Cities Cluster:							
Community Develop Block Grant	14.218	B00MC350003	\$ 593,856	\$ 181,217	\$ 665,819	\$ 568,001	\$ 83,399
Total CDBG-Entitlement and (HUD-Administered) Small Cities Cluster			593,856	181,217	665,819	568,001	83,399
Shelter Plus	14.238	NM02C5-01-008	524,460	14,735	107,363	103,189	10,561
Shelter Plus	14.238	NM02C5-01-010	194,496	27,920	27,920	-	-
Shelter Plus	14.238	NM02C5-01-011	121,272	11,494	11,494	-	-
Shelter Plus	14.238	NM02C6-01-010	201,144	-	166,485	201,144	34,659
Shelter Plus	14.238	NM02C6-01-011	196,800	-	175,812	196,008	20,196
Shelter Plus	14.238	NM02C6-01-012	130,548	-	118,139	129,979	11,840
			1,368,720	54,149	607,213	630,320	77,256
Economic Development Initiative Grant	14.246	B00ED350029	300,000	213,000	230,488	17,488	-
			300,000	213,000	230,488	17,488	-
Fair Housing Initiative	FY 05-06	14.409	FH400G04102	77,494	60,758	62,776	2,018
Fair Housing Initiative	FY 05-06	14.409	FH400G05112	99,175	-	46,491	72,174
			176,669	60,758	109,267	74,192	25,683
Department of Housing and Urban Development			\$ 2,438,245	\$ 509,124	\$ 1,612,787	\$ 1,290,001	\$ 186,338
DEPARTMENT OF INTERIOR							
National Park Service							
Passed through NM State Historic Presevation :							
Historic Pres	15.904	35-06-21534.08	\$ 15,000	\$ 3,500	\$ 22,500	\$ 19,000	\$ -
Department of Interior			\$ 15,000	\$ 3,500	\$ 22,500	\$ 19,000	\$ -
US DEPARTMENT OF JUSTICE							
Passed-through NM Children Youth and Families:							
Juvenile Justice - Education	16.523	046903000-3061	\$ 90,000	\$ 13,220	\$ 13,000	\$ -	\$ 220
Juvenile Justice - Continuum 06/07	16.523	07-690-3106	115,000	4,900	4,900	-	-
Juvenile Justice - Continuum 04/05	16.523	05-690-7000-7062	150,000	1,684	-	-	1,684
Juvenile Justice - Continuum 06/07	16.523	07-690-7000-7024	33,500	1,750	1,750	-	-
Juvenile Justice - Continuum 07/08	16.523	07-690-3106-1	40,000	-	36,500	39,980	3,480
Juvenile Justice - Continuum 06/07	16.523	08-690-6370	259,000	-	83,246	224,481	141,235
			687,500	21,554	139,396	264,461	146,619
Juvenile Justice JABG	FY 04/05	16.540	05-690-7000-7093	12,600	5,400	-	5,400
			12,600	5,400	-	-	5,400
US Department of Justice			\$ 700,100	\$ 26,654	\$ 139,396	\$ 264,461	\$ 152,019
Primary Government							
DEPARTMENT OF TRANSPORTATION							
Federal Highway Administration Direct Program:							
Casa Solana Traffic Calming	20.219	TCSP001-92B	\$ 200,000	\$ 8,072	\$ 8,072	\$ 107,856	\$ 107,856
Total Federal Highway Administration Direct Program:			200,000	8,072	-	8,072	107,856
Federal Aviation Administration Direct Program:							
Airport Improvement Grant #21	20.106	AIP 3-35-0037-21-2004	1,000,000	122,216	122,216	-	-
Airport Improvement Grant #24	20.106	AIP 3-35-0037-24-2005	535,028	1,508	2,262	754	-
Airport Improvement Grant #25	20.106	AIP 3-35-0037-25-2005	200,000	60	38,924	38,864	-
Airport Improvement Grant #26	20.106	AIP 3-35-0037-26-2005	957,591	13,974	13,475	9,138	9,637
Airport Improvement Grant #28	20.106	AIP 3-35-0037-28-2007	1,736,142	716,657	1,276,089	850,226	290,794
Total Federal Aviation Administration Direct Program:			\$ 4,428,761	\$ 854,415	\$ 1,452,966	\$ 898,982	\$ 300,431

(continued)

**CITY OF SANTA FE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FISCAL YEAR ENDED
June 30, 2008**

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Program or Award Amount	Cash/Accrued or (Deferred) Revenue at July 1, 2007	C/Y Cash Receipts Recognized	Disbursements/ Expenditures	Cash/Accrued or (Deferred) Revenue at June 30, 2008
Department of Transportation Direct Program:							
Section 5309	20.500	NM03X042	\$ 196,736	\$ 10,588	\$ 44,456	\$ 67,600	\$ 33,732
Section 5309	20.500	NM03X035	2,999,029	40,891	924,888	1,857,702	973,705
Section 5309	20.500	NM58X001	445,500	-	445,500	445,500	-
Section 5309	20.500	NM58X002	500,000	-	47,014	47,014	-
Section 5309	20.500	NM03X045	1,457,667	-	1,315,296	1,315,296	-
			5,598,932	51,479	2,777,154	3,733,112	1,007,437
Section 5307							
Operating	20.507	NM90X072	850,658	-	-	6,002	6,002
Operating	20.507	NM90X075	1,115,859	235,695	235,695	-	-
Operating	20.507	NM90X081	1,136,342	-	1,011,346	1,011,346	-
			3,102,859	235,695	1,247,041	1,017,348	6,002
Section 5316 (JARC)	20.516	NM37X009	630,000	54,805	169,773	128,191	13,223
Section 5316 (JARC)	20.516	NM37X012	396,473	-	-	133,981	133,981
Section 5316 (JARC)	20.516	NM37X014	146,232	-	-	-	-
			1,172,705	54,805	169,773	262,152	147,184
Section 5317	20.521	NM57X001	57,999	57,999	57,999	-	-
Section 5317	20.521	NM90X085	129,722	-	113,634	243,356	129,722
			187,721	57,999	171,633	243,356	129,722
Total Department of Transportation Direct Program:			10,062,217	399,978	4,365,601	5,255,968	1,290,345
Passed-through N.M. Highway and Transportation Department:							
Highway and Planning Cluster:							
Section 112	20.205	FTA-PL-92A-3(53)	115,374	115,333	115,374	41	-
Section 112	20.205	FTA-PL-92A-3(59)	120,614	-	76,229	112,667	36,638
Santa Fe Railyard Park and Plaza	20.205	STP-HPP -7649(8)	2,378,239	295,829	797,456	1,611,389	1,109,762
Intersection Safety	20.205	TPZ-5875(1)	540,000	540,000	540,000	-	-
Intersection Safety	20.205	TPS-0466(22)	475,000	-	-	475,000	475,000
Total Highway and Planning Cluster:			3,629,227	951,162	1,529,059	2,199,297	1,621,400
Section 5303	20.505	PL-92A-3(46)	28,846	15,474	15,474	-	-
Section 5303	20.505	PL-92A-3()	30,696	-	22,540	30,696	8,156
			59,542	15,474	38,014	30,696	8,156
Federal Transit Cluster:							
Ridefinders 05/06	20.507	TPO-7749(9)	40,000	-	-	-	-
Ridefinders 06/07	20.507	TPO-7749(9)	81,912	66,391	66,391	-	-
Ridefinders 07/08	20.507	TPO-7749(9)	90,682	-	-	66,609	66,609
Total Federal Transit Cluster:			212,594	66,391	66,391	66,609	66,609
Total Department of Transportation passed-through			3,901,363	1,033,027	1,633,464	2,296,602	1,696,165
Department of Transportation			\$ 18,692,341	\$ 2,295,492	\$ 7,480,103	\$ 8,559,408	\$ 3,394,797
Primary Government							
DEPARTMENT OF HEALTH AND HUMAN SERVICES							
Passed-through NM State Agency on Aging/NCNMEDD:							
Aging Cluster:							
Title III-B	93.044	2007-08 60026	\$ 108,669	\$ 824	\$ 824	\$ -	\$ -
Title III-C-1	93.045	2007-08 60026	104,468	-	98,886	104,468	5,582
Title III-C-2	93.045	2007-08 60026	40,285	-	40,284	40,285	1
NSIP	93.053	2007-08 60026	137,385	9,248	142,648	137,385	3,985
Total Aging Cluster:			390,807	10,072	282,642	282,138	9,568
Title III-E	93.052	2007-08 60026	76,340	36,221	61,619	76,340	50,842
Passed-through Mid Region Council of Governments:							
Temporary Assistance to Needy Families	93.558	TANF 2007-08	50,000	-	27,127	50,000	22,873
Department of Health and Human Services			\$ 517,147	\$ 46,293	\$ 371,388	\$ 408,478	\$ 83,383
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE							
Passed-through NM State Agency on Aging/NCNMEDD:							
Foster Grandparent/Senior Companion Cluster:							
Foster Grandparent Program	94.011	05SFWNM007	\$ 25,960	\$ 7,425	\$ 25,015	\$ 25,960	\$ 8,370
Total Foster Grandparent/Senior Companion Cluster:			25,960	7,425	25,015	25,960	8,370
Retired Senior Volunteer Program	94.002	05SRWNM002	35,711	17,793	35,366	35,711	18,138
			35,711	17,793	35,366	35,711	18,138
Total Passed-through NM State Agency on Aging:			\$ 61,871	\$ 25,218	\$ 60,381	\$ 61,671	\$ 26,608
Corporation for National and community Service			\$ 61,871	\$ 25,218	\$ 60,381	\$ 61,671	\$ 26,608

(continued)

CITY OF SANTA FE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FISCAL YEAR ENDED
June 30, 2008

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Program or Award Amount	Cash/Accrued or (Deferred) Revenue at July 1, 2007	C/Y Cash Receipts Recognized	Disbursements/ Expenditures	Cash/Accrued or (Deferred) Revenue at June 30, 2008
US DEPARTMENT OF HOMELAND SECURITY							
Santa Fe Muni Airport-TSA	97.008	HSTS0104ALEF075	\$ 71,736	\$ 10,293	\$ 27,599	\$ 17,306	\$ -
US Department of Homeland Security			\$ 71,736	\$ 10,293	\$ 27,599	\$ 17,306	\$ -
FEDERAL EMERGENCY MANAGEMENT AGENCY							
Passed through NM Dept of Public Safety: Assistance to Firefighters Grant	97.044	EMW-2005-FG-16250	\$ 158,020	\$ 18,576	\$ 155,743	\$ 137,167	\$ -
Federal Emergency Management Agency			\$ 158,020	\$ 18,576	\$ 155,743	\$ 137,167	\$ -
TOTAL EXPENDITURES OF FEDERAL AWARDS - Primary Government			\$ 22,555,260	\$ 2,935,450	\$ 9,849,897	\$ 10,757,492	\$ 3,843,045

CITY OF SANTA FE, NEW MEXICO
NOTES TO SUPPLEMENTAL SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2008

General

The following is a reconciliation of the total Federal Awards of the City of Santa Fe and its component unit Santa Fe Civic Housing Authority for the year ended June 30, 2008:

City of Santa Fe Federal Expenditures as reported on page 221	\$ 10,757,492
Santa Fe Civic Housing Authority Federal Expenditures as reported on page 251	6,238,831
Combined Federal Expenditures of the Primary Government and Component Unit	\$ 16,996,323

Basis of Accounting

The accompanying Supplemental Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in note 1 to the City's Comprehensive Annual Financial Report.

<u>Relationship to the Comprehensive Annual Financial Report:</u>	<u>CFDA #</u>	<u>AMOUNT</u>
U.S. Department of Housing and Urban Development		
Special Revenue Funds		
Community Development Grants		
Community Development Block Grants	14.218	\$ 568,001
Shelter Plus	14.238	103,189
Shelter Plus	14.238	201,144
Shelter Plus	14.238	196,008
Shelter Plus	14.238	129,979
Economic Development Initiative Grant	14.246	17,488
Fair Housing Initiative	14.409	2,018
Fair Housing Initiative	14.409	72,174
Component Unit		
Enterprise Fund - Housing Authority		
Public Housing Subsidy	14.850	1,244,253
Resident Opp and Support Services	14.870	47,411
Section 8	14.871	4,559,345
Capital Fund Program	14.872	387,822
Department of Interior		
Special Revenue Grants		
Historic Preservation Grant	15.904	19,000
U.S. Department of Justice		
Special Revenue Grants		
Law Enforcement Grants		
Juvenile Justice - Continuum	16.523	264,461
Department of Transportation		
Enterprise Fund - Transit Bus System		
Welfare to Work (JARC)	20.516	262,152
Section 5307	20.507	1,017,348
Section 5309	20.500	3,733,112
Section 5317	20.521	243,356
Airport Improvement Grants	20.106	898,982

CITY OF SANTA FE, NEW MEXICO
NOTES TO SUPPLEMENTAL SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2008

Special Revenue Fund		
Transportation Grants		
Section 112	20.205	112,908
Santa Fe Railyard Park and Plaza	20.205	1,611,389
Section 8	20.505	30,696
Ridefinders	20.507	66,609
Capital Project Fund		
Casa Solana Traffic Calming	20.219	107,856
Intersection Safety	20.205	475,000
Department of Health and Human Services		
Special Revenue Funds		
Senior CitizensGrants		
Title III C-1	93.045	104,468
Title III C-2	93.045	76,340
Title III E	93.052	40,285
NSIP	93.053	137,385
	93.558	50,000
Foster Grandparent Program	94.002	25,960
Retired Senior Volunteer Program	94.002	35,711
US Department of Homeland Security		
Enterprise Fund -Airport		
Santa Fe Muni Airport-TSA	97.008	17,306
Federal Emergency Management Agency		
Special Revenue Funds		
Emergency Service Grants		
Emergency Preparedness Grants	97.044	137,167
	TOTAL	<u>\$ 16,996,323</u>

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

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the respective budgetary comparison for the general fund of City of Santa Fe (the City) as of and for the year ended June 30, 2008, which collectively comprise the City's basic financial statements as listed in the table of contents, and have issued our report dated March 31, 2009. We have also audited the financial statements of each of the City of Santa Fe's nonmajor governmental, nonmajor enterprise, and internal service funds and respective budgetary comparisons presented as supplementary information in the accompanying combining and individual fund financial statements as listed in the table of contents. Our report was modified to include a reference to other auditors. We did not audit the financial statements of the Santa Fe Civic Housing Authority, which is a discretely presented component unit of the City of Santa Fe. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Santa Fe Civic Housing Authority, is based on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

Our consideration of the 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 did identify a deficiency in internal control over financial reporting that we consider to be a significant deficiency.

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

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe the significant deficiency described above is not material weakness.

Compliance and Other Matters

As a part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that are required to be reported under *Government Auditing Standards*, paragraph 5.14 and 5.16 and Section 12-6-5 NMSA 1978 which are described in the accompanying schedule of findings and questioned costs as finding 06-06, 08-03, and 08-04.

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

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



Atkinson & Co., Ltd.

Albuquerque, New Mexico
March 31, 2009



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

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

Compliance

We have audited the compliance of the City of Santa Fe, New Mexico (the City) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal programs for the year ended June 30, 2008. The City's major federal programs are identified in the summary of audit results section of the accompanying *Schedule of Findings and Questioned Costs*. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City of Santa Fe's management. Our responsibility is to express an opinion on the City of Santa Fe's compliance based on our audit.

The City of Santa Fe's basic financial statements include the operations of the Santa Fe Civic Housing Authority which received \$5,724,015 in federal awards which is not included in the Schedule of Expenditures of Federal Awards during the year ended June 30, 2008. We did not audit the compliance of the Santa Fe Civic Housing Authority, which is a discretely presented component unit of the City of Santa Fe. The compliance of the Santa Fe Civic Housing Authority was audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to compliance of Santa Fe Civic Housing Authority, is based on the report of the other auditors.

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 major federal programs occurred. An audit includes examining, on a test basis, evidence about the City of Santa Fe's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City of Santa Fe's compliance with those requirements.

In our opinion the City of Santa Fe complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the year ended June 30, 2008. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 07-02, 08-01, and 08-02.

Internal Control Over Compliance

The management of the City of Santa Fe is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City of Santa Fe's internal control over compliance with requirements that could have a direct and material effect on its major federal programs in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance, and accordingly we do not express an opinion on the effectiveness of the City of Santa Fe's internal control over compliance.

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

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 07-02, 08-01, and 08-02 to be significant deficiencies.

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

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

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

Atkinson & Co., Ltd.

Atkinson & Co., Ltd.

Albuquerque, New Mexico
March 31, 2009

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the year ended June 30, 2008

I. Summary of Audit Results

1. The auditors' report expresses an unqualified opinion on basic financial statements of the auditee.
2. A significant deficiency in internal control were disclosed during the audit of the financial statements. The significant deficiency was not considered to be a material weakness.
3. No instances of noncompliance material to the financial statements of the City of Santa Fe were identified during the audit.
4. Three significant deficiencies in internal control over major programs were disclosed by the audit, but the significant deficiencies were not determined to be material weaknesses.
5. The auditors' report on compliance for the major federal award programs for the City of Santa Fe, expresses an unqualified opinion.
6. The audit disclosed three findings relating to major programs that the auditors are required to report on under § –.510(a) of OMB Circular A-133.
7. The programs tested as a major programs were as follows:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
14.218	Community Development Block Grant
14.238	Shelter Plus Care
20.500/20.507	Federal Transit Cluster

8. The threshold for distinguishing Types A and B programs was \$325,169.
9. The City of Santa Fe was determined to be a high-risk auditee.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS-CONTINUED

For the year ended June 30, 2008

II. Findings – Findings and Questioned Costs – Major Federal Award Programs Audit

	<u>Questioned Costs</u>
Community Development Block Grant	None
Shelter Plus Care	None
Federal Transit Cluster	None

III. Status of Prior Audit Findings

06-01 Internal Audit Plan	Resolved
06-02 Consideration of Fraud Risk Factors	Resolved
06-03 Lack of Review Over Charge Fees	Resolved
06-04 IT Policies and Procedures	Resolved
06-05 Due Date of Audit Report	Repeated and Modified
06-06 Budget Overages	Repeated and Modified
07-01 Approval of Bank Reconciliations	Resolved
07-02 Reporting of Federal Awards – U.S. Dept. of Housing and Urban CFDA #14.218 Community Development Block Grant	Repeated and Modified
07-03 Reporting of Federal Awards – U.S. Dept. of Transportation CFDA #20.500, 20.507, Federal Transit Cluster	Resolved

IV. Current Audit Findings

Findings in Accordance with OMB Circular A-133

- 08-01 Reporting of Federal Awards – U.S. Dept. of Transportation CFDA #20.500,
#20.507 Federal Transit Cluster
- 08-02 Data Collection Form-Late filing

Findings in Accordance with 2.2.2. NMAC

- 08-03 Employee Income Tax Compliance

Financial Statement Findings Required by *Government Auditing Standards*

- 08-04 IT Policies and Procedures

SCHEDULE OF FINDINGS AND QUESTIONED COSTS -CONTINUED

For the year ended June 30, 2008

PRIOR YEAR FINDINGS-REPEATED AND MODIFIED

FINDING IN ACCORDANCE WITH 2.2.2. NMAC

06-05 Due Date of Audit Report (Significant Deficiency)

Condition:

The June 30, 2008 audit report was not filed with the State Auditor by the applicable date noted in the contract. The report was not submitted until April 23, 2009.

Criteria:

According to State Auditor Rule NMAC 2.2.2.9A, the audited financial statements are due by December 1 following the fiscal year-end, which would be December 1, 2008 for the year under audit.

Effect:

The City is not in compliance with State Auditor Rule NMAC 2.2.2.9A for the fiscal year ended June 30, 2008. The users of the financial statements such as legislators, creditors, bondholders, state and federal grantors, oversight agencies, etc., do not have timely audit reports and financial statements for their review. Late audit reports could have an effect on state and federal funding.

Cause:

There were several accounts that required additional time to reconcile and additional time to make correcting journal entries. Unusual economic conditions occurred right after June 30, 2008 requiring priority attention. The City of Santa Fe migrated into a web-base financial system which delayed the completion of the audit.

Recommendation:

We recommend the City evaluate whether there is adequate personnel to produce a timely CAFR and identify areas where additional training and procedures could be established

Management Response:

The City of Santa Fe migrated into a web-base financial system and new human capital software. This delayed the completion of the audit. The City of Santa Fe will work with the auditors on giving the information needed to assist in completing the audit on a timely basis.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS -CONTINUED

For the year ended June 30, 2008

PRIOR YEAR FINDINGS-REPEATED AND MODIFIED-CONTINUED

FINDING IN ACCORDANCE WITH 2.2.2. NMAC-CONTINUED

06-06 Budget Overages

Condition:

During our testwork over budgetary compliance for the year ended June 30, 2008, we noted the following budget overages for the City.

Reporting Unit	Budgetary Level	Final Budget	Actual Amount	Overage Amount
Special Revenue Fund Plaza Use	Fund Level	22,314	27,131	4,823
Special Revenue Fund Tierra Contenta	Fund Level	201,308	362,252	160,944
Debt Service Fund	Fund Level	12,589,998	12,714,022	124,024
Retiree Health Care Fund	Division Level	-	76,255	76,255

In addition we noted the Senior Citizen Grant fund, Animal Service fund and NEA Grant fund final budgeted expenditures were in excess of budgeted revenues and beginning fund balance.

Criteria:

New Mexico State Statute 6-6-6 NMSA 1978 requires that local government spending does not exceed budgeted amounts, unless approved budget adjustments are made. State law mandates that municipalities develop and operate within the confines of a balanced budget.

Effect:

The possibility existed for the City to incur a significant budget overage that would have had financial impact. The city is not in compliance with state statutes.

Cause:

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

Recommendation:

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

Management Response:

The City of Santa Fe will work on reviewing actual to Budget Expenditure to ensure deadlines are met for budget purpose.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS -CONTINUED

For the year ended June 30, 2008

PRIOR YEAR FINDINGS-REPEATED AND MODIFIED-CONTINUED

FINDING IN ACCORDANCE WITH OMB CIRCULAR A-133

**07-02 Reporting of Federal Awards – U.S. Dept. of Housing and Urban CFDA #14.218
Community Development Block Grant, Grant Period July 1, 2007-June 30, 2008
(Significant Deficiency)**

Condition:

The SF-272 reports were not submitted for fiscal year 2008 in the allotted time frame. One quarterly report covering the period of 1/1/2008 through 3/31/08 was submitted on 5/22/2008 and another quarterly report covering 7/1/2007 to 9/30/2007 was submitted on 1/16/2008.

Criteria:

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

Effect:

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

Cause:

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

Questioned Cost:

None

Recommendation:

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

Management Response:

The City of Santa Fe Transit division will ensure that reporting to the Department of Transportation (DOT) is submitted on a semi-annual basis. Transit has drafted a procedure to meet this reporting requirement. Transit will assign a staff person or persons to complete the Grant manager responsibilities while the position is vacant.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS-CONTINUED

For the year ended June 30, 2008

CURRENT YEAR FINDINGS

FINDING IN ACCORDANCE WITH OMB CIRCULAR A-133

08-01 Reporting of Federal Awards – U.S. Dept. of Transportation CFDA #20.500, #20.507, Federal Transit Cluster, Grant Period July 1, 2007-June 30, 2008 (Significant Deficiency)

Condition:

During our testing of transit reporting, we noted the Disadvantage Business Award (DBE) reports were not submitted to the Department of Transportation in fiscal year 2008 as required.

Criteria:

Recipients of Federal Transit funds are required to certify compliance with 49 CFR section 26.49, as a condition to bid on a transit vehicle procurement in which Federal Transit funds are involved. To monitor the progress of the DBE program the City is required to submit semi-annual reports based on a record-keeping system

Effect:

As the city did not submit the reports, the Department of Transportation has no way to monitor the progress of the DBE program. Departures from requirements could create responses from DOT.

Cause:

The 2008 reports were not submitted due to the resignation of the transit manager and the replacement manager was not aware that the reports had to be submitted.

Questioned Cost:

None

Recommendation:

We recommend the City train its employees to submit the proper reports. We also recommend the creation of a report calendar monitored centrally.

Management Response:

City of Santa Fe will train other employees to ensure proper and complete reporting requirements are met. Each program will create a reporting calendar to ensure documentation and workflow for required reporting

SCHEDULE OF FINDINGS AND QUESTIONED COSTS-CONTINUED

For the year ended June 30, 2008

FINDING IN ACCORDANCE WITH OMB CIRCULAR A-133

08-02 Data Collection Form-Late filing

Condition:

The City did not file form SF-SAC (Data collection form), by the prescribed deadline of March 31, 2009. It was submitted on April 20, 2009.

Criteria:

For all entities that undergo a single audit, standard form SF-SAC is required to be submitted to the federal clearinghouse to summarize the single audit results. OMB A-133.320 (a) requires the report to be submitted within 9 months of the date of the audit period (March 31, 2009).

Effect:

The City was not in compliance with the filing deadline of the SF-SAC to the federal clearinghouse pursuant to A-133 standards.

Cause:

The audit report for the City was not submitted to the Office of the State Auditor until April of 2009, which was past the stated deadline. A completed audit forms the basis for filing the SF-SAC. The audit was late due to several accounts that required additional time to reconcile and additional time to make correcting journal entries. Unusual economic conditions occurred subsequent to June 30, 2008 requiring priority attention.

Recommendation:

Atkinson & Co., Ltd. recommends that the office work closely with our staff for fiscal year 2009 to prevent a reoccurrence of this finding by filing the required reports by the deadline.

Management's Response:

The City of Santa Fe will work with the auditors on giving the information needed to assist in filing the required reports by the deadlines.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS-CONTINUED

For the year ended June 30, 2008

FINDING IN ACCORDANCE WITH 2.2.2. NMAC

08-03 Employee Income Tax Compliance

Condition:

During our testing of federal tax compliance, we noted the City is not using an IRS approved method to compute the taxable value of the personal use of nonqualified vehicles included in the employee's W-2.

Criteria:

IRS Pub.15-B, Requirement 1.61-21 allows three methods of valuing personal use of an employer's vehicle. These methods include automobile lease valuation rule, cents-per-mile rule, and the commuting rule (\$3 per day). The city's internal policy mandates use of the commuting rule.

Effect:

The city is out of compliance with the IRS regulation and the IRS could assess penalties for the noncompliance as they deem necessary.

Cause:

The City does not review the employees W-2s to ensure the correct amount of taxable value is included as taxable wages.

Recommendation:

We recommend the City implement review procedures to ensure the correct amount of taxable value of personal use of nonqualified vehicles is included on the employee's W-2 form.

Management Response:

The City of Santa Fe fuel system was damaged by lightning and under construction for most the year therefore delaying the implementation of the policy. The City will implement the policy in the FYE June 30, 2009.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS-CONTINUED

For the year ended June 30, 2008

FINANCIAL STATEMENT FINDINGS REQUIRED BY GOVERNMENT AUDITING STANDARDS

08-04 IT Policies and Procedures

Condition:

During our review of information technology policies and procedures, we noted the following conditions related to change controls and backup recovery testing procedures:

- 1) Application data owners do not perform periodic reviews of user access rights for all in-scope applications (and network access when required). Additionally when user access rights are modified (due to job transfers or other reasons), the access rights of these users are not reviewed in order to remove access rights that are no longer needed.
- 2) File server and application recovery procedures are not tested at least once annual to ensure data integrity and recovery.

Criteria:

Policies and procedures should provide the basis for internal control activities that ensure backup recovery testing is performed and change controls are implemented. All internal control criteria and requirements apply to the IT function as well that protect the integrity of information.

Effect:

Lack of backup recovery testing could result in unexpected backup failure in the event of a catastrophe. This could impair the City's ability to prepare reliable financial statements if relevant information is lost. Lack of changes control could result in unauthorized changes to application, database and operating systems.

Cause:

Lack of written polices pertaining to backup recovery testing procedures and change procedures combined with inadequate staffing levels contribute to the internal control weakness, which can affect operations of the City.

Recommendation:

We recommend policy controls surrounding Information technology processes detail responsibilities for recovery testing detail change controls related to application, databases, and user rights should be present to ensure only valid changes are made.

Management Response:

The City of Santa Fe will establish written policies pertaining to backup recovery testing procedures and change procedures to ensure testing data integrity and recovery once annually.

EXIT CONFERENCE

For the year ended June 30, 2008

* * * * *

An exit conference was held on April 13, 2009, to discuss the audit. The following individuals were in attendance:

City of Santa Fe

Dave Millican
Teresita Garcia
Galen Buller

Finance Director
Assistant Finance Director
City Manager

Independent Auditor

Martin Mathisen, CPA
Morgan Browning, CPA

Audit Director
Audit Senior

CITY OF SANTA FE
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FISCAL YEAR ENDED
 June 30, 2008

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Cash/Accrued or (Deferred) Revenue at July 1, 2007 Restated	HAP Equity July 1, 2007	Cash Receipts Recognized	Disbursements/ Expenditures	Cash/Accrued or (Deferred) Revenue at June 30, 2008	HAP Equity July 1, 2008
Component Unit								
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT								
Public Housing Subsidy	14.850		\$ -	\$ -	\$ 1,244,253	\$ 1,244,253	\$ -	\$ -
Resident Opp. & Support Serv	14.870		17,055	-	64,486	47,411	-	-
Capital Fund Program	14.872		128,784	-	430,286	387,822	86,320	-
Section 8 Housing	14.871		114,865	537,709	5,271,445	4,559,345	-	1,134,944
Department of Housing and Urban Development			\$ 260,704	\$ 537,709	\$ 7,010,450	\$ 6,238,831	\$ 86,320	\$ 1,134,944
TOTAL EXPENDITURES OF FEDERAL AWARDS - Component Unit			\$ 260,704	\$ 537,709	\$ 7,010,460	\$ 6,238,831	\$ 86,320	\$ 1,134,944

Ricci & Company LLC

CERTIFIED PUBLIC ACCOUNTANTS
6200 UPTOWN BLVD. NE - SUITE 400
ALBUQUERQUE, NM 87110

**Independent Auditors' Report on Internal Control
Over Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial
Statements Performed in Accordance With
*Government Auditing Standards***

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

We have audited the accompanying financial statements of the business-type activities, each major fund, including the budgetary comparisons, and the aggregate remaining fund information of the Santa Fe Civic Housing Authority (the Authority), a component unit of the City of Santa Fe, as of and for the year ended June 30, 2008, which collectively comprise the Authority's basic financial statements as listed in the accompanying table of contents, and have issued our report thereon dated November 21, 2008. 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 Authority's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over financial reporting.

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 a combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the Authority's internal control.

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

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

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. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that are required to be reported under *Government Auditing Standards January 2007 revision* paragraphs 5.14 and 5.16, and Section 12-6-4, NMSA 1978, which are described in the accompanying schedule of findings and responses as findings 05-01, 07-04 and 08-01.

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

This report is intended solely for the information and use of management, others within the Authority, Office of the State Auditor, New Mexico Legislature, and applicable federal grantors, and is not intended to be and should not be used by anyone other than these specified parties.

Ricci & Company LLC

Albuquerque, New Mexico
November 21, 2008

Ricci & Company LLC

CERTIFIED PUBLIC ACCOUNTANTS
6200 UPTOWN BLVD. NE - SUITE 400
ALBUQUERQUE, NM 87110

Independent Auditors' Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance In Accordance With OMB Circular A-133

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

Compliance

We have audited the compliance of the State of New Mexico Santa Fe Civic Housing Authority (the Authority) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2008. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Authority's management. Our responsibility is to express an opinion on the Authority's compliance based on our audit.

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

In our opinion, the Authority complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the year ended June 30, 2008. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as item 07-05.

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

Internal Control Over Compliance

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

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

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe none of the reportable conditions described above is a material weakness.

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

This report is intended solely for the information and use of management, others within the Authority, Office of the State Auditor, the New Mexico Legislature, and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

Ricci & Company LLC

Albuquerque, New Mexico
November 21, 2008

**STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2008**

05-01	Cash Deposits and Related Liabilities	Updated and Included
06-03	Payment Authorization	Resolved
07-01	Cash Account Not Present on the Trial Balance	Resolved
07-02	Due Date of Audit Report	Resolved
07-03	Journal Entries	Resolved
07-04	Budgetary Compliance	Updated and Included
07-05	Section 8 Housing – Eligibility	Updated and Included
07-06	Allowable Cost	Resolved
07-07	Reporting	Resolved
07-08	Special Tests – Waiting List	Resolved
07-09	Special Tests – Tenant Participation Fund	Resolved
07-10	Davis Bacon Act	Resolved
07-11	Suspension and Debarment	Resolved
07-12	Allocation of Salary Costs	Resolved

1

**STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2008**

A. SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditors' report issued Unqualified

Internal control over financial reporting:

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

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

Federal Awards

Internal control over major programs:

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

Type of auditors' report issued on compliance for Major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 501(a) of Circular A-133? X Yes No

Identification of Major Programs Tested

#14.850	Public Housing Subsidy
#14.872	Capital Fund Program
#14.871	Section 8 Housing

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

Auditee qualified as low-risk auditee? X Yes No

**STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2008**

B. FINDINGS – FINANCIAL STATEMENT AUDIT

None.

**STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2008**

C. FINDINGS – FEDERAL MAJOR AWARD PROGRAMS

07-05 Section 8 Housing and Public Housing - Eligibility

**U.S. Dept. of Housing and Urban Development
CFDA # 14.871 – Section 8 Housing
14.850 – Public Housing Subsidy
Grant Period – July 1, 2007 – June 30, 2008**

CRITERIA

24 CFR 982 and 24 CFR 960 outline compliance requirements for Section 8 Tenant Based Assistance: Housing Choice Voucher Program and Public Housing Management Assessment Program, respectively, including income and documentation requirements.

CONDITION

During our eligibility testwork of the Section 8 program, out of 12 participants tested, the following was noted:

- Two instances where recertification documentation was prepared but not signed by the tenants.
- Two instances where third party documentation of income was not present in the file.
- One instance where the incorrect amount of income was used to determine the tenant's annual income which resulted in an understatement of \$168. This resulted in an incorrect amount of rent charged to the tenant. Third party verification of income indicated the correct amount and was maintained in the tenant's file.

During our eligibility testwork of the Public Housing program, out of 12 participants tested, the following was noted:

- One instance where medical insurance deduction was understated by \$751. This resulted in an incorrect amount of rent charged to the tenant. Third party verification of medical insurance paid indicated the correct amount and was maintained in the tenant's file.
- Two instances where third party documentation was not present in the file.

**STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2008**

C. FINDINGS – FEDERAL MAJOR AWARD PROGRAMS (CONTINUED)

07-05 Section 8 Housing and Public Housing – Eligibility (Continued)

- One instance where the incorrect amount of income was used to determine the tenant's annual income which resulted in an understatement of \$108. This resulted in an incorrect amount of rent charged to the tenant. Third party verification of income indicated the correct amount and was maintained in the tenant's file.

QUESTIONED COSTS

None.

CAUSE

The Housing Authority did not have the proper quality control over documentation retention and proper income and rent calculation.

EFFECT

The Housing Authority is not in compliance with the eligibility standards of the Section 8 and Public Housing programs. The conditions noted above have resulted, or could result in, incorrect rent charged or assistance provided.

RECOMMENDATION

The Housing Authority should implement quality control procedures to ensure that all applicants provide the requisite documentation before their applications are approved. Additionally, the Housing Authority should develop and implement policies and procedures that specifically address documentation and proper income and rent calculation.

MANAGEMENT RESPONSE

The Housing Authority concurs and will reassess its current quality control program, creating a checklist for required documents as well as for required procedural steps.

**STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2008**

D. FINDINGS – COMPLIANCE AND OTHER MATTERS

05-01 Cash Deposits and Related Liabilities

CRITERIA

Per New Mexico Owner-Resident Relations, NMSA Sections 47-8-1 to 47-8-51, security deposits paid by tenants are to be held in a reserve account. The reserve account shall be maintained at or above the liability for tenant security deposits.

CONDITION

During our review of tenant security deposits, we noted that there were insufficient funds in one of the security deposit bank accounts to at least meet the related tenant security deposits liability. However, it was noted that the Authority does have sufficient cash in operating accounts in excess of these liabilities.

CAUSE

Management did not make transfers to security deposit accounts in a timely manner.

EFFECT

Cash balances available in the security deposit bank accounts were not sufficient to cover all related liabilities.

RECOMMENDATION

We recommend that management transfer funds on a monthly basis so that the cash balances and related liabilities match each other.

MANAGEMENT RESPONSE

The Housing Authority concurs; deposits will be monitored more closely.

**STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2008**

D. FINDING – COMPLIANCE & OTHER MATTERS

07-04 Budgetary Compliance

CONDITION

Actual expenses exceeded budgeted expenses for the Housing Development Corporation fund.

CRITERIA

Per SAO Rule 2.2.2.10 P(1), “If actual expenditures exceed budgeted expenditures at the legal level of budgetary compliance, that fact must be reported in a finding.”

CAUSE

The Board was not aware of those requirements.

EFFECT

The Authority may jeopardize federal funding if budgets are not complied with.

RECOMMENDATION

We recommend that the Authority comply with legal budget requirements as outlined in the State Auditor Rule.

MANAGEMENT RESPONSE

During fiscal year 08, the Development site incurred extensive capital improvements. As these improvement sites were capitalized over 10 years, our depreciation doubled in amount over previous years - an amount not anticipated. In addition, some costs were not capitalized as they were determined to be repairs as opposed to capital enhancements. As these adjustments were determined after the fiscal year ended, it was not possible to modify the budget at that time; however, this fund's cash flow was positive when depreciation is not accounted for.

**STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2008**

D. FINDING – COMPLIANCE & OTHER MATTERS

08-01 Pledged Collateral

CRITERIA

Section 6-10-17 NMSA 1978 states that any financial institution designated as a depository of public money shall deliver securities having an aggregate value of at least one-half of the amount of public money to be deposited to a custodial bank and shall deliver a joint safekeeping receipt issued by the custodial bank to the public official from whom the money is received for deposit.

CONDITION

During our review of cash, we noted that the Authority keeps a checking account for Region II at Wells Fargo that is in excess of FDIC limits. It was noted that Wells Fargo did not maintain any collateral on the account during FY08.

CAUSE

The checking account was set up by Region II prior to the Authority taking ownership of Region II. The Authority was not aware that collateral was not maintained on the account.

EFFECT

The Authority is not in compliance with State law and does not have its cash balance properly secured.

RECOMMENDATION

We recommend that the Authority work with Wells Fargo to ensure that pledged collateral is maintained at the proper amount.

MANAGEMENT RESPONSE

The Authority concurs, will withdraw all funds from this account and place them with a different bank, ensuring the proper level of collateral.

**STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
EXIT CONFERENCE
For the Year Ended June 30, 2008**

Exit Conference

An exit conference was held on November 21, 2008 to discuss the annual financial report. Attending were the following:

Representing the Santa Fe Civic Housing Authority:

Michael González	Chairperson (effective November 1, 2008)
Elmer Longacre	Commissioner
Ed Romero	Executive Director
Rudy Gallegos	Deputy Director
Anna Chavez	Administrative Supervisor

Representing the Independent Auditor:

Herman Chavez, CPA

Note: Management is responsible for the context of the report, even though the financial statements were prepared substantially by the independent auditor.

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