

City of
Santa Fe



Comprehensive Annual Financial Report

For the Year Ended June 30, 2017



City of Santa Fe, New Mexico

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2017

Prepared by:

Finance Department

Financial Management Division

Mayor

Javier Gonzales

City of Santa Fe, New Mexico

For the Year Ended June 30, 2017

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Introductory Section

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City of Santa Fe, New Mexico

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

www.santafenm.gov

Alan Webber, Mayor

Councilors:

Signe I. Lindell, Mayor Pro Tem, District 1

Renee Villarreal, District 1

Peter N. Ives, District 2

Carol Romero-Wirth, District 2

Roman "Tiger" Abeyta, District 3

Chris Rivera, District 3

Mike Harris, District 4

JoAnne Vigil Coppler, District 4

May 24, 2018

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

This letter transmits the City of Santa Fe's Comprehensive Annual Financial Report (CAFR) for the fiscal year ending June 30, 2017.

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 designed to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Santa Fe's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City of Santa Fe designed its comprehensive framework of internal controls to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. Management is aggressively working to address the areas of non-compliance and internal control weaknesses and deficiencies listed in the Single Audit Section of this CAFR as well as in the McHard Report from September 2017. As management, we assert that to the best of our knowledge and belief this financial report is complete and reliable in all material respects.

State law requires the State Auditor to promulgate reasonable regulations necessary to carry out the duties of the office. These duties include regulations that require all municipalities in the State of New Mexico to submit a complete set of financial statements. These statements should be presented in conformity with generally accepted accounting principles (GAAP). The financial statements are also audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants for the previous fiscal year ending June 30.

The City of Santa Fe's financial statements were audited by CliftonLarsonAllen, LLP, a firm of licensed certified public accountants headquartered in Albuquerque, New Mexico. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City of Santa Fe for the fiscal year ended June 30, 2017 are free of material misstatement. It examines, 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 that, based on their audit, there was a reasonable basis for rendering a qualified opinion that the City

of Santa Fe's financial statements for the fiscal year ended June 30, 2017, are fairly presented in conformity with GAAP. The independent auditor's report is presented in the first section of the CAFR.

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

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

FACTORS AFFECTING FINANCIAL CONDITION

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

Profile of Government

The City's form of government and the characteristics has a direct bearing on its financial operations. The City of Santa Fe was founded in 1609 and chartered as a town in 1891 under territorial law. In December 1997, the City approved by electoral vote a Municipal Charter that became effective in March 1998. The City is empowered to levy a property tax on real property located within its boundaries. It is also empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing body.

The City of Santa Fe operates under the mayor-council-city manager form of government since 1954. In 2014, citizens voted to change the status of the Mayor from a part-time to a full-time Mayor, with a significant increase in duties and responsibilities. The governing body (Mayor and eight City Councilors) 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 abolition of departments. City council members serve four-year staggered terms with four city councilors elected every two years within four districts. The mayor is elected at-large and serves a four-year term.

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

The annual budget serves as the foundation for the City of Santa Fe's financial planning and control. All departments of the City are required to submit requests for appropriations to the city manager in March of each year. The Mayor and city manager use these requests as the starting point for developing a proposed budget for the upcoming fiscal year. The Mayor and city manager then presents this proposed budget to the finance committee, which is 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 Municipal Charter allows the city manager to approve transfers of appropriations within a department up to \$50,000. Transfers over \$50,000 or between funds and any budget increases require city council approval. Budget-to-actual comparisons 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 was adopted.

Demographic and Economic Profile

Santa Fe is located in the central northern part of the state. It is the oldest state capital in the United States. Its current population is approximately 83,875 residents.

The local economy is relatively stable. As the capital for New Mexico, Santa Fe benefits from a stable, educated government work force of 17,000 people, which accounts for about 28% of the entire government sector workforce in the state.

Santa Fe's economy is based largely on tourism and, as the capital city, state government which is the largest employer in the area. Santa Fe receives approximately 1.6 million visitors annually and was named as one of the top ten tourist destinations in the country by Travel and Leisure magazine. In 2015, Santa Fe scored as the number two small city in the U.S. and the sixth best destination in the world by the prestigious Conde Nast Reader's Choice Awards.

Known as "The City Different," Santa Fe is also one of the top five art markets in the world and the third largest art market in the United States. Santa Fe's spectacular Rocky Mountain setting and stunning wealth of cultural resources; including over 250 art galleries, 14 museums, four-star hotels and resorts, a nationally recognized opera company, dozens of major annual festivals, and many award winning restaurants, shops and spas, draw visitors and second home owners from all over the globe.

The City relies heavily on the Gross Receipt Tax (GRT), which today accounts for more than 70% of its funding for governmental services. The City maintains sound reserves as a buffer against economic slowdowns and funds almost two-thirds of its total expenditures from utility rates, fees, grants and activities.

Debt Management

In Fiscal Year 2017 the City finished restructuring its debt portfolio by refunding, \$42,235,000 of outstanding bonds, paid off two NMFA loans in the amount of \$962,123 and and defeased the

2008 General Obligation bond for a net present value savings of approximately \$6.7 million dollars. The City issued two “new money” loans for Environmental Services and the Fire Department. In March 2017, Fitch Ratings upgraded the City’s outstanding subordinate lien GRT bonds to AA+ from AA and affirmed its AA+ ratings on both the General Obligation and senior lien GRT revenue bonds. The City adopted a new debt policy during the Fiscal Year.

Cash Management

The City adopted a new Investment policy in Fiscal Year 2017 and implemented it in December of 2016. The City invests its cash in demand deposits, certificates of deposit, securities issued by the United State Government agencies, money market funds, savings accounts and the New Mexico State Treasurer Local Government Investment Pool. Investment terms may range out to five years under the City’s investment policy.

Procurement

As a home rule city, the City of Santa Fe has in place a comprehensive procurement manual to guide and control all procurement done by the City and has a centralized purchasing office that reviews all procurements for compliance. During the Fiscal year, the City took a number of major steps in modernizing its procurement policies and procedures. The City is in the process of rolling out a Purchasing Card program and updating its procurement manual.

Risk Management

The risk management programs include workers’ compensation, comprehensive loss coverage, medical, safety, and other employee coverage programs. As part of this comprehensive plan, resources accumulate in an internal service fund from premiums assessed to all departments and is intended to cover potential losses. In addition, third party administrators implement safety checks, employee prevention and reporting training, reviews to recognize liability exposure, health and wellness information and other cost controls.

Pension Plan

The City of Santa Fe participates in the State of New Mexico’s Public Employees Retirement plan for which substantially all employees participate in. The plan is a cost sharing multiple employer defined benefit plan that is authorized under the Public Employees Retirement Act (Chapter 10, Article 11 NMSA 1978). The contribution requirements of defined benefit plan members and the City of Santa Fe are established in state statute under Chapter 10, Article 11, NMSA 1978. The City makes the required payments as determined by PERA through City and member contributions.

Other Postemployment Benefit Plan

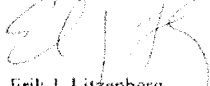
The City contributes to the New Mexico Retiree Health Care Fund, a cost sharing multiple-employer defined benefit post-employment healthcare plan administered by the New Mexico Retiree Health Care Authority (RHCA). The RHCA provides health care insurance and

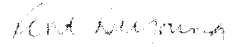
prescription drug benefits to retired employees of participating New Mexico government agencies, their spouses, dependents, and surviving spouses and dependents. The Retiree Health Care Act (Section 10-7C-13 NMSA 1978) authorizes the RHCA Board to establish the monthly premium contributions that retirees are required to pay for healthcare benefits. The City makes the required payments as determined by RHC through City and member contributions.

ACKNOWLEDGEMENTS

The preparation of this report would not have been possible without the dedicated services of the entire staff of the Finance Department. We would like to express our appreciation to all members of the Finance Department who assisted and contributed to the preparation of this report.

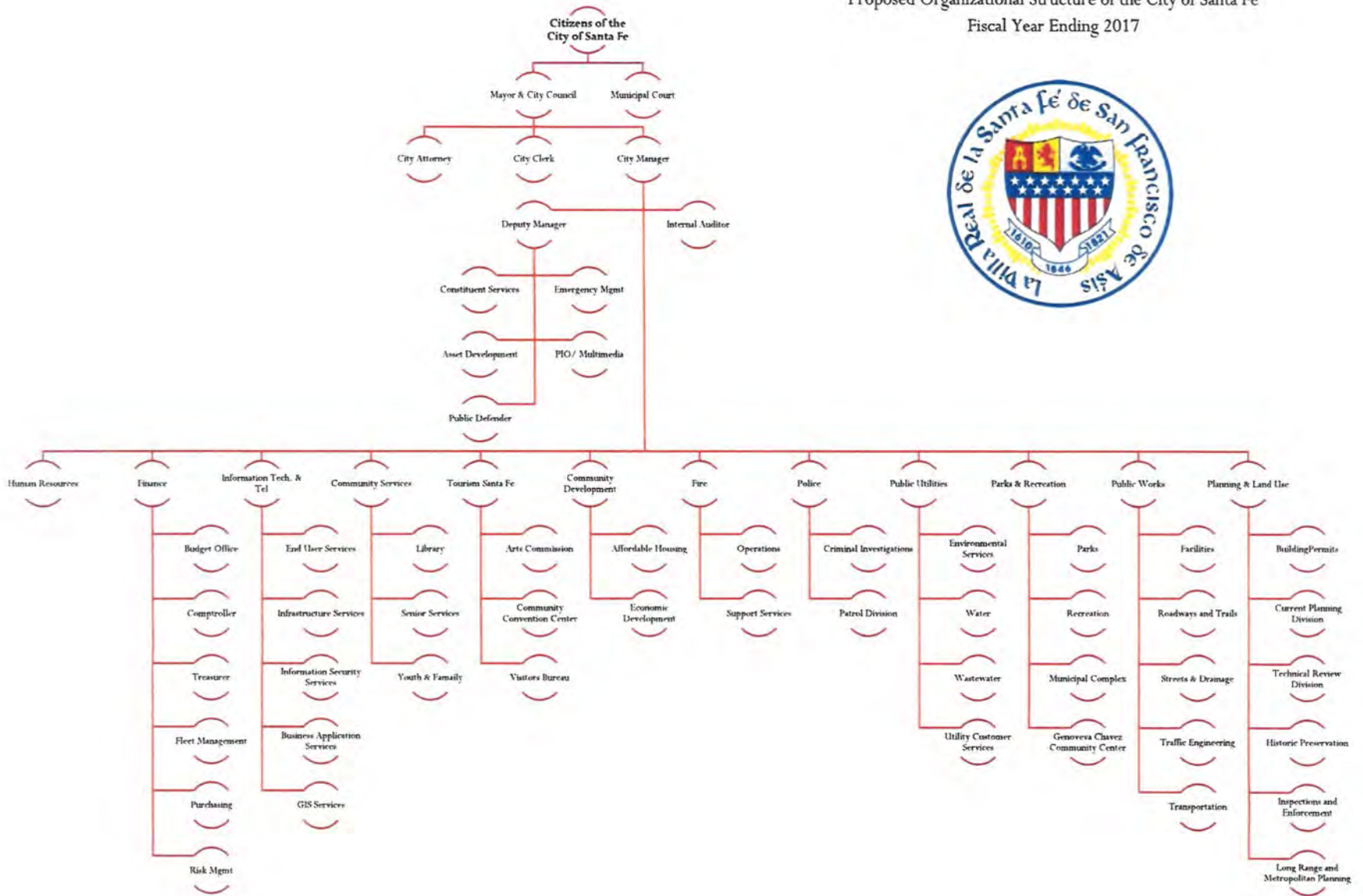
Respectfully submitted,


Erik J. Litzenberg,
Interim City Manager


Kent DeYoung,
Interim Finance Director

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Proposed Organizational Structure of the City of Santa Fe
Fiscal Year Ending 2017



**CITY OF SANTA FE, NEW MEXICO
PRINCIPAL OFFICIALS
JUNE 30, 2017**

MAYOR

Javier M. Gonzales

CITY COUNCIL

Signe I. Lindell, Mayor Pro TemDistrict 1
Renee Villarreal.....District 1
Peter N. IvesDistrict 2
Joseph M. Maestas.....District 2
Carmichael A. Dominguez.....District 3
Christopher M. Rivera.....District 3
Ronald S. Trujillo.....District 4
Mike HarrisDistrict 4

CITY MANAGER

Brian K. Snyder

FINANCE DEPARTMENT

Adam K. Johnson
Finance Director

Teresita Garcia
Assistant Finance Director

Christina Keyes
Treasury Officer

Bradley Fluetsch
Cash/Investment Officer

Erica J. Martinez
Senior Financial Analyst

Marie Lee
Budget Officer

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

FINANCE DEPARTMENT

Adam K Johnson, Finance Director
Teresita Garcia, Assistant Finance Director
Christina Keyes, Treasury Officer
Bradley Fluetsch, Cash/Investment Officer
Erica J. Martinez, Senior Financial Analyst
Amy Martinez-Duran, Accounting Supervisor
Clarence Romero, Accounting Supervisor
Donald Martinez, Accounting Supervisor
Melissa D. Ortiz, Accounting Supervisor
Vincent S. Montoya, Business Analyst
Emily Pisula, Financial Analyst
Shirley Coca-Barela, Financial Analyst
Tony S. Martinez, Financial Analyst
Stephen Morales, Financial Analyst
Amy Aguilar-Noriega, Financial Analyst
Richard Garcia, Financial Analyst

WEB PUBLICATION

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GRAPHICS SECTION

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COVER PHOTO

Chuck Bear



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Santa Fe
New Mexico**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016

Executive Director/CEO

Financial Section

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CliftonLarsonAllen LLP
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INDEPENDENT AUDITORS' REPORT

Wayne Johnson, New Mexico State Auditor
The Office of Management and Budget
The Mayor and Members of City Council
City of Santa Fe
Santa Fe, New Mexico

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information and the budgetary comparison for the general fund of the City of Santa Fe, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Wayne Johnson, New Mexico State Auditor
The Office of Management and Budget
The Mayor and Members of City Council
City of Santa Fe

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our unmodified and qualified audit opinions.

Basis for Qualification on Governmental Activities, Business-Type Activities, Major Enterprise Funds, and Aggregate Remaining Fund Information

The City lacks the adequate controls and processes to appropriately track and substantiate costs allocated to a specific capital asset project. As such, we were unable to obtain sufficient appropriate audit evidence related to construction in process. Additionally, the City does not have an adequate close-out process pertaining to the completion of a project and reclassification of the project to depreciable capital assets. The City also could not confirm it had reviewed capital assets for impairment, substantiate the underlying value for capital assets, or adequately account for the physical location of capital assets.

Qualified Opinion on Governmental Activities, Business-Type Activities, and Major Enterprise Funds, and Aggregate Remaining Fund Information

In our opinion, except for the effects of the matters described in the "Basis for Qualification on Governmental Activities, Business-Type Activities, Major Enterprise Funds, and Aggregate Remaining Fund Information" paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, and Major Enterprise Funds of the City of Santa Fe as of June 30, 2017 and the respective changes in financial positions and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of, each major governmental fund of the City of Santa Fe as of June 30, 2017, and the respective changes in financial position and the budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Correction of Errors

As discussed in Note 4.1 to the financial statements, the City restated beginning balances for the correction of accounting errors that occurred in the prior period. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-14 and the City's proportionate share of the net pension liability and the schedule of the City's contributions on pages 73-79 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Wayne Johnson, New Mexico State Auditor
The Office of Management and Budget
The Mayor and Members of City Council
City of Santa Fe

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Santa Fe's basic financial statements. The combining and individual nonmajor fund financial statements and introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, Other Supplementary Schedules listed in the table of contents, and schedules required by 2.2.2 NMAC included in Other Supplementary Information and Other Supplementary Financial Information, as listed in the table of contents is also presented for purposes of additional analysis and is not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards, Other Supplementary Schedules, and schedules required by 2.2.2 NMAC included in Other Supplementary Information and Other Supplementary Financial Information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, except for the effects of the matters described in the "Basis for Qualification on Governmental Activities, Business-Type Activities, Major Enterprise Funds, and Aggregate Remaining Fund Information" paragraph the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 24, 2018, on our consideration of the City of Santa Fe's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the City of Santa Fe's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Santa Fe's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Albuquerque, New Mexico
May 24, 2018

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MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

As management of the City of Santa Fe ("City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2017. 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 and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$545,378,451 (net position). Of this amount, \$11,776,517 (unrestricted net position) may be used to meet the City's obligations to citizens and creditors.
- The City's total assets and deferred outflows increased by \$28,166,328. The single largest component was the increase in the City's deferred outflows related to unfunded pension obligation (GASB 68 requirement) with small decreases in current and capital assets.
- At the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$58,636,904, a decrease of \$16,977,650 compared with the prior year. Of this decline, about \$9.2 million was used to reduce debt outstanding and \$6.7 million was transferred to CIP.
- Of the total governmental fund balances of \$58,636,904, less than 1% (\$343,693) is considered non-spendable and approximately 95% (\$55,687,894) is restricted, committed or assigned. At the end of the current fiscal year, the unassigned fund balance is \$1,374,913 and available for spending at the City's discretion.
- The City's total long-term liabilities increased by \$20,018,116. The increase is attributed to the GASB 68 requirement to report unfunded pension obligations and the reduction of debt.

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.

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

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position 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; earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include

general government, public safety, public works, community development, culture and recreation, and education. The business-type activities of the City include the operations of: water, wastewater, solid waste, airport, convention center, transit, railyard property, College of Santa Fe property, and two recreation facilities.

The government-wide financial statements can be found on pages 16 and 17 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 balance provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

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

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

The basic governmental fund financial statements can be found on pages 18 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 the Santa Fe Convention Center, Parking Operations, College of Santa Fe, Environmental Services, Water Management, Transit Operations, Wastewater Management, Municipal Recreation Complex, Genoveva Chavez Community Center, Railyard Property and Airport. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its Employee Health Care and Dental Program, Risk Management Administration, Workers' Compensation, Union Sick Leave and Unemployment Banks. As the service funds listed predominantly benefits 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, with additional detail. The proprietary fund financial statements provide separate information for the Water Management, Wastewater Management, Environmental Services, College of Santa Fe, Railyard Property, and the Santa Fe Convention Center, all of which are considered major funds of the City. Internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 25 through 30 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 31 through 79 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$545,378,451 at the close of the recent fiscal year.

A portion of the City’s net position (90.29%) 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, as the capital assets themselves cannot be used to liquidate these liabilities.

**City of Santa Fe
Statement of Net Position
June 30, 2017 and 2016**

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Current and other assets	\$ 89,071,573	\$ 106,846,323	\$ 114,623,478	\$ 102,428,163	\$ 203,695,051	\$ 209,274,486
Capital assets	326,541,777	319,967,948	432,923,009	445,855,413	759,464,786	765,823,361
Deferred outflows of resources	32,925,005	6,111,356	24,576,296	11,285,609	57,501,301	17,396,965
Total assets and deferred outflows of resources	448,538,355	432,925,627	572,122,783	559,569,185	1,020,661,140	992,494,812
Long-term liability	220,106,189	218,656,285	223,722,046	205,153,834	443,828,235	423,810,119
Other liabilities	19,385,535	22,502,929	6,780,114	7,060,250	26,165,649	29,563,179
Deferred inflows of resources	3,385,835	1,196,331	1,902,968	603,439	5,288,803	1,799,770 ^e
Total liabilities and deferred inflows of resources	242,877,559	242,355,545	232,405,128	212,817,523	475,282,688	455,173,068
Net position:						
Net investment in capital assets	215,769,254	187,148,133	276,670,243	283,747,858	492,439,497	470,895,991
Restricted	39,890,519	45,527,732	1,271,918	2,386,130	41,162,437	47,913,862
Unrestricted	(49,998,975)	(42,105,783)	61,775,492	60,617,674	11,776,517	18,511,891
Total net position	\$ 205,660,798	\$ 190,570,082	\$ 339,717,653	\$ 346,751,662	\$ 545,378,451	\$ 537,321,744

An additional portion of the City’s net position (8%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position*, \$11,776,517 may be used to meet the City’s ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City has maintained positive balances in all three categories of net position, both for the government as a whole, and business-type activities; however, it should be noted that unrestricted net position for governmental activities shows a negative balance as well as the City’s Municipal Recreation Complex (MRC) Fund show negative a net position balance of \$323,685.

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

The City's net position increased by \$8,056,707 during the current fiscal year. This growth largely reflects increases in operating grants and contributions.

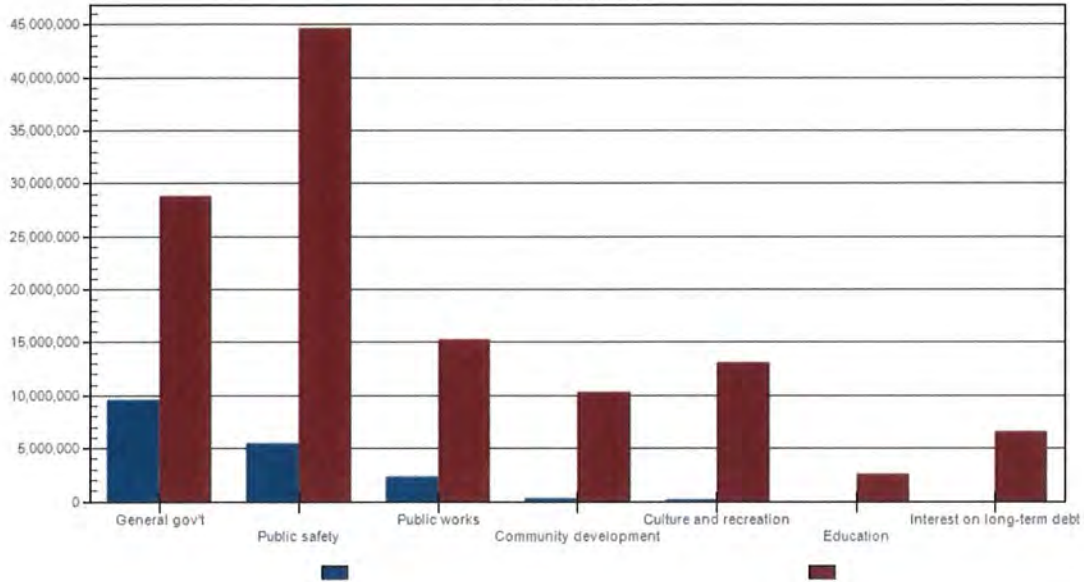
The Governmental activities increased the City's net position in total by \$13,461,067. This was primarily due to increases in revenues and grants. 77% of the taxes are provided by a gross receipts tax (GRT) levied on goods and services in the amount of \$94,225,673. This was an increase from the gross receipts tax revenues received in 2016 in the amount of \$88,954,804.

**City of Santa Fe
Statement of Changes in Net Position
For the Fiscal Years Ending June 30, 2017 and 2016**

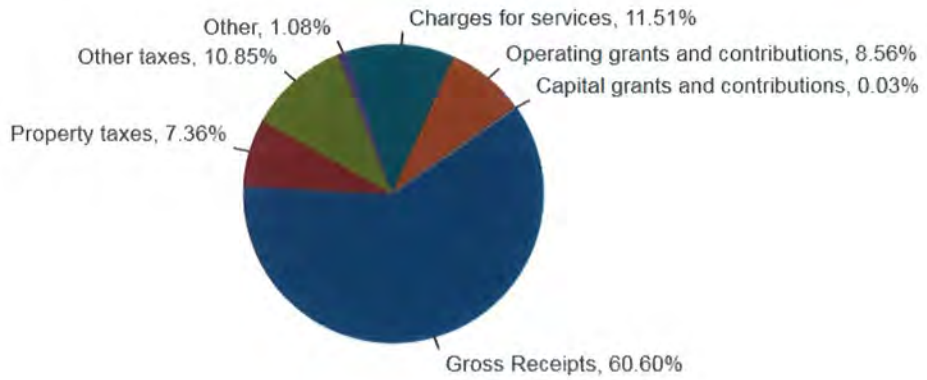
	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues:						
Program Revenues:						
Charges for services	\$ 17,903,722	\$ 18,748,158	\$ 77,731,503	\$ 84,017,428	\$ 95,635,225	\$ 102,765,586
Operating grants and contributions	13,314,598	8,197,541	3,002,342	4,074,770	16,316,940	12,272,311
Capital grants and contributions	50,000	4,196,814	90,198	548,384	140,198	4,745,198
General Revenues:						
Sales taxes	94,225,673	88,954,804	8,921,338	12,218,907	103,147,011	101,173,711
Other taxes	28,313,762	25,629,049	-	-	28,313,762	25,629,049
Other	1,681,587	1,293,999	345,284	676,994	2,026,872	1,970,993
Total revenue	<u>155,489,342</u>	<u>147,020,365</u>	<u>90,090,665</u>	<u>101,536,483</u>	<u>245,580,008</u>	<u>248,556,848</u>
Expenses:						
General Government	28,788,439	31,479,026	-	-	28,788,439	31,479,026
Public Safety	44,687,492	44,790,073	-	-	44,687,492	44,790,073
Public Works	15,333,620	14,578,275	-	-	15,333,620	14,578,275
Community Development	10,284,524	11,898,080	-	-	10,284,524	11,898,080
Culture and Recreation	13,081,552	12,460,924	-	-	13,081,552	12,460,924
Education	2,621,955	2,606,639	-	-	2,621,955	2,606,639
Interest on long-term debt	6,562,500	4,543,956	-	-	6,562,500	4,543,956
Wastewater management	-	-	14,160,571	13,482,949	14,160,571	13,482,949
Water management	-	-	45,173,505	45,088,256	45,173,505	45,088,256
Environmental services	-	-	14,410,149	11,876,462	14,410,149	11,876,462
College of Santa Fe	-	-	3,149,944	3,763,512	3,149,944	3,763,512
Railyard Center	-	-	4,360,308	4,351,666	4,360,308	4,351,666
Santa Fe Convention Center	-	-	5,118,957	3,423,469	5,118,957	3,423,469
All other proprietary funds	-	-	31,710,624	27,269,693	31,710,624	27,269,693
Total expenses	<u>121,360,082</u>	<u>122,356,973</u>	<u>118,084,058</u>	<u>109,256,007</u>	<u>239,444,140</u>	<u>231,612,980</u>
Increase (decrease) in net position before transfers	34,129,260	24,663,392	(27,993,393)	(7,719,524)	6,135,867	16,943,868
Transfers net	(20,668,193)	(11,979,824)	20,668,193	11,979,824	-	-
Increase (decrease) in net position	13,461,067	12,683,568	(7,325,200)	4,260,300	6,135,867	16,943,868
Beginning balance	190,570,082	177,886,514	346,751,662	339,808,466	537,321,744	517,694,980
Restatement of net position	1,629,649	-	291,191	2,682,896	1,920,840	2,682,896
Ending balance	<u>\$ 205,660,798</u>	<u>\$ 190,570,082</u>	<u>\$ 339,717,653</u>	<u>\$ 346,751,662</u>	<u>\$ 545,378,451</u>	<u>\$ 537,321,744</u>

**City of Santa Fe
Fiscal Year 16/17**

Expenses and Program Revenues
Governmental Activities



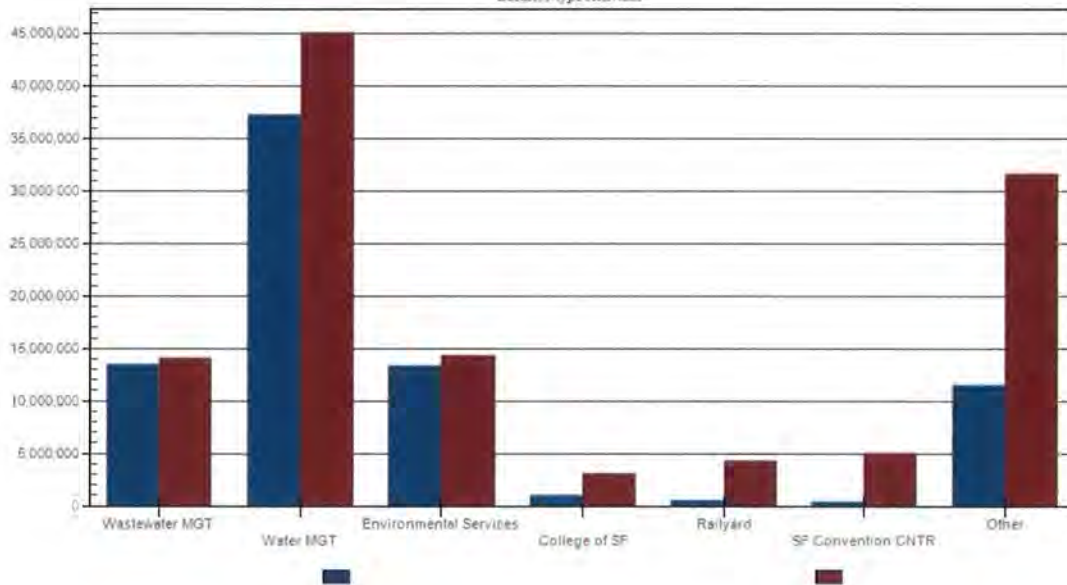
**City of Santa Fe
Fiscal Year 16/17**
Revenue by Source
Governmental Activity



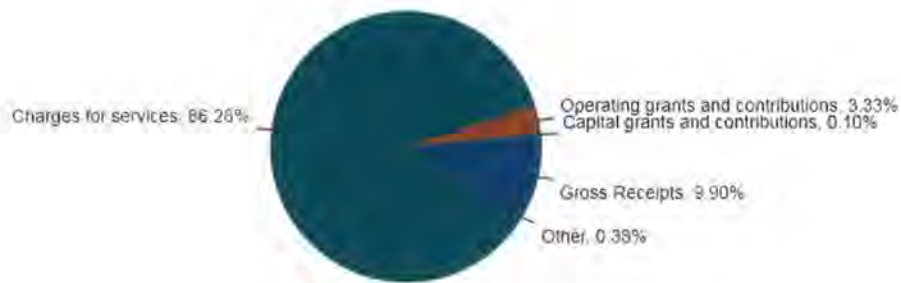
Business-type activities. Business-type activities decreased in net position by \$(7,034,009). Net transfers from governmental activities of \$20,668,193 resulted in a decrease in net position of \$(7,325,200). In funds where revenues exceed operating expenses, rate revenues are set at a level that in combination with net position, support long term capital investment programs and maintenance of prudent reserves. Much of the accumulated cash in the Water, Wastewater, Convention Center and other business type activities are being used for large capital projects begin or are completed.

**City of Santa Fe
Fiscal Year 16/17**

Expenses and Program Revenues
Business-type Activities



City of Santa Fe
Fiscal Year 16/17
 Revenue by Source
 Business-type Activity



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, on unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$58,636,904, a decrease of \$16,977,650 in comparison with the prior year. Most of the ending fund balance total amount (\$56,918,298), constitutes restricted, assigned and committed fund balances. Uses of these funds are limited 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 balances in those funds are considered spendable, 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, the unassigned fund balance of the General Fund was \$5,137,319 while the total fund balance was \$14,240,640. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents approximately 6% of total expenditures and the fund balance represents 17% of total expenditures.

The fund balance of the City's General Fund decreased by \$6,707,550 during the current fiscal year. A key factor was the defeasance of 2008 GO Bond and the early extinguishments of two Railyard notes.

The Debt Service fund has a total fund balance of negative \$3,762,407. The net decrease in fund balance during the current year in the debt service fund was \$9,429,750 due primarily to extinguishments of debt of which \$6 million was due to Water

Management as an internal loan.

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 position at the end of the year amounted to \$61,775,492 of which, 42.36% is for water management. Change in net position for enterprise funds was \$7,034,009.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget were relatively minor (\$261,771 increase in appropriations) and can be briefly summarized as follows:

- \$863,214 increase in general government
- \$2,254,073 decrease in public safety
- \$524,069 increase in public works
- \$634,554 increase in community development
- \$449,131 increase in culture and recreation
- \$8,143 increase in transfers in from other programs
- \$36,733 increase in transfers out to other programs

Overall, the City executed its General Fund budget as planned with only small variances.

Capital Assets and Debt Administration

Capital assets. The City's net investment in capital assets for its governmental and business-type activities as of June 30, 2017 amounts to \$492,439,497 (net of accumulated depreciation and related debt). This investment in capital assets include: 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 5% (a 15% increase for governmental activities and 2% decrease for business-type activities).

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

- Construction in progress in various City facilities totaled \$32,895,063 in both governmental-type and business-type funds. This is a decrease from the previous year.
- General City projects in progress included: street paving, signalization, river channel improvements, park improvements, building renovations, and street traffic calming projects for a total amount of \$20 million.

City of Santa Fe
Capital Assets (Net of Depreciation)
For the Fiscal Years Ending June 30, 2017 and 2016

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land and Water Rights	\$ 169,939,946	\$169,939,946	\$ 41,488,837	\$ 41,488,837	\$211,428,783	\$ 211,428,783
Construction in Progress	20,199,232	21,714,123	12,695,831	21,393,594	32,895,063	43,107,717
Art	864,920	864,920	185,971	185,971	1,050,891	1,050,891
Buildings and Structures	39,109,441	40,641,612	252,699,564	260,239,687	291,809,005	300,881,299
Improvements	37,396,502	34,593,736	47,807,122	54,736,247	85,203,624	89,329,984
Sewerlines and Utility Systems	-	-	64,256,170	53,804,339	64,256,170	53,804,338
Equipment and machinery	3,597,255	2,729,190	1,716,803	1,898,829	5,314,058	4,628,019
Furniture and fixtures	79,487	112,204	7,224	(1,866)	86,711	110,338
Vehicles	6,756,358	7,153,932	11,801,806	11,740,084	18,558,164	18,894,016
Data Processing and Software	1,071,203	1,547,305	263,681	369,691	1,334,884	1,916,996
Traffic Signals	507,792	695,113	-	-	507,792	695,113
Streets and Bridges	47,019,641	39,975,867	-	-	47,019,641	39,975,867
	<u>\$ 326,541,777</u>	<u>\$319,967,948</u>	<u>\$432,923,009</u>	<u>\$445,855,413</u>	<u>\$759,464,786</u>	<u>\$ 765,823,361</u>

Additional information on the City's capital assets can be found in note 3-D on pages 45 - 47 of this report.

Long-term debt. The City's total outstanding debt at the end of fiscal year 2017 was \$248,739,153, down from FY 2016 balance of \$283,108,814, which does not include deferred amounts or compensated absences. The debt outstanding is comprised of:

- \$23,635,000 of general obligation debt where debt service is funded by property tax revenue.
- \$49,038,970 of system revenue bonds where debt service is funded by enterprise revenue exclusively.
- \$70,660,000 senior lien GRT revenue bonds. \$58,285,000 of these bonds are for governmental purpose, the remaining \$12,375,000 funds Environmental Services and the Convention Center.
- \$44,580,000 subordinate lien GRT revenue bonds. \$16,595,000 of these bonds are for governmental purpose, the remaining \$27,985,000 supports Municipal Recreation Center, Wastewater, Santa Fe University of Art and Design, Railyard, Market Station and the Convention Center.
- \$40,709,638 notes payable. \$1,088,790 of these notes are for governmental purpose the remaining \$39,620,848 supports Water Management, College of Santa Fe and Transit.
- \$69,154,515 of other bonds which have pledged revenues from Lodgers Tax, MGRT and New Mexico Fire Marshall.

**City of Santa Fe
Outstanding Debt
For the Fiscal Years Ending June 30, 2017 and 2016**

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
GRT Senior Lien	\$ 58,285,000	\$ -	\$ 12,375,000	\$ -	\$ 70,660,000	\$ -
GRT Subordinate Lien	16,595,000	82,320,000	27,985,000	116,585,000	44,580,000	198,905,000
General Obligation	23,635,000	39,270,000	-	-	23,635,000	39,270,000
Notes	1,088,790	2,504,981	39,620,848	-	40,709,638	2,504,981
Enterprise Revenue	-	-	69,154,515	42,428,833	69,154,515	42,428,833
	<u>\$ 99,603,790</u>	<u>\$124,094,981</u>	<u>\$149,135,363</u>	<u>\$159,013,833</u>	<u>\$248,739,153</u>	<u>\$283,108,814</u>

In March, 2017, Fitch Ratings upgraded the City's subordinate lien GRT from AA to AA+ and affirmed the AA+ rating for the City's general obligation senior lien GRT bonds.

Bond Type	S&P/Moody's/Fitch 6/30/2017	S&P/Moody's/Fitch Current
General Obligation	AA/Aa3/AA+	AA/Aa3/AA+
Senior Lien Gross Receipts Tax	AA+/Aa3/AA+	AA+/Aa3/AA+
Water Systems Revenues	AAA/WD/AA+	AAA/WD/AA+
Subordinate Lien Gross Receipts Tax	AA/A1/AA	AA/A1/AA+

Source: Hilltop Securities

The 2008 GRT CIP/Convention Center bond was issued with insurance. The City has mostly refunded that bond and it will be paid off in June 2018. Given the changes in the bond market, the City's credit rating is superior to that of the insurance firm.

In other debt management activities:

- The City refinanced, defeased or paid off nine bonds/loans for a net present value savings of \$6,818,273.15.
- The City adopted a new debt policy.

The significant drops in the ratings of the insurance firms have made the City's underlying ratings equal to or higher than those of the bond insurers. State statutes limit the amount of general obligation debt a governmental entity may issue to 4% of its total assessed valuation. The current debt limitation for the City is approximately \$138 million, which is significantly in excess of the City's total outstanding general obligation bond capital improvement project debt of \$23,635,000 at June 30, 2017.

Additional information on the City's long-term debt can be found in note IV-G on pages 50 through 56 of this report.

Economic Conditions and Outlook

The City of Santa Fe is experiencing slow and consistent growth. Most of its economic measurements since the great recession have been steadily trending higher. Gross Receipts Tax (GRT) has been growing and taxable property value exceeded \$4 billion for the first time in the City's history. 2017 will go on record as having the strongest home sales in more than a decade, with sales volume up over 10 percent in all price ranges. Lodger's tax revenues continue to increase as New Mexico tourism reports record breaking numbers of visitors for the past five years.

Santa Fe enjoys the lowest unemployment rate in New Mexico, but it is slightly higher than the United States average. Department of Finance and Administration reported that the four week average of unemployment claims was the lowest in 17 years and according to the Bureau of Labor Statistics, New Mexico lead the nation in month over month gain for employment growth between July and August 2017.

Per capita income for Santa Fe exceeds that of both the United States and New Mexico and increased 19 percent in the past ten years. However, income inequality is worse in New Mexico than in 38 other states, according to the Center on Budget and Policy Priorities. The top one percent of households in the state has experienced a 55 percent growth in income since 1979, while the average income for all other households has fallen nine percent according to the center's analysis of Internal Revenue Service data.

Overall, the economic outlook for New Mexico and Santa Fe is positive, led by an improving energy industry, and growth in tourism and construction. The State of New Mexico reports that state tax receipts were up 16.6 percent from a year ago, July through October. Most economists expect that low unemployment rates lead to accelerating wage growth, which bodes well for Santa Fe workers and the retail sector.

While most of the news is good and expectations are for a better economy, some economic sectors have concerns, namely healthcare. The Affordable Care Act helped 220,000 New Mexico residents gain health insurance, which boosted health care hiring. Given the uncertainty of the ACA, health care hiring may slow. However, for Santa Fe, the new Presbyterian hospital and expansion of the Christus St. Vincent Regional Medical Center are two economic engines for the community.

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: City of Santa Fe - Finance Director, P.O. Box 909, City of Santa Fe, NM 87504-0909.

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Basic Financial Statements

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CITY OF SANTA FE, NEW MEXICO

Statement of Net Position

June 30, 2017

	Governmental Activities	Business-type Activities	Total
Assets			
Cash, investments and cash equivalents	\$ 59,475,216	\$ 88,359,234	\$ 147,834,450
Receivables (net of allowance for uncollectibles)	22,265,057	10,870,089	33,135,146
Internal balances	(6,013,239)	6,013,239	-
Inventories	88,693	361,311	450,004
Prepaid expenses	-	2,451,078	2,451,078
Restricted assets:			
Temporarily restricted:			
Cash, investments and cash equivalents	8,937,933	3,904,042	12,841,975
Interest receivable	73,197	132,446	205,643
Intergovernmental receivable	4,244,716	2,532,039	6,776,755
Capital assets (net of accumulated depreciation):			
Land, land rights, and water rights	169,939,946	41,488,837	211,428,783
Construction in progress	20,199,232	12,695,831	32,895,063
Depreciable capital assets:			
Buildings and structures	60,469,656	328,224,978	388,694,634
Improvements	82,806,790	150,708,232	233,515,022
Sewerlines and Utility Systems	-	144,902,634	144,902,634
Equipment and machinery	14,955,883	21,173,523	36,129,406
Furniture and fixtures	597,274	665,832	1,263,106
Vehicles	24,038,358	32,067,991	56,106,349
Intangible plant	-	57,625	57,625
Art	864,920	185,971	1,050,891
Data processing equipment/software	8,094,782	3,184,688	11,279,470
Traffic signals	23,517,339	-	23,517,339
Streets and bridges	215,040,752	-	215,040,752
Accumulated depreciation	(293,983,155)	(302,433,133)	(596,416,288)
Total assets	415,613,350	547,546,487	963,159,837
Deferred Outflows of Resources			
Unamortized loss on refunding of bonds	-	5,743,747	5,743,747
Deferred outflow related to pension activity	32,925,005	18,832,549	51,757,554
Total deferred outflows of resources	32,925,005	24,576,296	57,501,301
Liabilities			
Accounts payable and other non current liabilities	\$ 16,511,323	\$ 5,961,108	\$ 22,472,431
Accrued interest payable	618,670	557,648	1,176,318
Unearned revenue	2,255,540	261,360	2,516,900
Longterm liabilities			
Net pension liability	104,669,932	59,869,442	164,539,374
Due within one year	13,253,740	10,846,458	24,100,198
Due in more than one year	102,182,517	153,006,146	255,188,663
Total liabilities	239,491,722	230,502,162	469,993,884
Deferred inflows of resources			
Unamortized gain on refund of bonds	473,558	237,194	710,752
Deferred inflows related to pension activity	2,912,277	1,665,774	4,578,051
Total deferred inflows of resources	3,385,835	1,902,968	5,288,803
Net Position			
Net Investment in Capital Assets	215,769,254	276,670,243	492,439,497
Restricted for:			
Endowment - Nonexpendable	255,000	-	255,000
Debt service	1,019,296	915,296	1,934,592
Compliance	-	356,622	356,622
General Fund State mandated cash balance	7,456,834	-	7,456,834
Special Revenue	18,649,763	-	18,649,763
Capital Projects	12,509,627	-	12,509,627
Unrestricted	(49,998,976)	61,775,492	11,776,516
Total net position	\$ 205,660,798	\$ 339,717,653	\$ 545,378,451

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, 2017

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charge for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary government:							
Government activities:							
General government	\$ 28,788,439	\$ 9,649,498	\$ 620,607	\$ -	\$ (18,518,334)	\$ -	\$ (18,518,334)
Public safety	44,687,492	5,450,534	1,905,300	-	(37,331,658)	-	(37,331,658)
Public works	15,333,620	2,311,660	6,010,315	-	(7,011,645)	-	(7,011,645)
Community development	10,284,524	312,984	2,226,503	50,000	(7,695,037)	-	(7,695,037)
Culture and recreation	13,081,552	179,046	2,537,039	-	(10,365,467)	-	(10,365,467)
Education	2,621,955	-	14,834	-	(2,607,121)	-	(2,607,121)
Interest on long-term debt	6,562,500	-	-	-	(6,562,500)	-	(6,562,500)
Total government activities	121,360,082	17,903,722	13,314,598	50,000	(90,091,762)	-	(90,091,762)
Business-type activities:							
Wastewater Management	14,160,571	13,473,205	-	-	-	(687,366)	(687,366)
Water Management	45,173,505	37,298,329	14,069	-	-	(7,861,107)	(7,861,107)
Railyard Properties	4,360,308	515,558	-	-	-	(3,844,750)	(3,844,750)
Santa Fe Convention Center	5,118,957	478,637	7,216	-	-	(4,633,104)	(4,633,104)
Environmental Services	14,410,149	13,394,451	-	-	-	(1,015,698)	(1,015,698)
College of Santa Fe	3,149,944	1,080,000	-	-	-	(2,069,944)	(2,069,944)
Municipal Recreation Complex	1,994,350	1,177,657	251,245	-	-	(565,448)	(565,448)
Parking Fund	6,414,416	5,023,562	-	-	-	(1,390,854)	(1,390,854)
Transit and Airport System	17,899,172	3,252,018	2,724,475	90,198	-	(11,832,481)	(11,832,481)
Genoveva Chavez Community Center	5,402,686	2,038,086	5,337	-	-	(3,359,263)	(3,359,263)
Total business-type activities	118,084,058	77,731,503	3,002,342	90,198	-	(37,260,015)	(37,260,015)
Total primary government	\$ 239,444,140	\$ 95,635,225	\$ 16,316,940	\$ 140,198	\$ (90,091,762)	\$ (37,260,015)	\$ (127,351,777)
General Revenues:							
Property taxes					\$ 11,442,774	\$ -	\$ 11,442,774
Sales taxes					94,225,673	8,921,338	103,147,011
Lodger taxes					10,809,464	-	10,809,464
Franchise taxes					4,104,877	-	4,104,877
Motor fuel taxes					1,956,647	-	1,956,647
Investment earnings					1,015,859	208,987	1,224,846
Other revenues					521,772	-	521,772
Gain on sale of capital assets					143,956	136,297	280,253
Transfers					(20,668,193)	20,668,193	-
Total general revenues and transfers					103,552,829	29,934,815	133,487,644
Change in net position					13,461,067	(7,325,200)	6,135,867
Net position, beginning					190,570,082	346,751,662	537,321,744
Restatement of net position					1,629,649	291,191	1,920,840
Net position, beginning as restated					192,199,731	347,042,853	539,242,584
Net position - ending					\$ 205,660,798	\$ 339,717,653	\$ 545,378,451

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, 2017

	<u>Major Funds</u>				Total Governmental Funds
	General Fund	Debt Service	1/2 % Gross Receipts Tax	Other Non Major Funds	
Assets					
Cash and investments:	\$ -	\$ 1,172,617	\$ 3,190,585	\$ 36,501,215	\$ 40,864,417
Cash restricted for debt service payments	-	1,019,296	-	-	1,019,296
Cash restricted for state mandated cash balances	7,456,834	-	-	-	7,456,834
Cash restricted for endowment	-	-	-	255,000	255,000
Receivables:					
State-shared taxes	6,915,679	-	-	3,317,663	10,233,342
Local taxes	3,799,683	-	3,483,115	-	7,282,798
Property taxes	158,252	-	-	-	158,252
Motor	-	-	-	112,504	112,504
Interest	14,215	4,482	4,217	26,136	49,050
Ambulance (net of allowances)	931,052	-	-	-	931,052
Grants-restricted	340,054	-	-	3,904,658	4,244,712
Other receivables (net of allowance)	114,061	61,309	-	3,344,192	3,519,562
Due from other funds	243,496	-	560,000	613,804	1,417,300
Supplies inventory	88,693	-	-	-	88,693
Total assets	\$ 20,062,019	\$ 2,257,704	\$ 7,237,917	\$ 48,075,172	\$ 77,632,812
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities:					
Accounts payable	\$ 632,235	\$ -	\$ 14,791	\$ 2,721,281	\$ 3,368,307
Gross receipts taxes payable	2,798	-	-	-	2,798
Accrued wages payable	2,134,832	-	57,571	318,492	2,510,895
Compensated absence payable	112,186	-	-	-	112,186
Due to other funds	-	6,020,111	-	1,410,428	7,430,539
Deposits and Escrow	2,423,748	-	-	-	2,423,748
Unearned revenue	30,850	-	-	-	30,850
Other current liabilities	440,951	-	-	450,944	891,895
Total liabilities	5,777,600	6,020,111	72,362	4,901,145	16,771,218
Deferred inflows of resources					
Unavailable revenue	43,779	-	-	2,180,911	2,224,690
Total deferred inflows of resources	43,779	-	-	2,180,911	2,224,690
Fund balance:					
Non-spendable	88,693	-	-	255,000	343,693
Restricted	7,456,834	-	6,775,180	31,159,390	45,391,404
Committed	1,557,794	-	-	1,459,841	3,017,635
Assigned	-	-	390,375	8,118,885	8,509,260
Unassigned	5,137,319	(3,762,407)	-	-	1,374,912
Total fund balances	14,240,640	(3,762,407)	7,165,555	40,993,116	58,636,904
Total liabilities, deferred inflows of resources and fund balances	\$ 20,062,019	\$ 2,257,704	\$ 7,237,917	\$ 48,075,172	\$ 77,632,812

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

CITY OF SANTA FE, NEW MEXICO
Reconciliation of the Balance Sheet to the Statement of Net Position
Governmental Funds
June 30, 2017

Amounts reported for governmental activities in the Statement of Net Position are different because:

Fund balances - total governmental funds	\$ 58,636,904
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in funds	326,541,778
Deferred outflows and inflows of resources related to pensions are applicable to future periods and therefore, are not reported in funds	-
Deferred outflows of resources related to changes in experience in governmental funds (excluding Internal Service Funds)	32,371,550
Deferred inflows of resources related to changes in assumptions in governmental funds (excluding Internal Service Funds)	(2,863,323)
<p>The internal service fund is used by management to charge the costs of worker's compensation, health insurance, and other post-employment benefit costs to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the Statement of Net Position.</p>	
Assets, deferred outflows, liabilities, and deferred inflows included in governmental activities	10,245,715
<p>Certain liabilities, including bonds and notes payable and current and long-term portions of accrued compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds.</p>	
Accrued interest	(618,670)
Accrued compensated absences in governmental funds	(5,170,157)
Unamortized gain on refunding bonds	(473,558)
Net pension liability in governmental funds (excluding Internal Service Funds)	(102,910,476)
Bonds and notes payable	<u>(110,098,965)</u>
Net position of governmental activities	<u>\$ 205,660,798</u>

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 Balance
Governmental Funds
For the Year Ended June 30, 2017

	Major Funds				Total Governmental Funds
	General Fund	Debt Service	1/2% Gross Receipts Tax	Other Non Major Funds	
Revenues:					
Taxes					
Gross receipts	\$ 57,939,139	\$ -	\$ 18,222,207	\$ 18,064,327	\$ 94,225,673
Motor	408,485	-	-	1,548,162	1,956,647
Lodgers	-	-	-	10,809,464	10,809,464
Property	6,827,420	4,529,099	-	86,255	11,442,774
Franchise	4,090,448	-	-	14,429	4,104,877
Licenses and permits	3,533,969	-	-	-	3,533,969
Intergovernmental					
Federal	-	-	-	4,052,069	4,052,069
State	63,430	-	-	7,694,659	7,758,089
Local	-	-	-	1,554,440	1,554,440
Fees and charges for services	10,049,108	-	-	3,680,392	13,729,500
Fines and forfeitures	304,712	-	-	-	304,712
Rents, royalties and concessions	23,189	-	-	312,353	335,542
Investment income (loss)	21,102	16,988	6,260	593,609	637,959
Other revenues	113,885	-	-	407,887	521,772
Total revenues	<u>83,374,887</u>	<u>4,546,087</u>	<u>18,228,467</u>	<u>48,818,046</u>	<u>154,967,487</u>
Expenditures:					
Current:					
General government	19,398,901	-	2,682,512	7,038,756	29,120,169
Public safety	38,588,216	-	-	3,417,672	42,005,888
Public works	4,152,864	-	-	1,730,920	5,883,784
Community development	4,671,829	-	-	5,035,420	9,707,249
Culture and recreation	8,116,334	-	-	3,151,958	11,268,292
Education	2,619,374	-	-	-	2,619,374
Total current expenditures	<u>77,547,518</u>	<u>-</u>	<u>2,682,512</u>	<u>20,374,726</u>	<u>100,604,756</u>
Capital Outlay:					
General government	182,505	-	275,190	1,238,961	1,696,656
Public safety	1,111,775	-	-	2,650,697	3,762,472
Public Works	18,461	-	-	10,747,381	10,765,842
Community Development	11,220	-	-	462,987	474,207
Culture and Recreation	170,166	-	-	6,954,006	7,124,172
Education	2,581	-	-	-	2,581
Total capital outlay expenditures	<u>1,496,708</u>	<u>-</u>	<u>275,190</u>	<u>22,054,032</u>	<u>23,825,930</u>
Debt service:					
Principal payments	-	24,103,966	-	-	24,103,966
Interest	-	7,218,026	-	-	7,218,026
Total expenditures	<u>79,044,226</u>	<u>31,321,992</u>	<u>2,957,702</u>	<u>42,428,758</u>	<u>155,752,678</u>
Excess (deficiency) of revenues over expenditures	<u>4,330,661</u>	<u>(26,775,905)</u>	<u>15,270,765</u>	<u>6,389,288</u>	<u>(785,191)</u>
Other financing sources (uses)					
Transfers in	459,980	17,197,201	350,000	27,395,302	45,402,483
Transfers out	(12,337,130)	(2,402,968)	(14,747,394)	(36,487,298)	(65,974,790)
Proceeds from sale Capital Assets/Land	-	-	-	198,277	198,277
Issuance of note	-	917,815	-	-	917,815
Payments to bond escrow	-	(18,655,040)	-	-	(18,655,040)
Proceeds of refunding bonds	-	17,350,001	-	-	17,350,001
Premiums on bonds issued	-	2,939,146	-	-	2,939,146
Total other financing sources (uses)	<u>(11,877,150)</u>	<u>17,346,155</u>	<u>(14,397,394)</u>	<u>(8,893,719)</u>	<u>(17,822,108)</u>
Net change in fund balances	(7,546,489)	(9,429,750)	873,371	(2,504,431)	(18,607,299)
Fund balances, beginning of year	20,948,189	5,667,343	5,901,809	43,097,213	75,614,554
Prior period adjustment	838,940	-	390,375	400,334	1,629,649
Fund balances, beginning of year as restated	21,787,129	5,667,343	6,292,184	43,497,547	77,244,203
Fund balances, end of year	<u>\$ 14,240,640</u>	<u>\$ (3,762,407)</u>	<u>\$ 7,165,555</u>	<u>\$ 40,993,116</u>	<u>\$ 58,636,904</u>

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, 2017

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

Net change in funds balances - total government funds	\$ (18,607,299)
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:	
Capital expenditures recorded in capital outlay	19,934,553
Depreciation expense	(13,306,403)
Gain on disposal of capital assets	(54,321)
The internal service fund is used by management to charge the costs of certain activities such as insurance to the individual funds. The net expense of the internal service fund is reported with governmental activities	
	1,693,959
Funds transferred out of the internal service fund increase financial resources at the governmental fund level, but have no effect on the Statement of Activities as the internal service fund is included in governmental activities in the Statement of Activities	
	(95,886)
The issuance of long-term debt (bond, loans and capital leases) provided current financial resources to governmental funds, while the repayment of the principal of the long-term debt consumes the current financial resources of governmental funds. Neither transactions, however, has any effect on net position. Also governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	
Payments to bond escrow	18,655,040
Principal payments on bonds and loans	24,103,966
Proceeds from the issuance of bonds	(17,350,000)
Issuance of note	(917,815)
Amortization of bond premiums and discounts	(2,939,146)
Amortization of gain on refunding of bonds	(285,386)
Amortization of premium/discount	980,634
Governmental funds report City pension contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense	
	1,586,222
Expenses in the Statement of Activities that do not require current financial resources are not reported as expenditures in the funds:	
Increase in accrued compensated absences	(239,260)
Decrease in accrued interest	302,209
	302,209
Net change in net position - governmental activities	\$ 13,461,067

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
GAAP Budgetary Basis
For the Year Ended June 30, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
Revenues:				
Taxes:				
State-shared taxes:				
Gross receipts	\$ 38,393,265	\$ 38,393,265	\$ 39,716,932	\$ 1,323,667
Automobile	351,273	351,273	408,485	57,212
	<u>38,744,538</u>	<u>38,744,538</u>	<u>40,125,417</u>	<u>1,380,879</u>
Local taxes:				
Gross receipts	18,608,780	18,608,780	18,222,207	(386,573)
Property	6,708,139	6,708,139	6,827,420	119,281
Total local taxes	<u>25,316,919</u>	<u>25,316,919</u>	<u>25,049,627</u>	<u>(267,292)</u>
Regulatory fees:				
Franchise	4,605,575	4,605,575	4,090,448	(515,127)
Total fees	<u>4,605,575</u>	<u>4,605,575</u>	<u>4,090,448</u>	<u>(515,127)</u>
Other Revenues:				
Licenses and permits	3,914,431	4,194,913	3,533,969	(660,944)
Intergovernmental				
State	205,427	277,762	63,430	(214,332)
Fees and charges for services	9,501,345	9,549,345	10,049,108	499,763
Fines and forfeitures	432,144	432,144	304,712	(127,432)
Rents, royalties and concessions	77,848	77,848	23,189	(54,659)
Investment income	41,149	41,149	21,102	(20,047)
Other revenues	214,236	214,236	113,885	(100,351)
Total Other Revenue	<u>14,386,580</u>	<u>14,787,397</u>	<u>14,109,395</u>	<u>(678,002)</u>
Total revenues	<u>83,053,612</u>	<u>83,454,429</u>	<u>83,374,887</u>	<u>(79,542)</u>
Expenditures				
General government:				
Current:				
General government	3,790,579	3,488,107	3,538,170	(50,063)
Municipal court	1,499,900	1,499,900	1,351,739	148,161
City clerk	1,278,520	1,353,305	1,019,421	333,884
Information technology and telecommunication	4,420,454	4,407,454	4,147,330	260,124
Personnel	981,219	965,999	895,995	70,004
Finance	3,469,889	3,464,889	3,548,153	(83,264)
Planning	2,008,442	2,025,342	1,801,927	223,415
Facilities maintenance	2,450,140	2,439,842	2,463,810	(23,968)
Fleet maintenance	558,237	553,600	632,356	(78,756)
Total current	<u>20,457,380</u>	<u>20,198,438</u>	<u>19,398,901</u>	<u>799,537</u>

CITY OF SANTA FE, NEW MEXICO
General Fund
Statement of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
GAAP Budgetary Basis
For the Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Capital outlay:				
General government	36,056	42,528	41,724	804
Municipal court	4,410	4,410	2,199	2,211
City clerk	14,993	24,993	13,797	11,196
Information technology and telecommunication	-	13,000	9,707	3,293
Personnel	-	15,220	15,001	219
Finance	74,476	79,476	52,996	26,480
Planning	7,450	22,850	5,928	16,922
Facilities maintenance	2,770	13,068	12,058	1,010
Fleet maintenance	26,000	30,637	29,095	1,542
Total capital outlay	<u>166,155</u>	<u>246,182</u>	<u>182,505</u>	<u>63,677</u>
Total general government	<u>20,623,535</u>	<u>20,444,620</u>	<u>19,581,406</u>	<u>863,214</u>
Public safety:				
Current				
Police	20,031,633	19,995,668	21,611,933	(1,616,265)
Fire	16,363,245	16,271,464	16,976,283	(704,819)
Total current	<u>36,394,878</u>	<u>36,267,132</u>	<u>38,588,216</u>	<u>(2,321,084)</u>
Capital outlay:				
Police	798,996	907,296	860,571	46,725
Fire	271,490	271,490	251,204	20,286
Total capital outlay	<u>1,070,486</u>	<u>1,178,786</u>	<u>1,111,775</u>	<u>67,011</u>
Total public safety	<u>37,465,364</u>	<u>37,445,918</u>	<u>39,699,991</u>	<u>(2,254,073)</u>
Public works:				
Current:				
Administration	8,572	8,572	60,444	(51,872)
Highways, streets and roads	1,840,874	1,840,874	1,456,705	384,169
Traffic engineering	2,802,459	2,826,917	2,635,715	191,202
Total current	<u>4,651,905</u>	<u>4,676,363</u>	<u>4,152,864</u>	<u>523,499</u>
Capital outlay:				
Public Works	570	19,031	18,461	570
Total capital outlay	<u>570</u>	<u>19,031</u>	<u>18,461</u>	<u>570</u>
Total public works	<u>4,652,475</u>	<u>4,695,394</u>	<u>4,171,325</u>	<u>524,069</u>

CITY OF SANTA FE, NEW MEXICO
General Fund
Statement of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
GAAP Budgetary Basis
For the Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Community development:				
Current:				
Human needs	1,062,953	1,062,953	866,177	196,776
Senior citizens	148,046	148,046	148,046	-
Community services	1,189,605	1,259,605	1,116,720	142,885
Inspection	1,484,827	1,679,027	1,643,147	35,880
Zoning	1,059,240	1,105,922	897,739	208,183
Total current	4,944,671	5,255,553	4,671,829	583,724
Capital outlay				
Human needs	11,700	11,700	10,928	772
Inspection	50	50,350	292	50,058
Total capital outlay	11,750	62,050	11,220	50,830
Total community development	4,956,421	5,317,603	4,683,049	634,554
Culture and recreation:				
Current:				
Parks/grounds maintenance	6,311,444	6,410,501	6,132,896	277,605
Recreation	2,140,633	2,149,033	1,983,438	165,595
Total current	8,452,077	8,559,534	8,116,334	443,200
Capital outlay:				
Parks/grounds maintenance	79,103	86,003	90,846	(4,843)
Recreation	94,088	89,688	79,320	10,368
Total capital outlay	173,191	175,691	170,166	5,525
Total culture and recreation	8,625,268	8,735,225	8,286,500	448,725
Education:				
Current:				
Libraries	2,617,088	2,617,088	2,619,374	(2,286)
Total current	2,617,088	2,617,088	2,619,374	(2,286)
Capital outlay:				
Libraries	5,273	5,273	2,581	2,692
Total capital outlay	5,273	5,273	2,581	2,692
Total education	2,622,361	2,622,361	2,621,955	406
Total expenditures	78,945,424	79,261,121	79,044,226	216,895
Excess (deficiency) of revenues over expenditures	4,108,188	4,193,308	4,330,661	137,353
Other financing sources (uses):				
Transfers in	301,667	451,837	459,980	8,143
Transfers out	(11,855,326)	(12,373,863)	(12,337,130)	36,733
Total other financing sources (uses)	(11,553,659)	(11,922,026)	(11,877,150)	44,876
Net change in fund balance	(7,445,471)	(7,728,718)	(7,546,489)	182,229
Fund balances, beginning of year	20,642,374	2,841,926	20,948,189	18,106,263
Fund Balance-adjustment to prior period	-	-	838,940	838,940
Fund balances, beginning of year as restated	20,642,374	2,841,926	21,787,129	18,945,203
Fund balances, end of year	\$ 13,196,903	\$ (4,704,563)	\$ 14,240,640	\$ 19,127,432

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

CITY OF SANTA FE, NEW MEXICO
Statement of Net Position
Enterprise Funds
June 30, 2017

	Business-type Activities - Enterprise Funds							Totals	Governmental Activities - Internal Service Funds
	Wastewater Management	Water Management	Environmental Services	Railyard Properties	Santa Fe Convention Center	College of Santa Fe	All Other Enterprise Funds		
Assets and deferred outflows of resources									
Current assets:									
Cash, investments and cash equivalents	\$ 29,033,473	\$ 33,978,724	\$ 13,171,875	\$ 895,991	\$ 4,105,200	\$ 543,733	\$ 6,630,238	\$ 88,359,234	\$ 18,817,602
Restricted cash, cash equivalents and investments:									
Restricted for debt service payments	212,178	365,788	109,464	34,518	80,830	180	109,566	912,524	-
Restricted for compliance	181,416	-	172,667	-	-	2,539	-	356,622	-
Restricted for customer deposits payable	29,400	2,044,353	-	-	531,392	-	29,751	2,634,896	-
Grants receivable	-	10,311	-	766	-	-	2,520,962	2,532,039	-
Receivable (net of allowances)									
State-shared taxes	364,404	128,459	364,434	-	-	-	-	857,297	-
Accounts	2,154,873	5,157,515	1,857,797	-	-	195,000	155,933	9,521,118	-
Interest receivable	37,472	67,375	16,116	-	4,370	-	7,113	132,446	24,146
Notes receivable	-	-	-	-	261,360	-	-	261,360	-
Other receivable	-	-	-	-	-	-	230,314	230,314	27,547
Prepaid expense	205,110	1,948,923	-	33,975	261,360	-	1,710	2,451,078	-
Due from other funds	-	6,013,239	-	-	-	-	-	6,013,239	-
Inventory	-	361,311	-	-	-	-	-	361,311	-
Total current assets	32,218,326	50,075,998	15,692,353	965,250	5,244,512	741,452	9,685,587	114,623,478	18,869,295
Capital assets:									
Land and water rights	25,498	5,700,939	-	20,145,837	-	11,164,785	4,451,778	41,488,837	-
Buildings and structures	28,817,899	126,512,488	361,316	8,351,011	48,163,469	42,128,220	73,890,575	328,224,978	-
Sewerlines and utility systems	29,783,513	115,089,301	-	-	-	-	29,820	144,902,634	-
Improvements	31,359,635	41,184,355	1,111,291	31,241,586	336,738	-	45,474,627	150,708,232	-
Furniture and fixtures	11,279	585,001	4,926	-	19,543	-	45,083	665,832	-
Equipment and machinery	2,306,423	12,855,282	318,654	-	266,835	-	5,426,329	21,173,523	6,812
Vehicles	2,938,157	2,091,919	11,575,184	-	16,965	-	15,445,766	32,067,991	35,829
Intangible plant	-	57,625	-	-	-	-	-	57,625	-
Data processing equipment/software	189,731	1,775,016	24,228	-	94,117	-	1,101,596	3,184,688	-
Art	-	-	-	-	5,000	-	180,971	185,971	-
Construction in Progress	599,384	10,093,736	217,955	766	-	-	1,783,990	12,695,831	-
Less: accumulated depreciation	(72,174,385)	(118,382,205)	(7,853,169)	(21,436,233)	(11,078,941)	(7,741,139)	(63,767,061)	(302,433,133)	(42,641)
Total capital assets (net accumulated depreciation)	23,857,134	197,563,457	5,760,385	38,302,967	37,823,726	45,551,866	84,063,474	432,923,009	-
Deferred outflows of resources									
Unamortized loss on refunding bonds	-	5,311,836	-	-	431,911	-	-	5,743,747	-
Deferred outflows related to pension activity	2,412,028	6,484,400	2,103,039	132,962	368,650	-	7,331,470	18,832,549	553,455
Total deferred outflows of resources	2,412,028	11,796,236	2,103,039	132,962	800,561	-	7,331,470	24,576,296	553,455
Total assets and deferred outflows of resources	\$ 58,487,488	\$ 259,435,691	\$ 23,555,777	\$ 39,401,179	\$ 43,868,799	\$ 46,293,318	\$ 101,080,531	\$ 572,122,783	\$ 19,422,750

CITY OF SANTA FE, NEW MEXICO

Statement of Net Position

Enterprise Funds

June 30, 2017

	Business-type Activities - Enterprise Funds							Totals	Governmental Activities - Internal Service Funds
	Wastewater Management	Water Management	Environmental Services	Railyard Properties	Santa Fe Convention Center	College of Santa Fe	All Other Enterprise Funds		
Liabilities and deferred inflows of resources									
Current liabilities:									
Accounts payable	\$ 274,798	\$ 1,233,514	\$ 108,853	\$ 11,856	\$ 47,735	\$ -	\$ 373,255	\$ 2,050,011	\$ 380,955
Gross receipts taxes payable	52,304	168,338	53,957	-	-	-	32,502	307,101	-
Compensated absence payable	11,251	18,622	9,601	-	-	-	26,319	65,793	-
Accrued wages payable	139,074	245,638	137,772	6,992	27,173	-	412,451	969,100	24,408
Claims and judgement payable	-	-	-	-	-	-	-	-	6,908,309
Bonds payable (net of amortized discounts)	2,798,244	1,092,689	1,223,374	1,042,342	1,151,157	-	1,578,328	8,886,134	-
Notes payable	-	839,886	-	-	-	775,000	279,644	1,894,530	-
Accrued interest payable	44,954	211,141	27,650	38,195	67,076	120,439	48,193	557,648	-
Unearned revenue	-	-	-	-	261,360	-	-	261,360	-
Customer deposits payable	29,400	2,044,353	-	-	531,392	-	29,751	2,634,896	-
Total current liabilities	3,350,025	5,854,181	1,561,207	1,099,385	2,085,893	895,439	2,780,443	17,626,573	7,313,672
Noncurrent liabilities:									
Bonds payable (net of unamortized discounts)	9,798,192	39,461,425	6,744,338	11,308,736	28,883,478	-	17,056,168	113,252,337	-
Notes payable	-	11,149,569	-	-	-	24,140,000	2,436,749	37,726,318	-
Compensated absences payable	320,912	577,111	275,562	21,553	25,960	-	806,394	2,027,492	54,953
Net pension liability	7,667,934	20,614,171	6,685,648	422,692	1,171,952	-	23,307,045	59,869,442	1,759,456
Total noncurrent liabilities	17,787,038	71,802,276	13,705,548	11,752,981	30,081,390	24,140,000	43,606,356	212,875,589	1,814,409
Total liabilities	21,137,063	77,656,457	15,266,755	12,852,366	32,167,283	25,035,439	46,386,799	230,502,162	9,128,081
Deferred inflows of resources									
Unamortized gain on refunding of bonds	99,688	-	38,524	22,330	-	-	76,652	237,194	-
Deferred inflows related to pension activity	213,347	573,557	186,018	11,761	32,608	-	648,483	1,665,774	48,954
Total deferred inflows of resources	313,035	573,557	224,542	34,091	32,608	-	725,135	1,902,968	48,954
Net Position:									
Net Investment in capital assets	11,161,010	150,331,724	(2,245,851)	25,929,559	8,221,002	20,636,866	62,635,933	276,670,243	-
Restricted for debt service	212,178	365,788	109,464	37,290	80,830	180	109,566	915,296	-
Restricted for compliance	181,416	-	172,667	-	-	2,539	-	356,622	-
Unrestricted	25,482,786	30,508,165	10,028,200	547,873	3,367,076	618,294	(8,776,902)	61,775,492	10,245,715
Total net position	37,037,390	181,205,677	8,064,480	26,514,722	11,668,908	21,257,879	53,968,597	339,717,653	10,245,715
Total liabilities, deferred inflows, and net position	\$ 58,487,488	\$ 259,435,691	\$ 23,555,777	\$ 39,401,179	\$ 43,868,799	\$ 46,293,318	\$ 101,080,531	\$ 572,122,783	\$ 19,422,750

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 Net Position
Enterprise Funds
For the Year Ended June 30, 2017

	Business-type Activities-Enterprise Funds							Totals	Governmental Activities - Internal Service Funds
	Wastewater Management	Water Management	Environmental Services	Railyard Properties	Santa Fe Convention Center	College of Santa Fe	All Other Enterprise Funds		
Operating revenues:									
User Fees (net of allowance totaling \$644,570)	\$ 13,320,212	\$ 37,082,476	\$ 13,103,315	\$ -	\$ 377,586	\$ -	\$ 10,136,902	\$ 74,020,491	\$ -
Facilities rentals	144,754	20,869	266,000	5,725	-	1,090,976	686,632	2,214,956	-
Other revenues/premiums	8,239	194,984	25,136	509,833	101,051	-	667,789	1,507,032	161,390
Premiums	-	-	-	-	-	-	-	-	28,033,614
Total operating revenues	13,473,205	37,298,329	13,394,451	515,558	478,637	1,090,976	11,491,323	77,742,479	28,195,004
Operating expenses									
Salaries, wages and fringe benefits	6,169,598	11,808,513	5,681,600	281,977	1,185,526	-	17,773,870	42,901,084	1,298,302
Contractual services and utilities	2,195,166	7,312,727	3,396,887	259,569	438,373	-	2,120,126	15,722,848	1,075,628
Repairs and maintenance	599,963	711,887	683,244	8,824	116,707	-	700,946	2,821,571	1,203
Supplies	596,591	764,956	538,837	12,995	136,275	-	1,255,845	3,305,499	65,188
Capital outlay-inventory exempt items	41,771	88,523	1,650,038	-	38,267	-	532,800	2,351,399	1,994
Depreciation expense	2,928,791	10,677,050	1,050,014	3,291,179	1,028,005	1,685,129	5,597,027	26,257,195	-
Insurance	347,847	373,194	266,454	2,406	27,361	-	547,505	1,564,767	3,631,317
Claims and judgments	-	-	-	-	-	-	-	-	20,376,785
BDD-source of supply	-	4,001,995	-	-	-	-	-	4,001,995	-
Other	908,232	5,206,314	1,062,536	2,357	556,974	-	2,549,816	10,286,229	86,474
Total operating expenses	13,787,959	40,945,159	14,329,610	3,859,307	3,527,488	1,685,129	31,077,935	109,212,587	26,536,891
Operating income (loss)	(314,754)	(3,646,830)	(935,159)	(3,343,749)	(3,048,851)	(594,153)	(19,586,612)	(31,470,108)	1,658,113
Non-operating revenues (expenses):									
Investment income	61,184	98,586	25,899	63	11,125	3,490	10,859	211,206	35,846
Intergovernmental									
State-shared taxes	2,076,064	4,769,060	2,076,214	-	-	-	-	8,921,338	-
Intergovernmental									
Federal	-	14,069	-	-	-	-	2,348,671	2,362,740	-
State	-	-	-	-	7,216	-	685,323	692,539	-
Gain (loss) on sale of capital assets	7,110	2,925	110,705	7,133	-	-	8,424	136,297	-
Interest expense	(567,875)	(1,790,117)	(292,544)	(932,621)	(2,260,286)	(1,475,792)	(726,266)	(8,045,501)	-
Prem/(discount) debt service expense	195,263	(2,438,229)	168,639	429,401	(315,016)	-	93,577	(1,866,365)	-
Other non-operating revenue (expense)	-	-	43,366	-	983,833	-	-	1,027,199	-
Total non-operating revenues (expenses)	1,771,746	656,294	2,132,279	(496,024)	(1,573,128)	(1,472,302)	2,420,588	3,439,453	35,846
Income (loss) before transfers and capital contributions	1,456,992	(2,990,536)	1,197,120	(3,839,773)	(4,621,979)	(2,066,455)	(17,166,024)	(28,030,655)	1,693,959
Capital grants	-	-	-	-	-	-	37,261	37,261	-
Transfers in	2,946,702	-	19,000	2,452,723	4,736,071	-	14,563,777	24,718,273	-
Transfers out	(2,946,751)	(100,000)	(321,337)	-	-	-	(681,991)	(4,050,079)	(95,886)
Change in net position	1,456,943	(3,090,536)	894,783	(1,387,050)	114,092	(2,066,455)	(3,246,977)	(7,325,200)	1,598,073
Total net position, beginning of year (previously stated)	35,532,253	184,101,513	7,121,400	27,901,772	11,554,816	23,324,334	57,215,574	346,751,662	8,647,642
Prior period adjustment	48,194	194,700	48,297	-	-	-	-	291,191	-
Total net position, beginning of year (restated)	35,580,447	184,296,213	7,169,697	27,901,772	11,554,816	23,324,334	57,215,574	347,042,853	8,647,642
Total net position, end of year	\$ 37,037,390	\$ 181,205,677	\$ 8,064,480	\$ 26,514,722	\$ 11,668,908	\$ 21,257,879	\$ 53,968,597	\$ 339,717,653	\$ 10,245,715

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 Cash Flows Enterprise Funds For the Year Ended June 30, 2017

	Business-type Activities - Enterprise Funds				
	Wastewater Management	Water Management	Environmental Services	Railyard Properties	Santa Fe Convention Center
Cash flows from operating activities:					
Cash received from customers	\$ 13,797,330	\$ 41,509,200	\$ 13,650,086	\$ 514,793	\$ 478,637
Cash payments to suppliers for goods and services	(3,939,670)	(17,766,739)	(6,967,402)	(313,739)	(1,040,778)
Cash payments to employees for services	(3,979,779)	(8,965,274)	(3,791,939)	(199,291)	(920,958)
Cash paid for interfund services provided	(759,354)	(2,836,217)	(708,586)	-	(302,637)
Net cash provided (used) by operating activities	5,118,527	11,940,970	2,182,159	1,763	(1,785,736)
Cash flows from noncapital financing activities:					
Intergovernmental Taxes and Grants	2,141,984	6,140,539	2,078,218	-	7,216
Transfers-in from other funds	2,946,702	-	19,000	2,452,723	4,736,071
Transfers-out to other funds	(2,946,751)	(100,000)	(321,337)	-	-
Interfund Loan	-	(6,013,239)	-	-	-
Net cash provided (used) by noncapital financing activities	2,141,935	27,300	1,775,881	2,452,723	4,743,287
Cash flows from capital and related financing activities:					
Acquisition and construction of capital assets	(1,856,931)	(7,760,864)	(2,575,435)	(767)	(21,208)
Proceeds from sale of capital assets	7,110	2,925	110,705	7,133	-
Bond proceeds	3,697,200	-	8,000,582	4,530,000	6,570,000
Premium on refunding	454,126	-	1,011,835	-	1,110,787
Principal paid on revenue bond maturities and notes payable	(5,970,000)	(1,723,383)	(8,471,067)	(5,922,123)	(7,580,850)
Interest paid on revenue bonds and notes payable	(574,170)	(1,660,112)	(295,149)	(945,673)	(2,261,021)
Other Uses - Bond Refunding	-	-	(43,366)	-	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(4,242,665)	(11,141,434)	(2,261,895)	(2,331,430)	(2,182,292)
Cash flows from investing activities:					
Interest and dividends on investments	29,446	48,950	15,712	637	9,866
Net cash provided (used) by investing activities	29,446	48,950	15,712	637	9,866
Net increase (decrease) in cash and cash equivalents	3,047,243	875,786	1,711,857	123,693	785,125
Cash, investments and cash equivalents at beginning of year	26,409,224	35,513,079	11,742,149	806,816	3,932,297
Cash, investments and cash equivalents at end of year	\$ 29,456,467	\$ 36,388,865	\$ 13,454,006	\$ 930,509	\$ 4,717,422
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ (314,754)	\$ (3,646,830)	\$ (935,159)	\$ (3,343,749)	\$ (3,048,851)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation/amortization/bad debt expense	2,928,791	10,677,050	1,050,014	3,291,179	1,028,005
Difference between employer cash contribution to pension plan and noncash pension expense:	2,153,971	3,156,681	1,873,471	80,883	255,486
Change in assets and liabilities:					
(Increase) decrease Accounts receivable	377,695	3,551,747	255,635	(766)	-
(Increase) decrease Prepaid expenses	7,569	441,637	-	(33,975)	10,516
Increase (decrease) Accounts payable	(23,537)	(1,365,096)	(86,265)	6,388	(15,403)
Increase (decrease) Gross receipts taxes payable	6,510	17,289	8,273	-	-
Increase (decrease) Compensated absences payable	(31,093)	(16,089)	(6,598)	1,130	4,845
Increase (decrease) Accrued wages payable	12,964	5,591	22,788	673	4,236
Increase (decrease) Miscellaneous Payable	-	-	-	-	-
Increase (decrease) Customer Deposits	411	629,740	-	-	(24,570)
(Increase) decrease Inventory	-	13,795	-	-	-
Increase (decrease) Claims payable	-	-	-	-	-
Increase (decrease) in due to other funds	-	(1,524,545)	-	-	-
Total Adjustments	5,433,281	15,587,800	3,117,318	3,345,512	1,263,115
Net cash provided (used) by operating activities:	\$ 5,118,527	\$ 11,940,970	\$ 2,182,159	\$ 1,763	\$ (1,785,736)

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

CITY OF SANTA FE, NEW MEXICO

Statement of Cash Flows

Enterprise Funds

For the Year Ended June 30, 2017

	College of Santa Fe	Other Enterprise	Totals	Governmental Activities Internal Service Funds
Cash flows from operating activities:				
Cash received from customers	\$ 1,080,000	\$ 12,100,818	\$ 83,130,864	\$ 28,174,307
Cash payments to suppliers for goods and services	-	(8,041,106)	(38,069,434)	(26,816,058)
Cash payments to employees for services	-	(12,756,241)	(30,613,482)	(941,060)
Cash paid for interfund services provided	-	(1,484,030)	(6,090,824)	-
Net cash provided (used) by operating activities	<u>1,080,000</u>	<u>(10,180,559)</u>	<u>8,357,124</u>	<u>417,189</u>
Cash flows from noncapital financing activities:				
Intergovernmental Taxes and Grants	-	3,349,007	13,716,964	-
Transfers-in from other funds	-	14,563,777	24,718,273	-
Transfers-out to other funds	-	(681,991)	(4,050,079)	(95,886)
Interfund Loan	-	-	(6,013,239)	-
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>17,230,793</u>	<u>28,371,919</u>	<u>(95,886)</u>
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	-	(1,168,759)	(13,383,964)	-
Proceeds from sale of capital assets	-	8,424	136,297	-
Bond proceeds	-	5,782,800	28,580,582	-
Premium on refunding	-	710,299	3,287,047	-
Principal paid on revenue bond maturities and notes payable	(745,000)	(8,046,631)	(38,459,054)	-
Interest paid on revenue bonds and notes payable	(1,478,567)	(725,556)	(7,940,248)	-
Other Uses - Bond Refunding	-	-	(43,366)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(2,223,567)</u>	<u>(3,439,423)</u>	<u>(27,822,706)</u>	<u>-</u>
Cash flows from investing activities:				
Interest and dividends on investments	4,159	7,962	116,732	23,091
Net cash provided (used) by investing activities	<u>4,159</u>	<u>7,962</u>	<u>116,732</u>	<u>23,091</u>
Net increase (decrease) in cash and cash equivalents	(1,139,408)	3,618,773	9,023,069	344,394
Cash, investments and cash equivalents at beginning of year	1,685,860	3,150,782	83,240,207	18,473,208
Cash, investments and cash equivalents at end of year	<u>\$ 546,452</u>	<u>\$ 6,769,555</u>	<u>\$ 92,263,276</u>	<u>\$ 18,817,602</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (594,153)	\$(19,586,612)	\$(31,470,108)	\$ 1,658,113
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation/amortization/bad debt expense	1,685,129	5,597,027	26,257,195	-
Difference between employer cash contribution to pension plan and noncash pension expense:	-	5,010,359	12,530,851	375,782
Change in assets and liabilities:				
(Increase) decrease Accounts receivable	(10,976)	609,496	4,782,831	(20,697)
(Increase) decrease Prepaid expenses	-	(1,710)	424,037	477
Increase (decrease) Accounts payable	-	99,784	(1,384,129)	280,824
Increase (decrease) Gross receipts taxes payable	-	(20,806)	11,266	-
Increase (decrease) Compensated absences payable	-	(9,218)	(57,023)	(16,663)
Increase (decrease) Accrued wages payable	-	16,488	62,740	(1,877)
Increase (decrease) Miscellaneous Payable	-	(1,897,567)	(1,897,567)	-
Increase (decrease) Customer Deposits	-	2,200	607,781	-
(Increase) decrease Inventory	-	-	13,795	-
Increase (decrease) Claims payable	-	-	-	(1,858,770)
Increase (decrease) in due to other funds	-	-	(1,524,545)	-
Total Adjustments	<u>1,674,153</u>	<u>9,406,053</u>	<u>39,827,232</u>	<u>(1,240,924)</u>
Net cash provided (used) by operating activities:	<u>\$ 1,080,000</u>	<u>\$(10,180,559)</u>	<u>\$ 8,357,124</u>	<u>\$ 417,189</u>

CITY OF SANTA FE, NEW MEXICO

**Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2017**

	<u>Agency Funds</u>
ASSETS	
Cash	\$
Santa Fe Solid Waste Management Agency	18,315,735
Buckman Direct Diversion Project	4,176,447
 Total Assets	 <u>\$ 22,492,182</u>
 LIABILITIES	
Deposits Held for Others	\$
Santa Fe Solid Waste Management Agency	18,315,735
Buckman Direct Diversion Project	4,176,447
 Total Liabilities	 - <u>\$ 22,492,182</u>

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

CITY OF SANTA FE, NEW MEXICO
Notes to the Financial Statements
June 30, 2017

1. Summary of Significant Accounting Policies

A. Reporting entity

The City of Santa Fe (the "City") is a municipality governed by an elected mayor and an eight-member council. The accompanying financial statements present the government as an entity for which the City is considered to be financially accountable. The City has no component units or blended component units that are legally separate entities.

During the year ended June 30, 2016, the City adopted GASB Statements No. 72, *Fair Value Measurement and Application*, a portion of No. 73 *Accounting and Financial Reporting for Pensions and Related Assets that are not within the Scope of GASB Statement 68 and Amendments to Certain Provisions of GASB Statements 67 and 68*, No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, No. 79, *Certain External Investment Pools and Pool Participants* and No. 82 *Pension Issues - an amendment of GASB Statement No. 67, No. 68, and No. 73*. These five Statements are required to be implemented as of June 30, 2016, if applicable.

GASB Statement No. 72 addresses accounting and financial reporting issues related to fair value measurements. The definition of *fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The requirements of this Statement will enhance comparability of financial statements among governments by requiring measurements of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and accepted valuation techniques. This Statement also will enhance fair value application guidance and related disclosures in order to provide information to financial statement users about the impact of fair value measurements on a government's financial position.

The objective of GASB Statement No. 82 is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information; (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and; (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The objective of GASB Statement No. 82 is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information; (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and; (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

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 went into effect for the City's fiscal year ending June 30, 2002. This has resulted in a change in how the City presents its financial statements.

CITY OF SANTA FE, NEW MEXICO
Notes to the Financial Statements
June 30, 2017

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, while grants and contributions 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, proprietary, and fiduciary funds. Major individual enterprise funds are reported as separate columns in the basic fund financial statement.

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 is the fiduciary fund financial statement. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions should be recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from non-exchange transactions should be recognized when the related purpose restriction, eligibility requirement or time requirement is met in accordance with GASB 33 and GASB 65. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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 government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. For grant revenues the government considers revenues to be available if collected within a year of the grant reimbursement request. 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 and interest associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Property tax receivables are recognized in the period for which the taxes are levied, net of estimated refunds and uncollectible amounts. All other revenue items are considered to be measurable and available only when cash is received by the government. Unavailable revenues are classified as a deferred inflow of resources.

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, 2017

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 1/2% Gross Receipts Tax Fund is used to account for the City's portion of gross receipts taxes collected by the State of New Mexico per Ordinance No. 1981-45. The Ordinance dedicates 1/2 of 1 percent for capital improvements to City facilities and street and road construction and re-construction to include any future operating expenditures (i.e.: personnel or administrative costs) necessitated by the expansion of the services and facilities to the public.

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 Environmental Services Fund accounts for the operation of the City's solid waste collection service.

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

The Santa Fe Convention Center Fund accounts for the operation of the City's convention center.

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

The City reports the following Agency Funds:

Santa Fe Solid Waste Agency accounts for the financial activities involved in the overall operation of the Caja Del Rio Landfill and Buckman Recycling and Transfer Station.

Buckman Direct Diversion accounts for the financial activities involved in the overall operation of the Buckman Direct Diversion.

Additionally, the City reports the following fund types:

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

As a general rule the effect of inter-fund 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.

CITY OF SANTA FE, NEW MEXICO
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Amounts reported as program revenues include charges to customers or applicants for goods, services, or privileges provided, operating grants and contributions, and capital grants and contributions, including special assessments. Internally dedicated resources are reported as 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 service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

D. Assets, liabilities and net position 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 Statutes and the City of Santa Fe's investment policy, which states:

"It is the policy of the City to invest public funds in a manner which preserves principal, meets the daily cash flow requirements and earns the highest investment return while conforming to all state and local statutes governing the investment of public funds. In addition, the Standard of Care to be used by those investing public funds shall be the "prudent person" rule."

"Investments shall be made with the exercise of that degree of judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation but for investment, considering the probable safety of their capital as well as the probable income to be derived."

The Investment Policy provides for the following authorized investments:

Bonds or negotiable securities of the United States including U.S. treasury bills, treasury notes, TIPS and treasury bonds;

- 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 Corporation, the Federal National Mortgage Association, the Federal Home Loan Bank, the Federal Farm Credit Bank, or are backed by the full faith and credit of the United States Government;
- Money market funds that are registered with the SEC, maintain total asset size of not less than \$100,000,000, and carry an investment rating of Aaa-mf, AAAM as rated by Moody's and Standard & Poor's;
- Contracts for the present purchase and future resale of securities ("repurchase agreements");
- Shares of a diversified investment company registered pursuant to the Federal Investment Company Act of 1940 that invests in fixed-income securities or debt instruments that are listed in a nationally recognized, broad-market, fixed-income-securities market index; provided that the investment company or manager has total assets under management of at least one hundred million dollars (\$100,000,000) and provided that the board of finance of the county or municipality may allow reasonable administrative and investment expenses to be paid directly from the income or assets of these investments;
- Individual, common or collective trust funds of banks or trust companies that invest in fixed-income securities

CITY OF SANTA FE, NEW MEXICO
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or debt instruments that are listed in a nationally recognized, broad-market, fixed-income-securities market index; provided that the investment company or manager has total assets under management of at least one hundred million dollars (\$100,000,000) and provided that the board of finance of the county or municipality may allow reasonable administrative and investment expenses to be paid directly from the income or assets of these investments; or

- Shares of pooled investment funds managed by the state investment officer, as provided in Subsection G of Section 6-8-7 NMSA 1978; provided that the board of finance of the county or municipality may allow reasonable administrative and investment expenses to be paid directly from the income or assets of these investments.
- Bonds or negotiable securities of the State of New Mexico or of any county, municipality or school district which has a taxable valuation of real property of at least one million dollars and has not defaulted in payment of interest or sinking fund obligations or failed to pay any bonds at maturity at any time within the past five years and is rated AA equivalent or better on purchase date; and,
- Any bonds or other obligations issued pursuant to the Municipal Housing Law or issued by any public housing authority or agency in the United States, when such bonds or other obligations are secured by a pledge of annual contributions to be paid by the United States government or any agency thereof.

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 inter-fund loans) or "advances to/from other funds" (i.e.: the non-current portion of inter-fund 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 classified as nonspendable fund balance in the general fund to indicate that they are not available for appropriation and are not expendable available financial resources.

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

Property taxes are levied and collected by the Santa Fe County Treasurer on behalf of the City. Property taxes are levied in November and are payable in two installments. The first half is due on November 10 and becomes delinquent on December 10. 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.

The City of Santa Fe is a party to a contract with the Bureau of Reclamation, United States of America which provides certain rights to purchase water from the San Juan-Chama renewable water resource system. Per the contract dating from 1976 and made permanent in 2006, the City of Santa Fe has the right to purchase 5,230 acre feet per year from the San

CITY OF SANTA FE, NEW MEXICO
Notes to the Financial Statements
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Juan-Chama system for which it pays a predetermined rate. The City may utilize the water in the year it purchases it or in a later year if utilization does not match the annual amount purchased. Amount acquired in excess of those amounts utilized are recorded as prepaid water assets in the statement of net position. The amount recorded at June 30, 2017 was \$1,948,924.

4. Restricted assets

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

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

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

6. Compensated absences

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

7. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (P.E.R.A.) and additions to/deductions from P.E.R.A.'s fiduciary net position have been determined on the same basis as they are reported by P.E.R.A., on the economic resources measurement focus and accrual basis of

CITY OF SANTA FE, NEW MEXICO
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accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

8. 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 position. Bond premiums and discounts 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 recorded as an expense in the period incurred.

In governmental funds, 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.

9. Fund balance

Fund balances of the governmental funds follows the order of spending first restricted, then committed fund balance, assigned fund balance, and last of all, unassigned fund balance and are classified as follows:

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

Restricted - amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments. Enabling legislation includes a legal enforceable requirement that resources be used only for specific purposes stipulated in the legislation. Legal enforceability means the government can be impelled by an external party to use resources for the purpose specified by the legislation. The amount of net position restricted by enabling legislation is \$45,391,403 which represents all restricted net position reported on page 18.

Committed - amounts that can be used only for specific purposes determined by a formal action of City Council. The City Council is the highest level of decision-making authority for the City that can, by adoption of a resolution, commit a fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

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

CITY OF SANTA FE, NEW MEXICO
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Unassigned - all other spendable amounts. The general fund should be the only fund that reports a positive unassigned fund balance amount.

Fund Balance Purpose	General	Debt Service	1/2% Gross Receipts Tax	Nonmajor Governmental Funds	Total Governmental Funds
Nonexpendable					
Inventory	\$ 88,693	\$ -	\$ -	\$ -	\$ 88,693
Endowment	-	-	-	255,000	255,000
Spendable					
Restricted					
Restricted General Government	7,456,833	-	6,775,180	9,458,183	23,690,196
Restricted Public Safety	-	-	-	3,328,108	3,328,108
Restricted Public Works	-	-	-	7,453,771	7,453,771
Restricted Community Development	-	-	-	2,847,709	2,847,709
Community Development	-	-	-	8,071,619	8,071,619
Committed					
Committed General Government	1,557,795	-	-	937,893	2,495,688
Committed Culture and Recreation	-	-	-	521,948	521,948
Assigned					
Assigned General Government	-	-	390,375	4,499,713	4,890,088
Assigned Public Safety	-	-	-	856,337	856,337
Assigned Public Works	-	-	-	1,694,935	1,694,935
Assigned Community Development	-	-	-	23,280	23,280
Assigned Culture and Recreation	-	-	-	1,044,620	1,044,620
Unassigned					
Unassigned General Government	5,137,319	(3,762,407)	-	-	1,374,912
Unassigned Public Safety	-	-	-	-	-
Unassigned Public Works	-	-	-	-	-
Unassigned Community Development	-	-	-	-	-
Unassigned Culture and Recreation	-	-	-	-	-
	<u>\$ 14,240,640</u>	<u>\$ (3,762,407)</u>	<u>\$ 7,165,555</u>	<u>\$ 40,993,116</u>	<u>\$ 58,636,904</u>

10. Net position

The government-wide and business type fund financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

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

Restricted position 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 maintains fund balance compliance for post closure and 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, the expenditure of which is limited to interest by the donor and by City resolution. Unrestricted Net Position consists of a net position that does not meet the definition of "restricted" or "net investment in capital assets". 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 position is available.

CITY OF SANTA FE, NEW MEXICO
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11. Comparative data/reclassifications

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

12. Use of estimates

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

2. Stewardship, compliance and accountability

A. Budgetary information

Annual budgets for governmental funds are adopted on generally accepted accounting principles (GAAP basis). Annual budgets for proprietary funds are adopted on a basis other than generally accepted accounting principles. Depreciation is not budgeted for enterprise funds. All annual appropriations lapse at the 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.

Because the non-GAAP basis of accounting is not generally accepted accounting method for propriety funds, differences may result from budgeting for various items. Reconciliations between the budget basis (non-GAAP) and GAAP basis are provided in the budgetary schedules.

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

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

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

The appropriated budget is prepared by fund, function and division. All amendments to the appropriated budget require City Council approval. The City manager may approve budget amendment increases or decreases of appropriations up to \$50,000. The Finance Director may approve budget amendment increases or decreases up to \$5,000. The amendments below the \$50,000 threshold are ratified by City Council at the end of each quarter. Budget amendments in excess of \$50,000 require Council approval. The legal level of budgetary control (i.e.: the level at which expenditures 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

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appropriations during the fiscal year, primarily for new grant awards and additional project amounts, which did not materially affect cash reserves of related funds.

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

B. Excess of expenditures/expenses over budgeted appropriations

For the year ended June 30, 2017, expenditures/expenses exceeded budgeted appropriations in the following funds:

The Special Revenue Fund Impact Fee Projects is reporting excess expenses over appropriations of \$59. This deficit was caused by non-budgeted expenditures.

The Special Revenue Fund Historic Preservation Grant is reporting excess expenses over appropriations of \$6,536. This deficit was caused by non-budgeted expenditures.

The Special Revenue Fund Plaza Use is reporting excess expenses over appropriations of \$3,448. This deficit was caused by an increase in salaries.

The Enterprise Fund Parking is reporting excess expenses over appropriations of \$171,090. This deficit was caused by an increase in salaries.

The Enterprise Fund MRC is reporting excess expenses over appropriations of \$2,367. This deficit was caused by an increase in capital outlay.

The Enterprise Fund Railyard is reporting excess expenses over appropriations of \$27,803. The deficit was caused by an increase in interest related to refunding.

The Enterprise Fund Santa Fe Convention Center is reporting excess expenses over appropriations of \$975,278. The deficit was caused by an increase in interest related to refunding.

The Debt Service funds are reporting excess expenses over appropriations of \$14,698,158. This deficit was caused by an increase in expenditures to pay off outstanding debt.

A legally adopted budget was not prepared for the Sick Leave Bank Fund, reported as an Internal Service Fund, as the expenses were budgeted in the individual funds. Budget to Actual is for reporting purposes only.

C. Deficit fund equity

The Municipal Recreation Complex, reported as an Enterprise Fund, has deficit fund equity of \$323,685. The deficit is the result of a portion of the bond proceeds being required for start-up costs, including capitalized interest and working capital. The deficit is expected to be recovered as a result of ongoing operations.

The Franchise Fee Fund, reported as a Special Revenue Fund, has a deficit fund balance of \$4,998. The deficit is a result of unexpected commitments and is expected to be recovered as a result of ongoing operations.

The Risk Management fund, reported as an Internal Service fund, has a deficit fund balance of \$1,136,796. The deficit is a

CITY OF SANTA FE, NEW MEXICO
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result of an increase in claims and judgments.

The Debt Service Fund has a deficit fund balance of \$3,762,407. The City paid off the 2008 General Obligation Bond for \$14,470,000. Of this amount, \$6,020,000 was borrowed from the Water Management Fund which resulted in a deficit fund balance.

3. 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 \$36,806,903 and the year-end bank balance was \$37,503,024. The total of demand deposits and short term certificates of deposit were covered by Federal Depository Insurance, by collateral held by the City's agent in the City's name, by letters of credit from the Federal Home Loan Bank of Dallas purchased by the depository institution, or by collateral held at appropriate custodial banks as delivered by the depository institution for the various certificates of deposit and investment accounts other than those held by the City's agent bank. The City's repurchase sweep account, the underlying investments of which are U.S. Government securities, is also subject to collateralization requirements.

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. As of June 30, 2017 none of the City's deposits were exposed to custodial credit risk. The total of demand deposits and certificates of deposit were covered by FDIC, by collateral held by the City's agent in the City's name, by letters of credit from the Federal Home Loan Bank of Dallas purchased by the depository institution, or by collateral held at appropriate custodial banks as delivered by the depository institution for certificates of deposit, and investment accounts other than those held at the City's fiscal agent bank.

B. Investments

The City's investment policy applies the prudent investor standard of care. 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 statutes on public funds which provides for the investment in U.S. government or its agencies'; repurchase agreements, government money market funds, investment pools that meet additional requirements such as mutual funds, exchange traded funds and prime money market funds, NM Local Government Investment Pool, New Mexico municipal securities and certificates of deposits.

In December 2016, the Governing Body adopted a new investment policy that made a number of significant updates including:

- Amended the Collateral Policy to follow NM State Statutes.
- Incorporated all of NM State Statute 6-10-10 permitting additional investment in fixed income asset classes such as corporate bonds, commercial paper and other non-US Government securities, as long as those investments are in professionally management investment pools greater than \$1 billion dollars.
- The establishment of a formal investment benchmark.
- Use duration as measure of interest rate risk, not weighted average maturity (WAM).

In addition to the changes in the investment policy, the City created the Treasury Department staffed with the new position of Treasury Officer and the Cash and Investment Officer. Furthermore, the oversight of the portfolio was moved in-house for active management, installed a Bloomberg terminal, and created an informal investment committee consisting of the Finance Director, Treasury Officer and Cash and Investment Officer for greater oversight of the City's investments.

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As of June 30, 2017 the City had the following investments:

	Fair Value	Maturities		
		Less than 1 year	1 - 3 years	3 - 5 years
U.S Government Agency Bonds	\$ 55,412,784	\$ 12,960,652	\$ 42,450,570	\$ -
NM Municipal bonds	2,513,225	-	2,513,225	-
		<u>\$ 12,960,652</u>	<u>\$ 44,963,795</u>	<u>\$ -</u>
Money Market Funds	88,434,797			
NM LGIP	898			
	<u>\$ 146,361,704</u>			

Interest Rate Risk: The primary risk the City faces in the management of the portfolio. The investment policy limits the City's exposure to interest rate risk by limiting the maximum maturity of securities to five years and certificate of deposits to three years. The City uses duration as its measure of interest rate risk.

Credit Risk: Since the City invests primarily in U.S. government or agencies' securities, it has minimal credit risk in the portfolio. With the adoption of the new investment policy, the City's only exposure to credit risk is the use of prime money market funds that may invest in corporate bonds, commercial paper, asset backed securities and other non-U.S. government securities that are rated investment grade.

Concentration Risk: The City's investment policy specifies that the City shall diversify its investments to avoid a concentration of any one issuer, with the exception of U.S. Treasury securities, in which the City may invest 100 percent of the portfolio.

The following table lists the fair market value of investments in securities, money market funds, NM LGIP, savings accounts and certificate of deposits as of June 30, 2017. It includes funds and investments of those external agencies for which the City acts as fiscal agent, but excludes regular operating accounts.

Investment Type	Fair Value	% of Total	% Callable	WAMC/M (Days)	WAM (Days)	S&P Rating	Moody's Rating
NM LGIP	\$ 898	- %		53	53	AAA	
WFB Govt. Money Mkt.	25,883,884	14.13 %		31	31	AAAm	Aaa-mf
WFB Govt. Money Mkt.	20,086,955	10.97 %		20	20	AAAm	Aaa-mf
WFB Govt. Money Mkt.	40,125,656	21.91 %		20	20	AAAm	Aaa-mf
WFB Govt. Money Mkt.	2,338,302	1.28 %		33	33	AAAm	Aaa-mf
Subtotal Pool/MM	88,435,695	48.29 %					
US Agencies							
FFCB	7,974,480	4.35 %	0.00 %	437	437	AA+	AAA
FHLB	26,992,810	14.74 %	5.19 %	678	678	AA+	AAA
FNMA	10,987,062	6.00 %	2.73 %	464	596	AA+	AAA
FHLMC	9,457,000	5.16 %	- %	50	458	AA+	AAA
GNMAs	1,432	- %	0.00 %	257	257	NA	NA
Subtotal Fed Agency	55,412,784	30.25 %	7.92 %				
NM Municipals - Tax Exempt	2,513,225	1.37 %	0.00 %	730	730	AA-	Aa2
Subtotal Securities	57,926,009	31.62 %	7.92 %				
Cash Accounts	27,606,303	15.07 %	- %	-	-		
CD's	9,200,600	5.02 %	- %	136	136		
Total Investment Portfolio	<u>\$183,168,607</u>	<u>100.00 %</u>	<u>7.92 %</u>	-	-		

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The City's investment portfolio's effective duration at June 30, 2017 was .43 and its modified duration was .567. Effective duration accounts for the changes to bond prices that include options, such as a call provision. Money market funds, saving accounts, NM LGIP and cash accounts have no duration and these funds account for 63.3 percent of the portfolio; U.S. Government, NM municipal securities and certificate of deposits comprise 36.7 percent of the portfolio.

The City held uninsured deposits of \$35,597,688 at June 30, 2017, of which 76.82% resided at Wells Fargo Bank, the City's fiscal agent bank. All uninsured funds were collateralized in compliance with State of New Mexico statute. For purposes of collateral, these bank accounts include operating accounts, certificates of deposit and investment accounts.

	Uninsured Cash Balance	%
Wells Fargo Bank	\$ 27,347,688	76.82 %
First National Bank of Santa Fe	8,250,000	23.18 %
Total Collateralized	\$ 35,597,688	100.00 %

Fair Value Measurement

The fair value framework uses a hierarchy that prioritizes the inputs to the valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the City has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets.
- Quoted prices for identical or similar assets or liabilities in inactive markets.
- Inputs other than quoted prices that are observable for the asset or liability.
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. See above for discussion of valuation methodologies used to measure fair value of investments.

The valuation methodologies described above may produce a fair value calculation that may not be indicative of net realizable or reflective of future fair values. Furthermore, while the City believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The City maintained a balance of \$55,412,784 in U.S. Government Agency bonds, \$2,513,225 in New Mexico Municipal Bonds, \$88,434,797 and \$898 in the Local Growth Investment Pool which required fair value disclosure.

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The following table sets forth by level within the fair value hierarchy, the City's assets at fair value as of June 30, 2017:

	Level 1		Level 2		Level 3		Total
\$	55,412,784	\$	-	\$	-	\$	55,412,784
\$	2,513,225		-		-	\$	2,513,225
\$	88,435,695	\$	-	\$	-	\$	88,435,695

C. Receivables

Receivables at June 30, 2017 for the City's individual major funds, non-major and internal service funds are separated into government and business type, including the applicable allowances for uncollectible accounts, are as follows:

Governmental Activities

	General Fund	Debt Service	1/2% Gross Receipt Tax	Other Non Major Funds	Total
Receivables:					
Taxes	\$ 10,873,614	\$ -	\$ 3,483,115	\$ 3,430,167	\$ 17,786,896
Grants	340,054	-	-	3,904,658	4,244,712
Interest	14,215	4,483	4,217	50,282	73,197
Ambulance	4,276,166	-	-	-	4,276,166
Other receivable	114,061	61,309	-	3,371,740	3,547,110
Gross Receivables	15,618,110	65,792	3,487,332	10,756,847	29,928,081
Less: Allowance Uncollectible	(3,345,114)	-	-	-	(3,345,114)
Total Primary Government	<u>\$ 12,272,996</u>	<u>\$ 65,792</u>	<u>\$ 3,487,332</u>	<u>\$ 10,756,847</u>	<u>\$ 26,582,967</u>

**Business-type
Activities**

	Waste Water Mgmt	Water Mgmt	Environmental Services	Railyard Property	Santa Fe Centre	College of Santa Fe	All Other Enterprise Funds	Total
Receivables:								
Taxes	\$ 364,404	\$ 128,459	\$ 364,434	\$ -	\$ -	\$ -	\$ -	\$ 857,297
Grants	-	10,311	-	766	-	-	2,520,962	2,532,039
Accounts	2,777,908	8,086,182	2,389,586	-	-	195,000	469,767	13,918,443
Interest	37,472	67,375	16,116	-	4,370	-	7,113	132,446
Other receivable	-	-	-	-	-	-	230,314	230,314
Gross Receivables	3,179,784	8,292,327	2,770,136	766	4,370	195,000	3,228,156	17,670,539
Less: Allowance Uncollectible	(623,035)	(2,928,667)	(531,789)	-	-	-	(313,834)	(4,397,325)
Total Business Type	<u>\$ 2,556,749</u>	<u>\$ 5,363,660</u>	<u>\$ 2,238,347</u>	<u>\$ 766</u>	<u>\$ 4,370</u>	<u>\$ 195,000</u>	<u>\$ 2,914,322</u>	<u>\$13,273,214</u>

Included in the governmental activities other receivables is the sale of land associated with mortgage agreement with Tierra Contenta Corporation. The City has recorded a receivable and a deferred inflow in the amount of \$2,120,149 for FY ending 2017. This balance is the remaining amount of the sale owed to the City of Santa Fe to be paid in full by July, 1, 2024.

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D. Capital assets

Capital asset activity for the year ended June 30, 2017 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets not being Depreciated:				
Land	\$ 169,939,946	\$ -	\$ -	\$ 169,939,946
Construction in Progress	21,714,123	16,937,796	(18,452,687)	20,199,232
Art	864,920	-	-	864,920
Total Capital Assets not being Depreciated	<u>192,518,989</u>	<u>16,937,796</u>	<u>(18,452,687)</u>	<u>191,004,098</u>
Capital Assets being Depreciated:				
Buildings and Systems	60,469,655	1	-	60,469,656
Improvements	74,320,081	8,486,709	-	82,806,790
Equipment and Machinery	13,259,908	1,762,633	(66,658)	14,955,883
Furniture and Fixtures	597,274	-	-	597,274
Vehicles	23,864,484	1,192,857	(1,018,983)	24,038,358
Data Processing and Software	7,977,535	117,247	-	8,094,782
Traffic Signals	23,517,339	-	-	23,517,339
Streets	203,041,486	9,889,997	-	212,931,483
Bridges	2,109,269	-	-	2,109,269
Total Capital Assets being Depreciated	<u>409,157,031</u>	<u>21,449,444</u>	<u>(1,085,641)</u>	<u>429,520,834</u>
Less: Accumulated Depreciation for:				
Buildings	(19,828,043)	(1,532,172)	-	(21,360,215)
Improvements	(39,726,345)	(5,683,943)	-	(45,410,288)
Equipment and Machinery	(10,530,718)	(894,565)	66,655	(11,358,628)
Furniture and Fixtures	(485,070)	(32,716)	-	(517,786)
Vehicles	(16,710,552)	(1,536,111)	964,665	(17,281,998)
Data Processing and Software	(6,430,230)	(593,351)	-	(7,023,581)
Traffic Signals	(22,822,226)	(187,321)	-	(23,009,547)
Streets	(164,400,268)	(2,761,853)	-	(167,162,121)
Bridges	(774,620)	(84,371)	-	(858,991)
Total Accumulated Depreciation	<u>(281,708,072)</u>	<u>(13,306,403)</u>	<u>1,031,320</u>	<u>(293,983,155)</u>
Total Capital Assets being Depreciated	<u>127,448,959</u>	<u>8,143,041</u>	<u>(54,321)</u>	<u>135,537,679</u>
Governmental Activities Capital Assets	<u>\$ 319,967,948</u>	<u>\$ 25,080,837</u>	<u>\$(18,507,008)</u>	<u>\$ 326,541,777</u>

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	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities:				
Capital Assets not being Depreciated:				
Land	\$ 38,260,558	\$ -	\$ -	\$ 38,260,558
Water Rights	3,228,279	-	-	3,228,279
Construction in Progress	21,393,594	11,510,547	(20,208,310)	12,695,831
Art	185,971	-	-	185,971
Total Capital Assets not being Depreciated	<u>63,068,402</u>	<u>11,510,547</u>	<u>(20,208,310)</u>	<u>54,370,639</u>
Capital Assets being Depreciated				
Buildings and Structures	328,224,978	-	-	328,224,978
Improvements	147,131,967	3,576,265	-	150,708,232
Sewerlines and Utility Systems	129,621,160	15,281,474	-	144,902,634
Equipment and Machinery	21,708,646	313,997	(849,120)	21,173,523
Furniture and Fixtures	657,098	8,734	-	665,832
Vehicles	31,426,441	2,865,195	(2,223,645)	32,067,991
Intangible Plant	57,625	-	-	57,625
Data Processing and Software	3,298,500	10,609	(124,421)	3,184,688
Total Capital Assets being Depreciated	<u>662,126,415</u>	<u>22,056,274</u>	<u>(3,197,186)</u>	<u>680,985,503</u>
Less Accumulated Depreciated for:				
Buildings and Structures	(67,985,291)	(7,540,123)	-	(75,525,414)
Improvements	(92,395,720)	(10,505,390)	-	(102,901,110)
Sewerlines and Utility Systems	(75,816,821)	(4,829,643)	-	(80,646,464)
Equipment and Machinery	(19,811,683)	(471,196)	826,158	(19,456,721)
Furniture and Fixtures	(657,098)	(1,510)	-	(658,608)
Vehicles	(19,686,357)	(2,792,715)	2,212,887	(20,266,185)
Intangible Plant	(57,625)	-	-	(57,625)
Data Processing and Software	(2,928,809)	(116,618)	124,421	(2,921,006)
Total Accumulated Depreciation	<u>(279,339,404)</u>	<u>(26,257,195)</u>	<u>3,163,466</u>	<u>(302,433,133)</u>
Total Capital Assets being Depreciated	<u>382,787,011</u>	<u>(4,200,921)</u>	<u>(33,720)</u>	<u>378,552,370</u>
Business-type Activities Capital Assets	<u>\$ 445,855,413</u>	<u>\$ 7,309,626</u>	<u>\$(20,242,030)</u>	<u>\$ 432,923,009</u>

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

Governmental Activities:	
General Government	\$ 1,000,161
Public Safety	2,189,915
Public Works	6,634,448
Community Development	331,568
Culture and Recreation	3,150,311
Total Depreciation Expense - Governmental Activities	<u>\$ 13,306,403</u>

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Business-Type Activities:

Santa Fe Convention Center	\$ 1,028,005
Parking Operations	727,542
Environmental Services	1,050,014
Waste Water Management	2,928,791
Water Management	10,677,050
Municipal Recreation Center	211,255
Genoveva Chavez Community Center	632,517
Airport	2,123,455
Transit Operations	1,902,258
Railyard	3,291,179
College of Santa Fe	<u>1,685,129</u>
Total Depreciation Expense - Business-Type Activities	<u>\$ 26,257,195</u>

Construction commitments:

The City of Santa Fe has active construction projects as of June 30, 2017. The projects include streets and highway construction, parks and recreation, municipal facilities, airport construction, community development, waste water management, water division construction and utility control projects.

The commitment for streets and highways is being financed by grants from the Federal Highway Administration, State Highway and Transportation Department, Gross Receipts Tax bonds and existing resources from road funds, sewer line extension fund, economic development fund and Capital Improvement funds (CIP). The commitment for parks and recreation is being financed by state grants from NM Department of Finance and Administration, Gross Receipts Tax bonds and from existing general fund. Municipal facilities are financed by CIP re-allocations and 1/2% Gross Receipts Fund. Airport construction commitments are financed by Federal Aviation Administration, bonds and NM Highway and transportation grants. Community development commitments are financed by grants from State Agency on Aging, Gross Receipts tax bonds (GRT) and CIP re-allocations. Commitments for Waste Water treatment facility are financed by sewer revenues and existing resources from the CIP re-allocation fund. Commitments for the Water division are financed by GRT tax revenue bonds to be paid back from user fees, grants from federal agencies, and loans from the NM Finance authority. Utility billing projects are financed through user fees.

At year end the City of Santa Fe's commitments with contractors are as follows:

<u>Project</u>	<u>Spent to Date</u>	<u>Remaining Commitments</u>
Street and Highway Construction	\$ 38,918,065	\$ 647,530
Parks and Recreation	8,091,684	3,956,340
Municipal Facilities Improvements	193,920	373,885
Airport Improvements	4,094,428	1,306
Community Development	1,129,408	270,292
Waste Water Management	4,280,901	1,227,288
Water Division Construction	41,391,326	4,850,423
Railyard Infrastructure	2,235,230	110,000
GCCC Communication Center	363,475	81
	<u>\$ 100,698,437</u>	<u>\$ 11,437,145</u>

CITY OF SANTA FE, NEW MEXICO
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E. Endowment

The City of Santa Fe Library Endowment Fund, of which the \$255,000 principal must remain intact in perpetuity, was invested in a one-year certificate of deposit that matured in April 2017, and was renewed for another year at that time. The principal is invested to generate distributable income for the Southside Public Library to be used for library operations and maintenance of the building.

F. Inter-fund receivables, payables, and transfers

The composition of inter-fund balances as of June 30, 2017 is as follows:

	<u>Due From</u> <u>Other Funds</u>	<u>Due To</u> <u>Other Funds</u>
General Fund		
Special Revenue Funds:		
Franchise Fee	\$ 9,802	\$ -
Camino Lejo	6,774	-
Debt Service:		
NMFA Fire	6,872	-
Capital Projects Funds:		
Kitchen Angels	220,048	-
Debt Service		
General Fund	-	6,872
Water Management	-	6,013,239
Special Revenue Funds:		
General Fund	-	16,576
1/2% Gross Receipts Tax	-	560,000
Land Development	613,804	613,804
Capital Projects Funds:		
General Fund	-	220,048
1/2% Gross Receipts Tax	560,000	-
Enterprise Funds		
General Fund	6,013,239	-
Total All Funds	<u>\$ 7,430,539</u>	<u>\$ 7,430,539</u>

CITY OF SANTA FE, NEW MEXICO
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Inter-fund Transfers:

Fund Disbursing	Transfer In From						Total
	General Fund	Special Revenue	Capital Projects	Debt Service	Enterprise Funds	Internal Service	
General Fund	\$ -	\$ 455,980	\$ 4,000	\$ -	\$ -	\$ -	\$ 459,980
Special Revenue	3,775,852	8,610,392	148,336	909,229	100,050	20,886	13,564,745
Capital Projects	6,514,198	174,786	6,811,617	634,486	45,470	-	14,180,557
Debt Service	-	670,066	15,888,767	-	638,368	-	17,197,201
Enterprise Funds	2,047,080	16,597,876	1,872,872	859,253	3,266,191	75,000	24,718,272
Total	\$ 12,337,130	\$ 26,509,100	\$ 24,725,592	\$ 2,402,968	\$ 4,050,079	\$ 95,886	\$ 70,120,755

Fund Disbursing	Transfer Out To						Total
	General Fund	Special Revenue	Capital Projects	Debt Service	Enterprise Funds	Internal Service	
General Fund	\$ -	\$ 3,775,852	\$ 6,514,198	\$ -	\$ 2,047,080	\$ -	\$ 12,337,130
Special Revenue	455,980	8,610,392	174,786	670,066	16,597,876	-	26,509,100
Capital Projects	4,000	148,336	6,811,617	15,888,767	1,872,872	-	24,725,592
Debt Service	-	909,229	634,486	-	859,253	-	2,402,968
Enterprise Funds	-	100,050	45,470	638,368	3,266,191	-	4,050,079
Internal Service	-	20,886	-	-	75,000	-	95,886
Total	\$ 459,980	\$ 13,564,745	\$ 14,180,557	\$ 17,197,201	\$ 24,718,272	\$ -	\$ 70,120,755

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

1. Inter-fund services provided and used are accounted for as revenues and expenditures/expenses in the funds involved. These types of transactions include administrative overhead charges that are charged to various City departments for services that are being provided (data processing, accounting, personnel, etc.). This also includes insurance premiums charged to the various City departments by the City's Risk Management Fund which contracts with a third-party insurance carrier.
2. Inter-fund balances result from deficit cash balances and the loan from the 1/2% 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 and 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
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G. Long-term debt

Long-term debt of the City at June 30, 2017 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.

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

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental Activities	2.00%-5.50%	\$ 74,880,000
Business-Type Activities	1.35%-6.00%	108,230,000
		<u>\$ 183,110,000</u>

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

<u>Years Ended</u> <u>June 30</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2018	\$ 8,505,000	\$ 2,386,491	\$ 7,125,000	\$ 4,738,925
2019	7,841,000	2,061,491	8,137,000	4,433,469
2020	6,819,000	1,768,516	8,863,000	4,054,354
2021	6,452,500	1,504,316	9,642,500	3,669,497
2022	6,815,500	1,256,966	8,214,500	3,146,557
2023 - 2027	23,015,000	3,558,317	20,215,000	11,593,915
2028 - 2032	10,868,000	779,647	21,082,000	7,425,241
2033 - 2037	4,564,000	322,025	19,651,000	3,048,693
2038 - 2042	-	-	5,300,000	319,800
Total	<u>\$ 74,880,000</u>	<u>\$ 13,637,769</u>	<u>\$ 108,230,000</u>	<u>\$ 42,430,451</u>

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

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental Activities	2.5%-5.00%	\$ 23,635,000
		<u>\$ 23,635,000</u>

CITY OF SANTA FE, NEW MEXICO
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Annual debt service requirements for the City's general obligation bonds to maturity are as follows:

Years Ended June 30	Governmental Activities	
	Principal	Interest
2018	\$ 1,210,000	\$ 789,481
2019	1,250,000	758,506
2020	1,290,000	725,831
2021	1,335,000	692,031
2022	1,380,000	650,156
2023 - 2027	7,595,000	2,462,803
2028 - 2032	7,550,000	999,893
2033 - 2037	2,025,000	76,730
Total	<u>\$ 23,635,000</u>	<u>\$ 7,155,431</u>

Notes payable - Primary Government

The City serves as fiscal agent for the Buckman Direct Diversion Project, a regional water project.

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

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

During fiscal year 2012-2013 the City secured a loan from NMFA to partially fund a solar photovoltaic system for the Buckman Direct Diversion Project.

Note payable to NMFA (SANTAFE DW-4) issued on May 3, 2013, for the amount of \$2,525,000 at 2.00 percent interest with a maturity date anticipated to be June 2035 from the Drinking Water State Revolving Loan Fund, to partially fund construction of the Buckman Direct Diversion solar photovoltaic system.

The following represents the status of the two NMFA Drinking Water loans as of June 30, 2017:

Buckman (#SANTAFE DW 2)	\$ 9,800,033
Buckman (#SANTAFE DW 4)	2,189,422
	<u>11,989,455</u>
Less: Current Portion	(839,886)
Total Long Term Notes Payable	11,149,569
Less: Cash in Trust	(81)
Total LT Notes Payable Less Cash in Trust	<u>\$ 11,149,488</u>

In fiscal year 2017, the City secured a loan in the amount of \$1,300,582 for the purchase of recycle carts for the Environmental Services enterprise. The first loan payment is set for June 1, 2017 and the final payment is April 1, 2024.

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The pledge and payment of principal and interest under the loan agreement is provided solely from the net revenues of the City's Environmental Services Enterprise Fund.

The following represents the status of the NMFA loan for recycle carts as of June 30, 2017:

Santa Fe #32	\$ 1,284,515
Total Notes Payable	1,284,515
Less: Current Portion	(194,734)
Total Long Term Notes Payable	1,089,781
Less: Cash in Trust	(34,919)
Total LT Notes Payable Less Cash in Trust	\$ 1,054,862

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

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

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

Laureate Education, Inc. informed the City of Santa Fe that it will be closing the University and ceasing operations at the end of the June 2018 semester. In October 2017, Laureate Education, Inc. informed the City of Santa Fe that it would be terminating the lease at the end of the school year. The City is currently reviewing its options for the facilities future use.

The following represents the status of this loan as of June 30, 2017:

Santa Fe University of Art & Design	\$ 24,915,000
Total Notes Payable	24,915,000
Less: Current Portion	(775,000)
Total Long Term Notes Payable	24,140,000
Less: Cash in Trust	(11)
Total LT Notes Payable Less Cash in Trust	\$ 24,139,989

During fiscal year 2014-2015 the City secured a loan from NMFA for the purpose of purchasing transit buses. The Transit loan will be repaid from the municipal gross receipts tax share allocated to Transit.

Note payable to NMFA issued August 1, 2014, for the amount of \$3,500,000 at 2.41 percent interest with a maturity date of June 1, 2026 for the purchase of transit buses.

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The following represents the status of the NMFA Transit loan as of June 30, 2017:

Transit Buses	\$ 2,716,393
Less: Current Portion	<u>(279,644)</u>
Total Long Term Notes Payable	2,436,749
Less: Cash in Trust	<u>(11)</u>
Total LT Notes Payable Less Cash In Trust	<u>\$ 2,436,738</u>

During fiscal year 2008-2009 the City secured an additional loan from NMFA for the purpose of purchasing land for City facilities. The Land Acquisition loan will be repaid from the 1/2% gross receipts tax.

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

The following represents the status of the NMFA Land Acquisition loan as of June 30, 2017:

Land Acquisition	\$ <u>170,975</u>
Total Notes Payable	170,975
Less: Current Portion	<u>(170,975)</u>
Total Long Term Notes Payable	<u>\$ -</u>

In fiscal year 2017, the City secured a NM Finance Authority Public Project Revolving Fund Equipment loan in the amount of \$917,815 for the purchase of new, self-contained breathing apparatus and accessories. The first interest payment is due November 1, 2017 and the term of the loan is for eight years, ending May 1, 2025. Interest rates for this loan range from 0.84% to 1.63%. Debt service will be paid from the annual Fire Protection Fund allocation from New Mexico State Fire Marshall.

This is a new loan from NMFA and funded by New Mexico State Fire Marshall as of June 30, 2017:

Fire Equipment	\$ 917,815
Less: Current Portion	<u>(103,035)</u>
Total Fire LT Notes Payable	814,780
Total Fire LT Notes Payable less Cash in Trust	<u>\$ 814,780</u>

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

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The debt service requirements to maturity for long term notes payable at June 30, 2017 are as follows:

Years Ended June 30	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2018	\$ 274,010	\$ 26,761	\$ 2,055,195	\$ 1,769,451
2019	112,417	10,660	2,135,078	1,711,810
2020	113,519	9,558	2,193,865	1,649,559
2021	114,733	8,344	2,264,338	1,528,715
2022	116,087	6,990	2,341,459	1,504,137
2023 - 2027	358,024	11,207	12,049,320	3,241,253
2028 - 2032	-	-	9,878,673	3,850,893
2033 - 2037	-	-	7,987,435	1,210,206
Total	\$ 1,088,790	\$ 73,520	\$ 40,905,363	\$ 16,466,024

Advance and Current Refunding:

During the fiscal year 2017, the City refunded, paid off or defeased a number of bonds and loans during the year. A summary of the bonds refunded, paid off or defeased follows:

- The City issued \$28,600,000 of refunding bonds to refund the Environmental Services 2006B bond with a balance of \$7,595,000 and the 2008 Convention Bond with a balance of \$21,891,500. The refunding resulted in a savings of \$4,188,128 and an economic gain of \$3,742,858.
- The City issued \$9,480,000 of refunding bonds to refund the 2006C Waste Water bond with a balance of \$4,065,000 and the 2005 MRC bond with a balance of \$6,365,000. Additionally, \$2,020,000 of refunding revenue bonds to refund the 2008 PPRF Land Acquisition Loan with a balance of \$2,169,290. The refunding resulted in a savings of \$1,440,239 and an economic gain of \$1,346,291.
- The City exercised its call option on the 2004 Railyard Phase I NMFA Loan #8 and the 2006 Railyard Phase II NMFA Loan #15, which were paid off in full.
- The City refunded the tax exempt 2012C Subordinate GRT Lien Market Station Loan with the taxable 2017 Subordinate Lien GRT Loan. The City decided to expand the pool of potential lessees beyond government users. United States Tax Code does not allow tax exempt bonds for facilities that are not for government purpose.

Defeased Bond:

The 2004 Railyard Phase I, 2006 Railyard Phase II and the 2008 GO Bond were paid off or defeased with cash and a three year internal loan from the Utilities Division. The internal loan is recorded as due to Utilities/due from Government. Net present value savings from the payoffs and defeasement is \$1,729,124.48, total interest savings was approximately 3.1 million.

Changes in long-term liabilities

The changes in long-term debt during the year ended June 30, 2017, are as follows

Governmental Activities

	Outstanding			Outstanding 30-Jun-17	Due within One Year		Government	Business
	30-Jun-16	Additions	Reductions		Government	Business		
GRT Senior Lien Revenue	<u>50,395,000</u>	<u>15,330,000</u>	<u>(7,440,000)</u>	<u>58,285,000</u>	<u>6,750,000</u>	-	<u>51,535,000</u>	-
2016 B	-	15,330,000	-	15,330,000	-	-	15,330,000	-
2014	15,460,000	-	-	15,460,000	-	-	15,460,000	-
2013 A	7,785,000	-	(2,980,000)	4,805,000	260,000	-	4,545,000	-
2012 A	27,150,000	-	(4,460,000)	22,690,000	6,490,000	-	16,200,000	-
GRT Subordinate Lien Revenue	<u>31,925,000</u>	<u>2,020,000</u>	<u>(17,350,000)</u>	<u>16,595,000</u>	<u>1,755,000</u>	-	<u>14,840,000</u>	-
2016 D	-	2,020,000	-	2,020,000	-	-	2,020,000	-
2013 B	13,205,000	-	(190,000)	13,015,000	195,000	-	12,820,000	-
2008 Convention	18,720,000	-	(17,160,000)	1,560,000	1,560,000	-	-	-
GO Bonds	<u>39,270,000</u>	-	<u>(15,635,000)</u>	<u>23,635,000</u>	<u>1,210,000</u>	-	<u>22,425,000</u>	-
2014	5,600,000	-	(205,000)	5,395,000	210,000	-	5,185,000	-
2013	11,045,000	-	(500,000)	10,545,000	520,000	-	10,025,000	-
2010	8,155,000	-	(460,000)	7,695,000	480,000	-	7,215,000	-
2008	14,470,000	-	(14,470,000)	-	-	-	-	-
Notes	<u>2,504,981</u>	<u>917,815</u>	<u>(2,334,006)</u>	<u>1,088,790</u>	<u>274,010</u>	-	<u>814,780</u>	-
2008 Land Acquisition (NOTE)	2,504,981	-	(2,334,006)	170,975	170,975	-	-	-
2017 Fire (NOTE)	-	917,815	-	917,815	103,035	-	814,780	-
Deferred Amount (prem/disc)	<u>8,536,662</u>	<u>2,939,147</u>	<u>(980,635)</u>	<u>10,495,174</u>	<u>1,445,980</u>	-	<u>9,049,194</u>	-
Compensated Absences	<u>5,053,801</u>	<u>3,287,607</u>	<u>(3,004,116)</u>	<u>5,337,292</u>	<u>1,818,750</u>	-	<u>3,518,542</u>	-
Total	<u>137,685,444</u>	<u>24,494,569</u>	<u>(46,743,757)</u>	<u>115,436,256</u>	<u>13,253,740</u>	-	<u>102,182,516</u>	-

Business Type Activities

	Outstanding			Outstanding 30-Jun-17	Due within One Year		Government	Business
	30-Jun-16	Additions	Reductions		Government	Business		
GRT Senior Lien Revenue	<u>-</u>	<u>13,270,000</u>	<u>(895,000)</u>	<u>12,375,000</u>	-	865,000	-	<u>11,510,000</u>
2016 A	-	6,700,000	(860,000)	5,840,000	-	860,000	-	4,980,000
2016 B	-	6,570,000	(35,000)	6,535,000	-	5,000	-	6,530,000
GRT Subordinate Lien Revenue	<u>40,350,000</u>	<u>14,010,000</u>	<u>(26,375,000)</u>	<u>27,985,000</u>	-	<u>4,225,000</u>	-	<u>23,760,000</u>
2017	-	4,530,000	-	4,530,000	-	240,000	-	4,290,000
2016 C Waste Water	-	3,697,200	(670,000)	3,027,200	-	675,000	-	2,352,200
2016 C MRC	-	5,782,800	(995,000)	4,787,800	-	1,025,000	-	3,762,800
2012 B	9,465,000	-	(1,235,000)	8,230,000	-	1,315,000	-	6,915,000
2012 C	4,260,000	-	(4,260,000)	-	-	-	-	-
2010 B	7,870,000	-	(700,000)	7,170,000	-	730,000	-	6,440,000
2006 B	7,595,000	-	(7,595,000)	-	-	-	-	-
2006 C (waste water)	4,065,000	-	(4,065,000)	-	-	-	-	-
2008 Convention	7,095,000	-	(6,855,000)	240,000	-	240,000	-	-
Other Gov't Revenue	<u>39,570,000</u>	-	<u>(7,465,000)</u>	<u>32,105,000</u>	-	<u>1,160,000</u>	-	<u>30,945,000</u>
MRC	6,365,000	-	(6,365,000)	-	-	-	-	-
2015 Convention Ctr.	20,856,000	-	(690,850)	20,165,150	-	730,800	-	19,434,350
2015 Convention Parking	12,349,000	-	(409,150)	11,939,850	-	429,200	-	11,510,650
Utility Revenue Bonds	<u>36,665,000</u>	-	<u>(900,000)</u>	<u>35,765,000</u>	-	<u>875,000</u>	-	<u>34,890,000</u>
2016 Water	36,665,000	-	(900,000)	35,765,000	-	875,000	-	34,890,000
Notes	<u>42,428,833</u>	<u>1,300,582</u>	<u>(2,824,052)</u>	<u>40,905,363</u>	-	<u>2,089,264</u>	-	<u>38,816,099</u>
Railyard 2006	625,250	-	(625,250)	-	-	-	-	-
Railyard 2004	336,873	-	(336,873)	-	-	-	-	-
2014 Fleet	2,993,873	-	(277,480)	2,716,393	-	279,644	-	2,436,749
DW #4 2696 (NOTE)	2,296,682	-	(107,260)	2,189,422	-	109,405	-	2,080,017
DW #2 Buckman (NOTE)	10,516,155	-	(716,122)	9,800,033	-	730,481	-	9,069,552
2009 College (NOTE)	25,660,000	-	(745,000)	24,915,000	-	775,000	-	24,140,000
Enviro Services	-	1,300,582	(16,067)	1,284,515	-	194,734	-	1,089,781
Deferred Amount (prem/disc)	<u>11,061,476</u>	<u>3,287,047</u>	<u>(1,724,568)</u>	<u>12,623,955</u>	-	<u>1,025,943</u>	-	<u>11,598,012</u>
Compensated Absences	<u>2,150,308</u>	<u>1,506,384</u>	<u>(1,563,407)</u>	<u>2,093,285</u>	-	<u>606,250</u>	-	<u>1,487,035</u>
Total	<u>172,225,617</u>	<u>33,374,013</u>	<u>(41,747,027)</u>	<u>163,852,603</u>	-	<u>10,846,457</u>	-	<u>153,006,146</u>

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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, \$54,953 of internal service funds compensated absences is included in the above amounts. The amount \$1,818,750 of compensated absences is the amount due within one year included in "long-term liabilities, due within one year" for the governmental activities on the government-wide statement of net position.

Defeased Debt

The City defeased certain revenue and other bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the City's financial statements. As of June 30, 2017, the City of Santa Fe had \$104,521,685.28 in escrow accounts held at Bank of Albuquerque for the defeasement of the following bonds: 2008 CIP/Convention Center Subordinate Lien GRT, 2008 General Obligation Bond, 2008 Land Acquisition NMFA loan, 2009A Water Bond, 2009B Water Bond, and the 2012C Market Station Bond.

H. 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, Environmental Services, Transit, Railyard Properties and the Municipal Recreation Complex (MRC). Waste Water Management, Water Management, Environmental Services, Railyard Properties and Santa Fe Convention Center are all reported as major funds. Financial segment information for the non-major enterprise fund for fiscal year ended June 30, 2017 is as follows:

Condensed Statement of Net Position June 30, 2017

	MRC
Assets:	
Current assets	\$ 737,028
Capital Assets	5,230,964
Deferred Outflows	267,163
Total Assets and Deferred Outflows	6,235,155
Liabilities:	
Current Liabilities	1,153,285
Noncurrent liabilities	5,305,272
Total Liabilities	6,458,557
Deferred Inflows of resources	100,283
Total Deferred Inflows	100,283
Net Position	
Net Investment in Capital Assets	(363,787)
Restricted for debt service	109,566
Unrestricted	(69,464)
Total Net Position	\$ (323,685)

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Condensed Statement of Revenues, Expenses, and changes in Net Position Year Ended June 30, 2017

	MRC
User Fees	\$ 1,177,657
Depreciation	(211,255)
Other Operating Expense	(1,563,065)
Operating Income	(596,663)
Nonoperating Revenues (expenses):	
Investment Earnings	222
Intergovernmental	251,245
Gain (loss) on sale of capital asset	6,581
Interest Expense	(248,266)
Prem(Discount) debt service interest	28,236
Operating Transfers In/Out	2,799,349
Total Nonoperating Revenues (expenses)	2,837,367
Change in Net Position	2,240,704
Beginning Net Position	(2,564,389)
Ending Net Position	\$ (323,685)

Condensed Statement of Cash Flows Year Ended June 30, 2017

	MRC
Net Cash Provided (used) by:	
Operating Activities	\$ (974,218)
Noncapital Financing Activities	3,061,541
Capital and Related Financing Activities	(1,514,568)
Investing Activities	643
Net Increase (decrease)	573,398
Beginning Cash and Cash Equivalents	-
Ending Cash and Cash Equivalents	\$ 573,398

4. Other Information

A. Risk management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the City carries various insurance. The City administers its insurance coverage through the Risk Management Office. The Risk Management Fund, Santa Fe Health Fund/Dental Fund, and Worker's Compensation Fund are reported as Internal Service funds. Premiums are paid into the funds by all other funds and available to pay claims, claim reserves, and administrative costs of the programs. The City purchases commercial insurance for claims in excess of coverage provided by the funds and for other risks of loss. The City has had no significant reduction in insurance coverage from the prior year and, as of June 30, 2017; 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.

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

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

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

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
2015 - 2016				
Risk Management Fund	\$ 1,761,788	\$ 1,175,338	\$ 1,131,964	\$ 1,805,162
Santa Fe Health/Dental Fund	2,465,975	18,002,262	17,688,854	2,779,383
Workers' Compensation Fund	4,158,631	1,226,040	1,202,138	4,182,533
Unemployment	-	14,808	14,808	-
	<u>\$ 8,386,394</u>	<u>\$ 20,418,448</u>	<u>\$ 20,037,764</u>	<u>\$ 8,767,078</u>
2016 - 2017				
Risk Management Fund	1,805,162	2,195,482	1,912,955	2,087,689
Santa Fe Health/Dental Fund	2,779,383	15,677,789	17,350,102	1,107,070
Workers' Compensation Fund	4,182,533	496,154	965,137	3,713,550
Unemployment	-	148,591	148,591	-
	<u>\$ 8,767,078</u>	<u>\$ 18,518,016</u>	<u>\$ 20,376,785</u>	<u>\$ 6,908,309</u>

B. Contingent liabilities

The City receives significant financial assistance from federal and state sources in the form of grants and entitlements. The disbursements of the funds received are generally limited to specific compliance requirements as specified in the grant agreement. During the period under audit, the City also had its grants audited under the audit requirements of the Office of Management and Budgets Uniform Guidance 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.

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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, 2017.

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.

C. Jointly governed organizations

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

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

Under a joint powers agreement for the Buckman Direct Diversion Project (BDD) dated January 11, 2005, the City of Santa Fe joined the County of Santa Fe to design and construct the BDD project in order to divert surface water from the Rio Grande River to the independent water systems of the City and County. The City and County each own 50% of the BDD project and have established a board to oversee the planning, procurement, financing, permitting, design, construction, operations and management of the BDD project. The BDD Board is comprised of two members of the governing body of the City of Santa Fe, two members of the Board of Santa Fe County Commissioners and one citizen member at large appointed by a majority vote of the four other members. The project was essentially completed as of December, 2010. First water delivery was approved to enter the Santa Fe region water systems as of January 2011 by the New Mexico Environment Department. The City of Santa Fe and Santa Fe County are responsible on an ongoing basis for financial and operating costs of the system. The City is a fiscal agent for the project through a project management and fiscal services agreement in effect through June 2017, with a month-by-month extension. Fiscal services include maintaining separate books and accounts of all transactions that relate to the project including third party transactions. The BDD project has its own financial statements and is audited on an annual basis. Completed financial statements for the BDD project may be obtained at the City of Santa Fe, 200 Lincoln Street, Santa Fe, NM 87501.

The City of Santa Fe appoints open board positions for the Santa Fe Housing Authority, a related organization. The Housing Authority is not financially accountable to the City. The City leases certain land to the Housing Authority for \$1 per year providing significant in kind support to the Housing Authority for its operations. No other transactions between the organizations occurred.

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

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

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

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

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

The employer, employee and retiree contributions are required to be remitted to the RHCA on a monthly basis. The statutory requirements for the employer and employee contributions can be changed by the New Mexico State Legislature. Employers that choose to become participating employers after January 1, 1998, are required to make contributions to the RHCA fund in the amount determined to be appropriate by the board.

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of the participating employers and their employees. During the fiscal year ended June 30, 2015, the statute required each participating employer to contribute 2% of each participating employee's annual salary; each participating employee was required to contribute 1.0% of their salary, no changes to this statute have been made during the fiscal year ending June 30, 2017.

For employees who are members of an enhanced retirement plan (state police and adult correctional officer coverage plan 1; municipal police member coverage plans 3, 4, and 5; municipal fire member coverage plan 3, 4, and 5; municipal detention officer member coverage plan 1; and members pursuant to the Judicial Retirement Act [10-12B-1 NMSA 1978]), during the fiscal year ended June 30, 2017, the statute required each participating employer to contribute 2.5% of each participating employee's annually salary, and each participating employee was required to contribute 1.25% of their salary.

In addition, pursuant to Section 10-7C-15(G) NMSA 1978, at the session of the Legislature following July 1, 2013, the legislature shall review and adjust the distributions pursuant to Section 7-1-6.1 NMSA 1978 and the employer and employee contributions to the authority in order to ensure the actuarial soundness of the benefits provided under the Retiree Health Care Act.

The City's contributions to RHCA for the years ending June 30, 2017, 2016, and 2015 were \$1,353,672, \$1,341,573 and \$1,335,614 equal to the required contribution.

E. Pension plan - Public Employers Retirement Association

General Information about the Pension Plan

Plan description. The Public Employees Retirement Fund (PERA Fund) is a **cost-sharing, multiple employer defined benefit pension plan**. This fund has six divisions of members, including State General, State Police/Adult Correction

CITY OF SANTA FE, NEW MEXICO
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Officer, Municipal General, Municipal Police/Detention Officers, Municipal fire, and State Legislative Divisions, and offers 24 different types of coverage within the PERA plan. All assets accumulated may be used to pay benefits, including refunds of member contributions, to any of the plan members or beneficiaries, as defined by the terms of this plan. Certain coverage plans are only applicable to a specific division. Eligibility for membership in the PERA Fund is set forth in the Public Employees Retirement Act (Chapter 10, Article 11, NMSA 1978). Except as provided for in the Volunteer Firefighters Retirement Act (10-11A-1 to 10-11A-7, NMSA 1978), the Judicial Retirement Act (10-12B-1 to 10-12B-19, NMSA 1978), the Magistrate Retirement Act (10-12C-1 to 10-12C-18, NMSA 1978), and the Educational Retirement Act (Chapter 22, Article 11, NMSA 1978), and the provisions of Sections 29-4-1 through 29-4-11, NMSA 1978 governing the State Police Pension Fund, each employee and elected official of every affiliated public employer is required to be a member in the PERA Fund.

PERA issues a publicly available financial report and a comprehensive annual financial report that can be obtained at <http://saonm.org> using the Audit Report Search function for agency 366.

Benefits provided. For a description of the benefits provided and recent changes to the benefits see Note 1 in the PERA audited financial statements for the fiscal year ended June 30, 2016 available at

<http://www.nmpera.org/assets/uploads/downloads/comprehensive-annual-financial-reports/2016-CAFR12.22.2016FINAL-with-corrections.pdf>

Contributions. The contribution requirements of defined benefit plan members and the City of Santa Fe are established in state statute under Chapter 10, Article 11, NMSA 1978. The contribution requirements may be amended by acts of the legislature. For the employer and employee contribution rates in effect for FY16 for the various PERA coverage options, for both Tier I and Tier II, see the tables available in the note disclosures on pages - through - of the PERA FY16 annual audit report at

[http://osanm.org/media/audits/366 Public Employees Retirement Association FY2015.pdf](http://osanm.org/media/audits/366%20Public%20Employees%20Retirement%20Association%20FY2015.pdf)

The PERA coverage options that apply to City of Santa Fe are: Municipal General Division, Municipal Police Division and Municipal Fire Division. Statutorily required contributions to the pension plan from the City of Santa Fe were \$8,024,303 for the year ended June 30, 2017.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: The PERA pension liability amounts, net pension liability amounts, and sensitivity information were based on an annual actuarial valuation performed as of June 30, 2015. The PERA pension liability amounts for each division were rolled forward from the valuation date to the Plan year ending June 30, 2016, using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date June 30, 2016.

The assets of the PERA fund are held in one trust, but there are six distinct membership groups (municipal general members, municipal police members, municipal fire members, state general members, state police members and legislative members) for whom separate contribution rates are determined each year pursuant to chapter 10, Article 11 NMSA 1978. Therefore, the calculations of the net pension liability, pension expense and deferred inflows and outflows were performed separately for each of the membership groups: municipal general members; municipal police members; municipal fire members; state general members; state police members and legislative members. City of Santa Fe's proportion of the net pension liability for each membership group that the employer participates in is based on the employer contributing entity's percentage of that membership group's total employer contributions for the fiscal year ended June 30, 2016. Only employer contributions for the pay period end dates that fell within the period of July 1, 2015 to June 30, 2016 were included in the total contributions for a specific employer. Regular and any adjustment contributions that applied to FY 2016 are included in the total contribution amounts. In the event that an employer is behind in reporting to PERA its required contributions, an estimate (receivable) was used to project the unremitted employer contributions. This allowed for fair and consistent measurement of the contributions with the total population. This methodology was used to maintain

CITY OF SANTA FE, NEW MEXICO
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consistent measurement each year in determining the percentages to be allocated among all the participating employers.

For PERA Fund Municipal General Division, at June 30, 2017, City of Santa Fe reported a liability of \$84,294,324 for its proportionate share of the net pension liability. At June 30, 2016, City of Santa Fe's proportion was 5.2761 percent, which decreased from the prior year percentage of 5.4635 percent as of June 30, 2015.

For the year ended June 30, 2017, City of Santa Fe recognized PERA Fund Municipal General Division pension expense of \$4,567,729. At June 30, 2017, City of Santa Fe reported PERA Fund Municipal General Division deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 4,942,875	\$ (14,016)
Change in proportion	-	(1,500,107)
Net difference between projected and actual earnings on pension plan investments	15,509,995	-
Changes in experience	4,211,692	(822,664)
City of Santa Fe's contributions subsequent to the measurement date	4,408,708	-
	<u>\$ 29,073,270</u>	<u>\$ (2,336,787)</u>

\$4,408,708 reported as deferred outflows of resources related to pensions resulting from City of Santa Fe's contributions subsequent to the measurement date June 30, 2016 will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2018		\$ 4,707,744
2019		4,707,744
2020		9,030,970
2021		\$ 3,881,315

For PERA Fund Municipal Police Division, at June 30, 2017, City of Santa Fe reported a liability of \$33,098,305 for its proportionate share of the net pension liability. At June 30, 2016, City of Santa Fe's proportion was 4.4859 percent which decreased from the prior year proportion of 4.7084 percent, as of June 30, 2015.

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For the year ended June 30, 2017, City of Santa Fe recognized PERA Fund Municipal Police Division pension expense of \$2,408,782. At June 30, 2017, City of Santa Fe reported PERA Fund Municipal Police Division deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 2,192,246	\$ (596,920)
Change in proportion	-	(971,062)
Net difference between projected and actual earnings		
on pension plan investments	5,234,687	-
Changes in experience	2,429,898	-
City of Santa Fe's contributions subsequent to the measurement date	1,842,132	-
	<u>\$ 11,698,963</u>	<u>\$ (1,567,982)</u>

\$1,842,132 reported as deferred outflows of resources related to pensions resulting from City of Santa Fe's contributions subsequent to the measurement date June 30, 2016 will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2018	\$ 1,873,157
2019	1,873,157
2020	3,226,228
2021	\$ 1,316,307

For PERA Fund Municipal Fire Division, at June 30, 2017, City of Santa Fe reported a liability of \$47,146,743 for its proportionate share of the net pension liability. At June 30, 2016, City of Santa Fe's proportion was 7.067 percent which increased from the prior year proportion of 6.8886 percent as of June 30, 2015.

For the year ended June 30, 2017, City of Santa Fe recognized PERA Fund Municipal Fire Division pension expense of \$4,301,909. At June 30, 2017, City of Santa Fe reported PERA Fund Municipal Fire Division deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows
Changes in assumptions	\$ 2,493,878	\$ -
Change in proportion	655,868	(673,281)
Net difference between projected and actual earnings		
on pension plan investments	3,927,078	-
Changes in experience	2,135,036	-
City of Santa Fe's contributions subsequent to the measurement date	1,773,462	-
Total	<u>\$ 10,985,322</u>	<u>\$ (673,281)</u>

CITY OF SANTA FE, NEW MEXICO
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\$1,773,462 reported as deferred outflows of resources related to pensions resulting from City of Santa Fe's contributions subsequent to the measurement date June 30, 2016 will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

	2018	\$	2,280,176
	2019		2,280,176
	2020		2,942,020
	2021		1,036,207
	Thereafter	\$	-

Actuarial assumptions. As described above, the PERA Fund member group pension liabilities and net pension liabilities are based on actuarial valuations performed as of June 30, 2015 for each of the membership groups. Then each PERA Fund member group pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2016 using generally accepted actuarial principles. There were no significant events or changes in benefit provisions that required an adjustment to the roll-forward liabilities as of June 30, 2016. These actuarial methods and assumptions were adopted by the Board for use in the June 30, 2016 actuarial valuation. The total pension liability in the June 30, 2016 actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial valuation date	June 30, 2015
Actuarial cost method	Entry age normal
Amortization method	Level Percentage of Pay, Open
Amortization period	Solved for based on statutory rates
Asset valuation method	Fair value
Actuarial assumptions:	
Investment rate of return	7.48% annual rate, net of investment expense
Projected benefit payment	100 years
Payroll growth	2.75% for first 10 years, then 3.25% annual rate
Projected salary increases	2.75% to 14.00% annual rate
Includes inflation at	2.25% annual rate first 10 years, 2.75% all other years
	RP-2000 mortality tables (combined table for healthy post-retirees, Employee table for active members, and disabled table for disabled retirees before retirement age) with projections to 2018 using Scale AA.
Mortality assumptions	July 1, 2008 to June 30, 2013 (demographic) and July 1, 2010 through June 20, 2015 (economic)
Experience study date	

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The long-term expected rate of return on pension plan investments was determined using a statistical analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and most recent best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

ALL FUNDS - Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	43.50 %	7.39 %
Risk Reduction & Mitigation	21.50	1.79
Credit Oriented Fixed Income	15.00	5.77
Real Assets	20.00	7.35
Total	100.00 %	

Discount rate: The discount rate used to measure the total pension liability was 7.48 percent. The projection of cash flows used to determine the discount rate assumed that future contributions will be made in accordance with statutory rates. On this basis, the pension plan's fiduciary net position together with the expected future contributions are sufficient to provide all projected future benefit payments of current plan members as determined in accordance with GASBS 67. Therefore, the 7.48% assumed long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Employer's proportionate share of the net pension liability to changes in the discount rate. The following tables show the sensitivity of the net pension liability to changes in the discount rate. In particular, the tables present City of Santa Fe's net pension liability in each PERA Fund Division that City of Santa Fe participates in, under the current single rate assumption, as if it were calculated using a discount rate one percentage point lower (6.48%) or one percentage point higher (8.48%) than the single discount rate.

PERA Fund Municipal General Division

	1% Decrease (6.48%)	Current Discount Rate (7.48%)	1% Increase (8.48%)
City of Santa Fe's proportionate share of the net pension liability	\$ 125,675,340	\$ 84,294,324	\$ 49,970,829

PERA Fund Municipal Police Division

	1% Decrease (6.48%)	Current Discount Rate (7.48%)	1% Increase (8.48%)
City of Santa Fe's proportionate share of the net pension liability	\$ 48,695,823	\$ 33,098,305	\$ 20,341,361

PERA Fund Municipal Fire Division

	1% Decrease (6.48%)	Current Discount Rate (7.48%)	1% Increase (8.48%)
City of Santa Fe's proportionate share of the net pension liability	\$ 61,667,698	\$ 47,146,743	\$ 35,219,296

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Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued FY15 PERA financial report. The report is available at [http://osanm.org/media/audits/366 Public Employees Retirement Association FY2015.pdf](http://osanm.org/media/audits/366_Public_Employees_Retirement_Association_FY2015.pdf)

Payables to the pension plan. There were no amounts owed to PERA at June 30, 2017. Contractually required contributions are remitted to PERA monthly for the previous month's withholdings. Accrued payroll includes the employer's portion of retirement contributions related to employee services rendered as of June 30, 2017 but paid in July 2017.

F. Conduit debt obligations

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

No conduit bonds were issued by the City during Fiscal Year 2016-2017. As of June 30, 2017, there were three series of Industrial Revenue Bonds authorized and outstanding.

G. Subsequent events

The date to which events occurring after June 30, 2017, the date of the most recent statement of net position, have been evaluated for possible adjustment to the financial statements or disclosures is which is the date on which the financial statements were issued.

- o The City issued \$10,290,000 par value of 2018 Gasoline Tax/Subordinate Lien Gross Receipts Tax Improvement Revenue Bonds, Series 2018 on February 27, 2018. Total bond proceeds, including premium was \$11,717,851. Bond proceeds will be used to resurface a number of the City's main arterial roadways during fiscal years 2018, 2019 and 2020.
- o Laureate Education terminated its long-term lease with the City for the campus of the Santa Fe University of Art and Design, effective June 30, 2018. This termination will result in a loss of revenue to the City of approximately \$2.2 million per year. The City is proactively seeking short-term leases while a long-term plan is developed for the property.

H. New accounting standards

In June 2015, GASB Statement No. 73 *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, was issued. Effective Date: The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2016. Earlier application is encouraged.

In June 2015, GASB Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, was issued. Effective Date: The provisions of this Statement are effective for fiscal years beginning after June 15, 2017. The standard will be implemented during the fiscal year ended June 30, 2018. The City expects this

CITY OF SANTA FE, NEW MEXICO
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pronouncement to have a material effect on the City's financial statements.

In August 2015, GASB Statement No. 77 *Tax Abatement Disclosures*, was issued. Effective Date: The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2015. Earlier application is encouraged. The City will implement this standard during the fiscal year ended June 30, 2017.

The City of Santa Fe has entered into an agreement with an entity pursuant to NMSA 4-59 County Industrial Revenue Act for the purpose of promoting industry and trade by inducing manufacturing, industrial and commercial enterprises to locate or expand in the state. The City has abated certain taxes as terms of the agreement. As required by GASB statement No. 77 – Tax Abatement Disclosure, the City has provided the following disclosure of agreements and abated taxes. In addition, as required by the New Mexico Office of the State Auditor, Audit Rule NMAC 2.2.2.10 BB. (1), disclosure information for tax abatement shall be provided individually and may not be aggregated.

Agency Number	6160
Agency Name	City of Santa Fe, New Mexico
Agency Type	Municipality
Tax Abatement Agreement Name	Ridgetop Road, LLC IRB
Recipient(s) of tax abatement	Ridgetop Road, LLC
Parent company(ies) of recipient(s) of tax abatement	Thornburg Investment Management
Tax abatement program (name and brief description)	Industrial Revenue Bond for the construction of the Thornburg Campus
Specific Tax(es) Being Abated	Property Tax
Legal authority under which tax abatement agreement was entered into	NMSA 1978, Sections 3-32-1 to 3-32-16, Industrial Revenue Bond Act.
Criteria that make a recipient eligible to receive a tax abatement	Construction of a "new" non-speculative office building not engaged in the sale of goods or commodities.
How are the tax abatement recipient's taxes reduced? (For example: through a reduction of assessed value)	Title to the facility is held by the City of Santa Fe and therefore not on the County Assessors tax role, eliminating property tax.
How is the amount of the tax abatement determined? For example, this could be a specific dollar amount, a percentage of the tax liability, etc.	The property is held in the City name and not on the County's tax roll. Therefore, no property tax is levied on the facility.

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<p>Are there provisions for recapturing abated taxes? (Yes or No)</p>	<p>Yes</p>
<p>If there are provisions for recapturing abated taxes, describe them, including the conditions under which abated taxes become eligible for recapture.</p>	<p>Non-Applicable.</p>
<p>List each specific commitment made by the recipient of the abatement.</p>	<p>1. Will contribute not less than \$45,000 per year to SFPS and \$15,000 to SFCC. 2. Will acquire property, build facility and to the extent necessary, after all bonds proceeds have been exhausted, will finance the completion of the project with its own funds. 3. Will maintain a set of plans and specifications for the project during the construction and installation. 4. Obtain all permits, approvals for operation and maintenance of the property. 5. Will not permit or suffers others to commit a nuisance on or about the project. 6. Will pay when due all taxes, assessments, governmental and other charges of any kind. 7. All utility and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the property. 8. That the property will be continuously insured. 9. Shall give access to the facilities during regular business hours. 10. Will not suffer any liens to the existing property. 11. Will pay a PILOT as amended in 2010. 12. Will use commercially reasonable efforts to identify local vendors within the City's boundary.</p>
<p>Gross dollar amount, on an accrual basis, by which the government's tax revenues were reduced during the reporting period as a result of the tax abatement agreement.</p>	<p>\$65,340.25</p>
<p>For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by your agency or another agency in association with the foregone tax revenue, list the authority for and describe the payment, including the agency that is supposed to receive the payment</p>	<p>The authority is provided for in the lease agreement between the City and Ridgetop Road, LLC. Every four years, starting in 2009, Ridgetop Road, LLC will have an appraisal done on the subject property, which will be used for the next four years as basis for the PILOT. Using the School district property tax rate stated on the County of Santa Fe Certificate of Property Tax Rates in Mills, the mill rate is multiplied by the appraised property value. Thornburg, in compliance with New Mexico statute methodology regarding business personal property provides the City with its valuation estimate annually. That valuation is the basis to calculate the property tax. Then the two taxes are added together and a check is sent to the City. In turn, the City transfers the exact payment on to the Santa Fe Public Schools.</p>
<p>For any Payments in Lieu of Taxes (PILOTs) or similar payments <u>receivable by your agency</u> in association with the foregone tax revenue, list the amount of payments received in the current fiscal year</p>	<p>\$65,340.25, which was paid to the Santa Fe Public Schools per lease amendment.</p>

CITY OF SANTA FE, NEW MEXICO
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June 30, 2017

For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by a different agency in association with the foregone tax revenue, list the name of the agency and the amount of payments received in the current fiscal year	NA
List each specific commitment made by your agency or any other government, other than the tax abatement.	1. The Issuer has authorized the execution, delivery and performance of the Bond Documents and the issuance of the Bond all for the purpose of financing the project and paying certain costs related to the issuance of the Bond. 2. That the City will sell the property at the expiration or sooner termination of the agreement. 4. Assignment of Rights, the City will assign certain rights to RRLLC. 5. Will not sell, transfer, assign or convey its rights, title, or interests in this agreement or property.
Are any other governments affected by this tax abatement agreement? (Yes or No) If yes, list each affected agency and complete an intergovernmental disclosure for each such agency.	Yes. County of Santa Fe, Santa Fe Community College, State of New Mexico
If your agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission.	NA

In March 2016, GASB Statement No. 81 *Irrevocable Split-Interest Agreements* was issued. Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2016. Earlier application is encouraged. The City is still evaluating how this pronouncement will affect the financial statements.

In November 2016, GASB Statement No. 83 *Certain Asset Retirement Obligations* was issued. Effective Date: The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Earlier application is encouraged. The City is still evaluating how this pronouncement will affect the financial statements.

I. Net position restatement

The City has recorded a prior period adjustment in the amount of \$2,389,442 related to incorrect recording of gross receipts tax revenue. This was an increase to beginning fund balance for the governmental funds in the amount of \$1,629,649 and beginning net position in the enterprise funds in the amount of \$291,191.

	General Fund	1/2%GRT	Non Major
Beginning Fund Balance	\$20,948,189	\$5,901,809	\$43,097,213
Restatement	838,940	390,375	400,334
Fund Balance, Beginning of the Year, Restated	\$21,787,129	\$6,292,184	\$43,497,547

CITY OF SANTA FE, NEW MEXICO
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Additionally, the City identified franchise fee revenue was not recorded properly, and resulted in a decrease in beginning fund balance in the general fund in the amount of \$468,603.

	Wastewater Management	Water Manangement	Enviornmental Services
Beginning Fund Balance	\$35,532,253	\$184,101,513	\$7,121,400
Restatement	<u>48,194</u>	<u>194,700</u>	<u>48,297</u>
Fund Balance, Beginning of the Year, Restated	\$35,580,447	\$184,296,213	\$7,169,697

Overall, the beginning net position, at the government-wide level, of the governmental activities was increased by \$1,629,648 and business type activities was increased by \$291,191.

Required Supplementary Information

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STATE OF NEW MEXICO
City of Santa Fe
Schedule of City of Santa Fe's Proportionate Share of Net Pension Liability of PERA Municipal General Division
Public Employees Retirement Association (PERA) Plan
Last 10 Fiscal Years*

	2017	2016	2015
	Measurement	Measurement	Measurement
	Date As	Date As	Date As
	of and for the	of and for the	of and for the
	Year Ended	Year Ended	Year Ended
	June 30, 2016	June 30, 2015	June 30, 2014
City of Santa Fe's proportion of the net pension liability	5.28 %	5.46 %	5.00 %
City of Santa Fe's proportionate share of the net pension liability	\$ 84,294,324	\$ 55,705,113	\$ 42,647,687
City of Santa Fe's covered payroll	\$ 45,175,990	\$ 45,329,706	\$ 44,378,612
City of Santa Fe's proportionate share of net pension liability as a percentage of its covered payroll	186.56 %	122.89 %	96.00 %
Plan fiduciary net position as percentage of the total pension liability	69.18 %	76.99 %	81.00 %

* The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is complied, City of Santa Fe will present information for those years for which information is available.

See independent auditor's report
See notes required supplementary information

STATE OF NEW MEXICO

City of Santa Fe

**Schedule of City of Santa Fe's Proportionate Share of Net Pension Liability of PERA Municipal Police Division
Public Employees Retirement Association (PERA) Plan
Last 10 Fiscal Years***

	2017	2016	2015
	Measurement	Measurement	Measurement
	Date As	Date As	Date As
	of and for the	of and for the	of and for the
	Year Ended	Year Ended	Year Ended
	June 30, 2016	June 30, 2015	June 30, 2014
City of Santa Fe's proportion of the net pension liability	4.49 %	4.71 %	4.00 %
City of Santa Fe's proportionate share of the net pension liability	\$ 33,098,305	\$ 22,640,627	\$ 15,588,474
City of Santa Fe's covered payroll	\$ 8,900,280	\$ 9,228,017	\$ 9,209,308
City of Santa Fe's proportionate share of net pension liability as a percentage of its covered payroll	370.97 %	245.35 %	169.00 %
Plan fiduciary net position as percentage of the total pension liability	69.18 %	76.99 %	81.00 %

* The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, City of Santa Fe will present information for those years for which information is available.

See independent auditor's report
See notes required supplementary information

STATE OF NEW MEXICO
City of Santa Fe
Schedule of City of Santa Fe's Proportionate Share of Net Pension Liability of PERA Municipal Fire Division
Public Employees Retirement Association (PERA) Plan
Last 10 Fiscal Years*

	2017	2016	2015
	Measurement	Measurement	Measurement
	Date As	Date As	Date As
	of and for the	of and for the	of and for the
	Year Ended	Year Ended	Year Ended
	June 30, 2016	June 30, 2015	June 30, 2014
City of Santa Fe's proportion of the net pension liability	7.07 %	6.89 %	7.17 %
City of Santa Fe's proportionate share of the net pension liability	\$ 47,146,743	\$ 35,553,318	\$ 29,910,003
City of Santa Fe's covered payroll	\$ 8,275,101	\$ 7,848,819	\$ 7,981,492
City of Santa Fe's proportionate share of net pension liability as a percentage of its covered payroll	572.29 %	452.98 %	374.74 %
Plan fiduciary net position as percentage of the total pension liability	69.18 %	76.99 %	81.29 %

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See independent auditor's report
See notes required supplementary information

STATE OF NEW MEXICO
City of Santa Fe
Schedule of Employer Contributions
Public Employees Retirement Association (PERA) Plan
PERA Municipal General Division
Last 10 Fiscal Years*

	As of and for the Year Ended June 30, 2017	As of and for the Year Ended June 30, 2016	As of and for the Year Ended June 30, 2015
Contractually required contributions	\$ 4,408,708	\$ 4,167,065	\$ 8,958,197
Contributions in relation to the contractually required contribution	\$ (4,408,708)	\$ (4,167,065)	\$ (8,958,197)
Contribution deficiency (excess)	\$ -	\$ -	\$ -
City of Santa Fe's covered payroll	\$ 46,164,487	\$ 45,175,990	\$ 45,329,706
Contributions as a percentage of covered payroll	9.55 %	9.00 %	20.00 %

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See independent auditor's report
See notes required supplementary information

STATE OF NEW MEXICO
City of Santa Fe
Schedule of Employer Contributions
Public Employees Retirement Association (PERA) Plan
PERA Municipal Police Division
Last 10 Fiscal Years*

	As of and for the Year Ended June 30, 2017	As of and for the Year Ended June 30, 2016	As of and for the Year Ended June 30, 2015
Contractually required contributions	\$ 1,842,132	\$ 1,682,505	\$ 2,975,446
Contributions in relation to the contractually required contribution	\$ (1,842,132)	\$ (1,682,505)	\$ (2,975,446)
Contribution deficiency (excess)	\$ -	\$ -	\$ -
City of Santa Fe's covered payroll	\$ 9,746,730	\$ 8,900,280	\$ 9,228,017
Contributions as a percentage of covered payroll	18.90 %	19.00 %	32.00 %

* The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, City of Santa Fe will present information for those years for which information is available.

See independent auditor's report
See notes required supplementary information

STATE OF NEW MEXICO
City of Santa Fe
Schedule of Employer Contributions
Public Employees Retirement Association (PERA) Plan
PERA Municipal Fire Division
Last 10 Fiscal Years*

	As of and for the Year Ended June 30, 2017	As of and for the Year Ended June 30, 2016	As of and for the Year Ended June 30, 2015
Contractually required contributions	\$ 1,773,462	\$ 1,796,774	\$ 2,740,053
Contributions in relation to the contractually required contribution	\$ (1,773,462)	\$ (1,796,774)	\$ (2,740,053)
Contribution deficiency (excess)	\$ -	\$ -	\$ -
City of Santa Fe's covered payroll	\$ 8,191,513	\$ 8,275,101	\$ 7,848,819
Contributions as a percentage of covered payroll	21.65 %	22.00 %	35.00 %

* The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, City of Santa Fe will present information for those years for which information is available.

See independent auditor's report
See notes required supplementary information

Notes to Required Supplementary Information
June 30, 2017

Changes of benefit terms. The PERA and COLA and retirement eligibility benefits changes in recent years are described in Note 1 of the PERA FY 16 audit available at

http://www.nmpera.org/assets/uploads/downloads/comprehensive-annual-financial-reports/2016-CAFR_12.22.16_FINAL-with-corrections.pdf.

Changes of assumptions. The Public Employees Retirement Association (PERA) of the New Mexico Annual Actuarial Valuation as of June 30, 2016 is available at

<http://www.nmpera.org/assets/uploads/downloads/retirement-fund-valuation-reports/6-30-2016-PERA-Valuation-Report-FINAL.pdf>. The summary of Key Findings for PERA Fund (on page 2 of the report) states "based on the current statutory rates and actuarial assumptions, the UAAL is projected to be fully amortized in 56 years." For details about changes in the actuarial assumptions, see Appendix B on page 53 of the report.

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Supplementary Information

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Nonmajor Governmental Funds

Special Revenue Funds

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

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

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

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

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

Lodgers' Tax Fund - to account for taxes raised from the special Lodgers' Tax per Ordinance No. 1969-13 and 1987-45 . Revenues are utilized for promotion of tourist development, advertising and future improvements to the convention center. Section 3-8-13 to 24 NMSA 1978

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

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

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

1/2% 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 City and 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 city and grant funds and service charges received for the purpose of developing public awareness on crime prevention, administering DWI programs and public safety related expenditures. Section 29-13-1 to 9 NMSA 1978

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

City Drainage Projects - to account for expenditures related to 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 Grant - to account for the City, Federal and State grant awards. These funds are used for various

projects such as homebuyer's assistance, emergency shelter for the homeless and other community development projects.
Section 3-60-26 NMSA 1978

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

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

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

NEA Fund - funds distributed into the public schools through the Santa Fe Partners in Education.

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. 1 982-11. State law requires the contributions from subdividers in order to enable the development of public facilities in new subdivisions.

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

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

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

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

CITY OF SANTA FE, NEW MEXICO
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2017

	Special Revenue	Capital Projects	Totals
Assets			
Cash and investments:	\$ 19,670,488	\$ 16,830,727	\$ 36,501,215
Restricted cash, cash equivalents and investments:			
Restricted for Endowment	255,000	-	255,000
Receivables:			
State-shared taxes	3,317,663	-	3,317,663
Motor	-	112,504	112,504
Grants	669,904	3,234,754	3,904,658
Interest	16,393	9,743	26,136
Other receivable (net of allowance)	3,344,192	-	3,344,192
Due from other funds	613,804	-	613,804
Total assets	<u>\$ 27,887,444</u>	<u>\$ 20,187,728</u>	<u>\$ 48,075,172</u>
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts payable	\$ 1,299,350	\$ 1,421,931	\$ 2,721,281
Accrued wages payable	298,967	19,525	318,492
Due to other funds	1,183,606	226,822	1,410,428
Other current liabilities	350,944	100,000	450,944
Total current liabilities	3,132,867	1,768,278	4,901,145
Deferred inflows of resources:			
Unavailable revenue	2,180,911	-	2,180,911
Total deferred inflows of resources	2,180,911	-	2,180,911
Fund balance Non-spendable	255,000	-	255,000
Restricted	18,649,763	12,509,627	31,159,390
Committed	1,459,841	-	1,459,841
Assigned	2,209,062	5,909,823	8,118,885
Unassigned	1	-	1
Total fund balances	<u>22,573,667</u>	<u>18,419,450</u>	<u>40,993,117</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 27,887,445</u>	<u>\$ 20,187,728</u>	<u>\$ 48,075,173</u>

CITY OF SANTA FE, NEW MEXICO
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended June 30, 2017

	Special Revenue	Capital Projects	Totals
Revenues:			
Taxes:			
Gross receipts	\$ 18,064,327	\$ -	\$ 18,064,327
Motor	-	1,548,162	1,548,162
Lodgers	10,809,464	-	10,809,464
Property	86,255	-	86,255
Franchise	14,429	-	14,429
Federal	1,582,586	2,469,483	4,052,069
State	1,621,738	6,072,921	7,694,659
Local	1,554,440	-	1,554,440
User Fees (net of allowance)	3,680,392	-	3,680,392
Rents, royalties and concessions	312,353	-	312,353
Investment income (loss)	26,141	567,468	593,609
Other revenues/premiums	339,743	68,144	407,887
Total revenues	38,091,868	10,726,178	48,818,046
Expenditures:			
Current:			
General government	6,620,706	418,050	7,038,756
Public safety	3,417,672	-	3,417,672
Public works	843,850	887,070	1,730,920
Community development	5,033,400	2,020	5,035,420
Culture and recreation	3,016,296	135,662	3,151,958
Total current expenditures	18,931,924	1,442,802	20,374,726
Capital outlay:			
General government	27,797	1,211,164	1,238,961
Public safety	2,650,697	-	2,650,697
Public Works	679,122	10,068,259	10,747,381
Community Development	133,226	329,761	462,987
Culture and Recreation	18,351	6,935,655	6,954,006
Total capital outlay expenditures	3,509,193	18,544,839	22,054,032
Total expenditures	22,441,117	19,987,641	42,428,758
Excess (deficiency) of revenues over expenditures	15,650,751	(9,261,463)	6,389,288
Other financing sources (uses):			
Sale Capital Assets/Land:	198,277	-	198,291
Transfers in	13,564,745	13,830,557	27,395,302
Transfers out	(26,509,098)	(9,978,200)	(36,487,298)
Total other financing sources (uses)	(12,944,353)	3,852,357	(9,091,996)
Net change in fund balances	2,904,675	(5,409,106)	(2,504,417)
Fund balances, beginning of year	19,268,657	23,828,556	43,097,213
Prior period adjustment	400,334	-	400,334
Fund balances, beginning of year as restated	19,668,991	23,828,556	43,497,547
Fund balances, end of year	\$ 22,573,666	\$ 18,419,450	\$ 40,993,116

CITY OF SANTA FE, NEW MEXICO
Combining Balance Sheet
Nonmajor Governmental Funds
Special Revenue Funds
For the Year Ended June 30, 2017

	Assets						Total Assets
	Cash, Investments and Cash Equivalents	Taxes Receivable	Grants Receivable	Interest Receivable	Other Receivables	Due from Other Funds	
Primary Government:							
General Government:							
Capital Equipment Reserve	\$ 274,237	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 274,237
Franchise Fee	-	4,804	-	-	-	-	4,804
Economic Development	312,282	74,159	-	-	58,198	-	444,639
Lodgers' Tax Fund	3,675,209	-	-	8,756	984,142	-	4,668,107
Public Campaign	664,990	-	-	-	-	-	664,990
1/2% Gross Receipts Tax	3,075,548	2,470,424	-	2,299	-	-	5,548,271
Total General Government	8,002,266	2,549,387	-	11,055	1,042,340	-	11,605,048
Public Safety:							
Animal Services	100,221	-	-	-	-	-	100,221
Emergency Service Grants	831,236	-	19,945	1,567	-	-	852,748
Environmental Services	730,793	-	92,046	-	-	-	822,839
Law Enforcement Grants	2,346,637	364,433	43,481	-	88,150	-	2,842,701
Total Public Safety	4,008,887	364,433	155,472	1,567	88,150	-	4,618,509
Public Works:							
City Drainage Projects	130,273	-	-	-	89,518	-	219,791
Impact Fee Projects	2,203,809	-	-	2,133	-	-	2,205,942
Transportation Grants	86,131	-	140,404	-	-	-	226,535
Total Public Works	2,420,213	-	140,404	2,133	89,518	-	2,652,268
Community Development:							
Community Development Grants	1,343,596	163,992	161,179	-	-	-	1,668,767
Senior Citizen Grants	409,686	-	184,461	-	4,035	-	598,182
Total Community Development	1,753,282	163,992	345,640	-	4,035	-	2,266,949
Culture and Recreation:							
Historic Preservation Grant	175,997	-	-	-	-	-	175,997
Library	462,578	-	10,935	-	-	-	473,513
NEA Grants	28,139	-	-	-	-	-	28,139
Plaza Use	134,447	-	-	-	-	-	134,447
Public Facilities Purchase	56,902	-	-	-	-	-	56,902
Quality of Life Project	358,713	-	-	-	-	-	358,713
Recreation Grants	1,407,308	239,851	17,453	1,638	-	-	1,666,250
Land Development	1,002,850	-	-	-	2,120,149	613,804	3,736,803
Special Recreation Leagues	113,906	-	-	-	-	-	113,906
Total Culture and Recreation	3,740,840	239,851	28,388	1,638	2,120,149	613,804	6,744,670
Totals - June 30, 2017	\$ 19,925,488	\$ 3,317,663	\$ 669,904	\$ 16,393	\$ 3,344,192	\$ 613,804	\$ 27,887,444

CITY OF SANTA FE, NEW MEXICO
Combining Balance Sheet
Nonmajor Governmental Funds
Special Revenue Funds
For the Year Ended June 30, 2017

Liabilities, Deferred Inflows of Resources					
Accounts Payable	Accrued Wages Payable	Due to Other Funds	Deferred Inflows Unavailable Revenue	Other Current Liabilities	Total Liabilities, Deferred Inflows of Resources
\$ 1,334	\$ -	\$ -	\$ -	\$ -	\$ 1,334
-	-	9,802	-	-	9,802
110,750	3,859	-	60,762	4,600	179,971
405,690	58,341	-	-	2,382	466,413
-	-	-	-	-	-
-	-	-	-	-	-
517,774	62,200	9,802	60,762	6,982	657,520
-	-	-	-	-	-
202,836	4,560	-	-	-	207,396
1,277	13,523	-	-	-	14,800
178,797	6,381	-	-	26,690	211,868
382,910	24,464	-	-	26,690	434,064
23,149	9,465	-	-	-	32,614
-	-	-	-	12,000	12,000
1,719	10,063	-	-	-	11,782
24,868	19,528	-	-	12,000	56,396
192,093	1,351	-	-	305,272	498,716
32,748	79,183	-	-	-	111,931
224,841	80,534	-	-	305,272	610,647
-	-	-	-	-	-
17,735	22,586	-	-	-	40,321
21,942	-	-	-	-	21,942
-	-	-	-	-	-
-	-	-	-	-	-
28,114	-	-	-	-	28,114
79,206	89,655	-	-	-	168,861
-	-	1,173,804	2,120,149	-	3,293,953
1,960	-	-	-	-	1,960
148,957	112,241	1,173,804	2,120,149	-	3,555,151
\$ 1,299,350	\$ 298,967	\$ 1,183,606	\$ 2,180,911	\$ 350,944	\$ 5,313,778

CITY OF SANTA FE, NEW MEXICO
Combining Balance Sheet
Nonmajor Governmental Funds
Special Revenue Funds
For the Year Ended June 30, 2017

Fund Balance Spendable					Total Fund Balances	Total Liabilities Deferred Inflows of Resources and Fund Balances
Non-spendable	Restricted	Committed	Assigned	Unassigned		
\$ -	\$ -	\$ 272,903	\$ -	\$ -	\$ 272,903	\$ 274,237
-	-	-	(4,998)	-	(4,998)	4,804
-	-	-	264,668	-	264,668	444,639
-	4,201,694	-	-	-	4,201,694	4,668,107
-	-	664,990	-	-	664,990	664,990
-	5,256,489	-	291,782	-	5,548,271	5,548,271
-	9,458,183	937,893	551,452	-	10,947,528	11,605,048
-	100,221	-	-	-	100,221	100,221
-	645,352	-	-	-	645,352	852,748
-	-	-	808,039	-	808,039	822,839
-	2,582,535	-	48,298	-	2,630,833	2,842,701
-	3,328,108	-	856,337	-	4,184,445	4,618,509
-	-	-	187,177	-	187,177	219,791
-	2,193,942	-	-	-	2,193,942	2,205,942
-	214,753	-	-	-	214,753	226,535
-	2,408,695	-	187,177	-	2,595,872	2,652,268
-	1,148,469	-	21,582	-	1,170,051	1,668,767
-	486,251	-	-	-	486,251	598,182
-	1,634,720	-	21,582	-	1,656,302	2,266,949
-	175,997	-	-	-	175,997	175,997
255,000	178,192	-	-	-	433,192	473,513
-	-	-	6,197	-	6,197	28,139
-	-	134,447	-	-	134,447	134,447
-	-	56,902	-	-	56,902	56,902
-	-	330,599	-	-	330,599	358,713
-	1,465,868	-	31,521	-	1,497,389	1,666,250
-	-	-	442,850	-	442,850	3,736,803
-	-	-	111,946	-	111,946	113,906
255,000	1,820,057	521,948	592,514	-	3,189,519	6,744,670
\$ 255,000	\$ 18,649,763	\$ 1,459,841	\$ 2,209,062	\$ -	\$ 22,573,666	\$ 27,887,444

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, 2017

	Revenues							Total Revenue
	Taxes	Inter- Governmental Revenue	Fees and Charges for Services	Rents, Royalties and Concessions	Investment Income	Sale of Capital Assets/Land	Other	
Primary Government:								
General Government:								
Capital Equipment Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 77,940	\$ 12,397	\$ 90,337
Franchise Fee	14,429	-	-	-	-	-	-	14,429
Economic Development	488,040	400,000	-	312,353	419	-	-	1,200,812
Lodger's Tax Fund	10,809,464	-	58,033	-	12,999	-	152,399	11,032,895
Public Campaign	-	-	-	-	-	-	-	-
Santa Fe Business Incubator	-	-	-	-	-	-	-	-
1/2% Gross Receipts Tax	13,263,532	-	-	-	3,412	-	-	13,266,944
Total General Government	24,575,465	400,000	58,033	312,353	16,830	77,940	164,796	25,605,417
Public Safety:								
Animal Services	-	-	49,065	-	-	-	-	49,065
Emergency Service Grants	-	1,020,263	-	-	2,327	-	64,689	1,087,279
Environmental Services	-	571,355	19,550	-	-	-	-	590,905
Law Enforcement Grants	2,097,129	313,682	750,053	-	-	115,656	60,142	3,336,662
Total Public Safety	2,097,129	1,905,300	818,668	-	2,327	115,656	124,831	5,063,911
Public Works:								
Resource Conservation	-	-	-	-	-	-	-	-
City Drainage Projects	-	-	1,511,916	-	-	-	-	1,511,916
Impact Fee Projects	-	-	799,744	-	3,167	-	-	802,911
Transportation Grants	-	334,037	-	-	-	-	-	334,037
Total Public Works	-	334,037	2,311,660	-	3,167	-	-	2,648,864
Community Development:								
Community Development Grants	934,744	580,910	259,311	-	-	-	26,429	1,801,394
Senior Citizen Grants	-	1,400,134	53,674	-	-	4,681	13,114	1,471,603
Total Community Development	934,744	1,981,044	312,985	-	-	4,681	39,543	3,272,997
Culture and Recreation:								
Historic Preservation Grant	-	6,565	18,600	-	-	-	-	25,165
Library	-	99,740	1,866	-	1,386	-	-	102,992
NEA Grants	-	-	-	-	-	-	10,573	10,573
Plaza Use	-	-	31,265	-	-	-	-	31,265
Public Facilities Purchase	-	-	-	-	-	-	-	-
Quality of Life Project	-	-	-	-	-	-	-	-
Recreation Grants	1,367,137	32,078	86,735	-	2,431	-	-	1,488,381
Land Development	-	-	-	-	-	-	-	-
Special Recreation Leagues	-	-	40,580	-	-	-	-	40,580
Total Culture and Recreation	1,367,137	138,383	179,046	-	3,817	-	10,573	1,698,956
Totals - June 30, 2017	\$ 28,974,475	\$ 4,758,764	\$ 3,680,392	\$ 312,353	\$ 26,141	\$ 198,277	\$ 339,743	\$ 38,290,145

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, 2017

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	Restatement of Fund Balance	End of Year
\$ 52,245	\$ 23,037	\$ 75,282	\$ 15,055	\$ 27,581	\$ -	\$ 42,636	\$ 230,267	\$ -	\$ 272,903
9,182	-	9,182	5,247	-	(6,667)	(1,420)	(3,578)	-	(4,998)
1,357,858	-	1,357,858	(157,046)	300,000	(20,000)	122,954	134,563	7,151	264,668
5,201,421	4,760	5,206,181	5,826,714	7,691,366	(12,995,524)	522,556	3,679,138	-	4,201,694
-	-	-	-	-	-	-	664,990	-	664,990
-	-	-	-	-	(33,312)	(33,312)	33,312	-	-
-	-	-	13,266,944	50	(11,920,710)	1,346,284	3,910,205	291,782	5,548,271
6,620,706	27,797	6,648,503	18,956,914	8,018,997	(24,976,213)	1,999,698	8,648,897	298,933	10,947,528
3,067	54,016	57,083	(8,018)	62,153	(62,153)	(8,018)	108,239	-	100,221
431,945	1,320,564	1,752,509	(665,230)	1,134,996	(63,377)	406,389	238,963	-	645,352
464,093	23,548	487,641	103,264	100,000	-	203,264	604,775	-	808,039
2,518,567	1,252,569	3,771,136	(434,474)	8,436	(12,750)	(438,788)	3,021,323	48,298	2,630,833
3,417,672	2,650,697	6,068,369	(1,004,458)	1,305,585	(138,280)	162,847	3,973,300	48,298	4,184,445
-	-	-	-	-	(1,810)	(1,810)	1,810	-	-
460,849	673,216	1,134,065	377,851	-	-	377,851	(190,674)	-	187,177
59	-	59	802,852	58,295	(1,221,882)	(360,735)	2,554,677	-	2,193,942
382,942	5,906	388,848	(54,811)	89,098	(170,913)	(136,626)	351,379	-	214,753
843,850	679,122	1,522,972	1,125,892	147,393	(1,394,605)	(121,320)	2,717,192	-	2,595,872
1,508,910	-	1,508,910	292,484	-	-	292,484	855,985	21,582	1,170,051
3,524,490	133,226	3,657,716	(2,186,113)	2,275,427	-	89,314	396,937	-	486,251
5,033,400	133,226	5,166,626	(1,893,629)	2,275,427	-	381,798	1,252,922	21,582	1,656,302
6,536	-	6,536	18,629	-	-	18,629	157,368	-	175,997
1,013,034	17,385	1,030,419	(927,427)	998,009	-	70,582	362,610	-	433,192
71,126	-	71,126	(60,553)	65,750	-	5,197	1,000	-	6,197
28,448	-	28,448	2,817	-	-	2,817	131,630	-	134,447
-	-	-	-	-	-	-	56,902	-	56,902
156,999	-	156,999	(156,999)	259,434	-	102,435	228,164	-	330,599
1,695,435	966	1,696,401	(208,020)	494,150	-	286,130	1,179,738	31,521	1,497,389
-	-	-	-	-	-	-	442,850	-	442,850
44,718	-	44,718	(4,138)	-	-	(4,138)	116,084	-	111,946
3,016,296	18,351	3,034,647	(1,335,691)	1,817,343	-	481,652	2,676,346	31,521	3,189,519
\$ 18,931,924	\$ 3,509,193	\$ 22,441,117	\$ 15,849,028	\$ 13,564,745	\$ (26,509,098)	\$ 2,904,675	\$ 19,268,657	\$ 400,334	\$ 22,573,666

CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Special Revenue
Capital Equipment Reserve
GAAP Budgetary Basis
For the Year Ended June 30, 2017

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Investment income (loss)	\$ 497	\$ 497	\$ -	\$ (497)
Other revenues/premiums	-	-	12,397	12,397
Total revenues	497	497	12,397	11,900
Expenditures:				
General Government:				
Current	23,961	23,961	52,245	(28,284)
Capital outlay	132,800	132,800	23,037	109,763
Total expenditures	156,761	156,761	75,282	81,479
Excess (deficiency) of revenues over expenditures	(156,264)	(156,264)	(62,885)	93,379
Other financing sources (uses):				
Transfers in	27,581	27,581	27,581	-
Sale Capital Assets/Land	30,000	30,000	77,940	47,940
Total other financing sources (uses)	57,581	57,581	105,521	47,940
Net change in fund balances	(98,683)	(98,683)	42,636	141,319
Fund balances, beginning of year	230,267	230,267	230,267	-
Fund balances, end of year	\$ 131,584	\$ 131,584	\$ 272,903	\$ 141,319

CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Special Revenue
Franchise Fee
GAAP Budgetary Basis
For the Year Ended June 30, 2017

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Franchise	\$ 20,000	\$ 20,000	\$ 14,429	\$ (5,571)
Total revenues	20,000	20,000	14,429	(5,571)
Expenditures:				
General Government:				
Current	13,333	13,333	9,182	4,151
Total expenditures	13,333	13,333	9,182	4,151
Excess (deficiency) of revenues over expenditures	6,667	6,667	5,247	(1,420)
Other financing sources (uses):				
Transfers out	(6,667)	(2,837)	(6,667)	(3,830)
Total other financing sources (uses)	(6,667)	(2,837)	(6,667)	(3,830)
Net change in fund balances	-	3,830	(1,420)	(5,250)
Fund balances, beginning of year	(3,578)	(3,578)	(3,578)	-
Fund balances, end of year	\$ (3,578)	\$ 252	\$ (4,998)	\$ (5,250)

CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Special Revenue
Economic Development
GAAP Budgetary Basis
For the Year Ended June 30, 2017

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Gross receipts	\$ 403,393	\$ 403,393	\$ 422,700	\$ 19,307
Motor	300,000	-	-	-
Property	59,837	59,837	65,340	5,503
Intergovernmental revenues	5,000	405,000	400,000	(5,000)
Rents, royalties and concessions	964,900	964,900	312,353	(652,547)
Investment income (loss)	-	-	419	419
Other revenues/premiums	400,000	-	-	-
Total revenues	<u>1,533,130</u>	<u>1,833,130</u>	<u>1,200,812</u>	<u>(632,318)</u>
Expenditures:				
General Government:				
Current	1,778,024	1,478,024	1,357,858	120,166
Total expenditures	<u>1,778,024</u>	<u>1,478,024</u>	<u>1,357,858</u>	<u>120,166</u>
Excess (deficiency) of revenues over expenditures	<u>(244,894)</u>	<u>355,106</u>	<u>(157,046)</u>	<u>(512,152)</u>
Other financing sources (uses):				
Transfers in	-	300,000	300,000	-
Transfers out	(20,000)	(20,000)	(20,000)	-
Total other financing sources (uses)	<u>(20,000)</u>	<u>280,000</u>	<u>280,000</u>	<u>-</u>
Net change in fund balances	<u>(264,894)</u>	<u>635,106</u>	<u>122,954</u>	<u>(512,152)</u>
Fund balances, beginning of year	<u>134,563</u>	<u>134,563</u>	<u>134,563</u>	<u>-</u>
Fund balances, beginning of year as restated	<u>134,563</u>	<u>134,563</u>	<u>134,563</u>	<u>-</u>
Fund balances, end of year	<u>\$ (130,331)</u>	<u>\$ 769,669</u>	<u>\$ 257,517</u>	<u>\$ (512,152)</u>

CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Special Revenue
Lodger's Tax Funds
GAAP Budgetary Basis
For the Year Ended June 30, 2017

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Lodgers	\$ 10,000,000	\$ 10,000,000	\$ 10,809,464	\$ 809,464
User Fees (net of allowance)	52,500	52,500	58,033	5,533
Investment income (loss)	16,510	16,510	12,999	(3,511)
Other revenues/premiums	208,000	267,829	152,399	(115,430)
Total revenues	<u>10,277,010</u>	<u>10,336,839</u>	<u>11,032,895</u>	<u>696,056</u>
Expenditures:				
General Government:				
Current	5,145,982	5,316,064	5,201,421	114,643
Capital outlay	6,700	6,700	4,760	1,940
Total expenditures	<u>5,152,682</u>	<u>5,322,764</u>	<u>5,206,181</u>	<u>116,583</u>
Excess (deficiency) of revenues over expenditures	<u>5,124,328</u>	<u>5,014,075</u>	<u>5,826,714</u>	<u>812,639</u>
Other financing sources (uses):				
Transfers in	6,981,041	7,251,954	7,691,366	439,412
Transfers out	(11,836,060)	(12,086,060)	(12,995,524)	(909,464)
Total other financing sources (uses)	<u>(4,855,019)</u>	<u>(4,834,106)</u>	<u>(5,304,158)</u>	<u>(470,052)</u>
Net change in fund balances	269,309	179,969	522,556	342,587
Fund balances, beginning of year	3,679,138	3,679,138	3,679,138	-
Fund balances, end of year	<u>\$ 3,948,447</u>	<u>\$ 3,859,107</u>	<u>\$ 4,201,694</u>	<u>\$ 342,587</u>

CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Special Revenue
Public Campaign
GAAP Budgetary Basis
For the Year Ended June 30, 2017

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Investment income (loss)	\$ 2,106	\$ 2,106	\$ -	\$ (2,106)
Other revenues/premiums	15,000	15,000	-	(15,000)
Total revenues	17,106	17,106	-	(17,106)
Expenditures:				
Excess (deficiency) of revenues over expenditures	17,106	17,106	-	(17,106)
Net change in fund balances	17,106	17,106	-	(17,106)
Fund balances, beginning of year	664,990	664,990	664,990	-
Fund balances, end of year	\$ 682,096	\$ 682,096	\$ 664,990	\$ (17,106)

CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Special Revenue
Santa Fe Business Incubator
GAAP Budgetary Basis
For the Year Ended June 30, 2017

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Other financing sources (uses):				
Transfers out	\$ -	\$ (33,313)	\$ (33,312)	\$ 1
Total other financing sources (uses)	-	(33,313)	(33,312)	1
Net change in fund balances	-	(33,313)	(33,312)	1
Fund balances, beginning of year	33,312	33,312	33,312	-
Fund balances, end of year	\$ 33,312	\$ (1)	\$ -	\$ 1

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
GAAP Budgetary Basis
For the Year Ended June 30, 2017

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Gross receipts	\$ 11,958,543	\$ 11,958,543	\$ 13,263,532	\$ 1,304,989
Investment income (loss)	12,880	12,880	3,412	(9,468)
Total revenues	<u>11,971,423</u>	<u>11,971,423</u>	<u>13,266,944</u>	<u>1,295,521</u>
Excess (deficiency) of revenues over expenditures	<u>11,971,423</u>	<u>11,971,423</u>	<u>13,266,944</u>	<u>1,295,521</u>
Other financing sources (uses):				
Transfers in	-	50	50	-
Transfers out	(11,920,710)	(11,920,710)	(11,920,710)	-
Total other financing sources (uses)	<u>(11,920,710)</u>	<u>(11,920,660)</u>	<u>(11,920,660)</u>	<u>-</u>
Net change in fund balances	50,713	50,763	1,346,284	1,295,521
Fund balances, beginning of year	<u>3,910,205</u>	<u>3,910,205</u>	<u>3,910,205</u>	<u>-</u>
Fund balances, beginning of year as restated	<u>3,910,205</u>	<u>3,910,205</u>	<u>3,910,205</u>	<u>-</u>
Fund balances, end of year	<u>\$ 3,960,918</u>	<u>\$ 3,960,968</u>	<u>\$ 5,256,489</u>	<u>\$ 1,295,521</u>

CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Special Revenue
Animal Services
GAAP Budgetary Basis
For the Year Ended June 30, 2017

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues:				
User Fees (net of allowance)	\$ 51,000	\$ 51,000	\$ 49,065	\$ (1,935)
Total revenues	51,000	51,000	49,065	(1,935)
Expenditures:				
Public Safety:				
Current	19,000	17,982	3,067	14,915
Capital outlay	53,000	54,018	54,016	2
Total expenditures	72,000	72,000	57,083	14,917
Excess (deficiency) of revenues over expenditures	(21,000)	(21,000)	(8,018)	12,982
Other financing sources (uses):				
Transfers in	21,000	62,153	62,153	-
Transfers out	(21,000)	(62,153)	(62,153)	-
Net change in fund balances	(21,000)	(21,000)	(8,018)	12,982
Fund balances, beginning of year	108,239	108,239	108,239	-
Fund balances, end of year	\$ 87,239	\$ 87,239	\$ 100,221	\$ 12,982

CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Special Revenue
Emergency Services Grants
GAAP Budgetary Basis
For the Year Ended June 30, 2017

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental revenues	\$ 1,118,091	\$ 1,311,848	\$ 1,020,263	\$ (291,585)
Investment income (loss)	3,956	3,956	2,327	(1,629)
Other revenues/premiums	-	7,544	64,689	57,145
Total revenues	<u>1,122,047</u>	<u>1,323,348</u>	<u>1,087,279</u>	<u>(236,069)</u>
Expenditures:				
Public Safety:				
Current	438,847	821,203	431,945	389,258
Capital outlay	921,111	1,936,706	1,320,564	616,142
Total expenditures	<u>1,359,958</u>	<u>2,757,909</u>	<u>1,752,509</u>	<u>1,005,400</u>
Excess (deficiency) of revenues over expenditures	<u>(237,911)</u>	<u>(1,434,561)</u>	<u>(665,230)</u>	<u>769,331</u>
Other financing sources (uses):				
Transfers in	62,660	1,132,694	1,134,996	2,302
Transfers out	(63,377)	(63,377)	(63,377)	-
Total other financing sources (uses)	<u>(717)</u>	<u>1,069,317</u>	<u>1,071,619</u>	<u>2,302</u>
Net change in fund balances	<u>(238,628)</u>	<u>(365,244)</u>	<u>406,389</u>	<u>771,633</u>
Fund balances, beginning of year	<u>238,963</u>	<u>238,963</u>	<u>238,963</u>	<u>-</u>
Fund balances, end of year	<u>\$ 335</u>	<u>\$ (126,281)</u>	<u>\$ 645,352</u>	<u>\$ 771,633</u>

CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Special Revenue
Environmental Services
GAAP Budgetary Basis
For the Year Ended June 30, 2017

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental revenues	\$ 609,895	\$ 513,306	\$ 571,355	\$ 58,049
User Fees (net of allowance)	29,000	29,000	19,550	(9,450)
Other revenues/premiums	281,396	-	-	-
Total revenues	920,291	542,306	590,905	48,599
Expenditures:				
Public Safety:				
Current	185,874	517,064	464,093	52,971
Capital outlay	17,000	391,521	23,548	367,973
Total expenditures	202,874	908,585	487,641	420,944
Excess (deficiency) of revenues over expenditures	717,417	(366,279)	103,264	469,543
Other financing sources (uses):				
Transfers in	-	100,000	100,000	-
Total other financing sources (uses)	-	100,000	100,000	-
Net change in fund balances	717,417	(266,279)	203,264	469,543
Fund balances, beginning of year	604,775	604,775	604,775	-
Fund balances, end of year	\$ 1,322,192	\$ 338,496	\$ 808,039	\$ 469,543

CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Special Revenue
Law Enforcement Grants
GAAP Budgetary Basis
For the Year Ended June 30, 2017

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Gross receipts	\$ 1,991,982	\$ 1,991,982	\$ 2,076,215	\$ 84,233
Property	-	-	20,914	20,914
Intergovernmental revenues	341,600	309,626	313,682	4,056
User Fees (net of allowance)	1,077,211	1,077,211	750,053	(327,158)
Investment income (loss)	3,738	3,738	-	(3,738)
Other revenues/premiums	75,910	76,210	60,142	(16,068)
Total revenues	<u>3,490,441</u>	<u>3,458,767</u>	<u>3,221,006</u>	<u>(237,761)</u>
Expenditures:				
Public Safety:				
Current	3,133,140	2,979,109	2,518,567	460,542
Capital outlay	979,793	1,436,441	1,252,569	183,872
Total expenditures	<u>4,112,933</u>	<u>4,415,550</u>	<u>3,771,136</u>	<u>644,414</u>
Excess (deficiency) of revenues over expenditures	<u>(622,492)</u>	<u>(956,783)</u>	<u>(550,130)</u>	<u>406,653</u>
Other financing sources (uses):				
Transfers in	-	-	8,436	8,436
Transfers out	-	-	(12,750)	(12,750)
Sale Capital Assets/Land	200,000	200,000	115,656	(84,344)
Total other financing sources (uses)	<u>200,000</u>	<u>200,000</u>	<u>111,342</u>	<u>(88,658)</u>
Net change in fund balances	<u>(422,492)</u>	<u>(756,783)</u>	<u>(438,788)</u>	<u>317,995</u>
Fund balances, beginning of year	3,021,323	3,021,323	3,021,323	-
Prior period adjustment	-	-	48,298	48,298
Fund balances, beginning of year as restated	<u>3,021,323</u>	<u>3,021,323</u>	<u>3,069,621</u>	<u>48,298</u>
Fund balances, end of year	<u>\$ 2,598,831</u>	<u>\$ 2,264,540</u>	<u>\$ 2,630,833</u>	<u>\$ 366,293</u>

CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Special Revenue
Resource Conservation
GAAP Budgetary Basis
For the Year Ended June 30, 2017

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Other financing sources (uses):				
Transfers out	\$ -	\$ (1,810)	\$ (1,810)	\$ -
Total other financing sources (uses)	-	(1,810)	(1,810)	-
Net change in fund balances	-	(1,810)	(1,810)	-
Fund balances, beginning of year	1,810	1,810	1,810	-
Fund balances, end of year	\$ 1,810	\$ -	\$ -	\$ -

CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Special Revenue
City Drainage Projects
GAAP Budgetary Basis
For the Year Ended June 30, 2017

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues:				
User Fees (net of allowance)	\$ 2,320,000	\$ 2,320,000	\$ 1,511,916	\$ (808,084)
Total revenues	<u>2,320,000</u>	<u>2,320,000</u>	<u>1,511,916</u>	<u>(808,084)</u>
Expenditures:				
Public Works:				
Current	413,178	518,482	460,849	57,633
Capital outlay	200,000	774,696	673,216	101,480
Total expenditures	<u>613,178</u>	<u>1,293,178</u>	<u>1,134,065</u>	<u>159,113</u>
Excess (deficiency) of revenues over expenditures	<u>1,706,822</u>	<u>1,026,822</u>	<u>377,851</u>	<u>(648,971)</u>
Net change in fund balances	1,706,822	1,026,822	377,851	(648,971)
Fund balances, beginning of year	(190,674)	(190,674)	(190,674)	-
Fund balances, end of year	<u>\$ 1,516,148</u>	<u>\$ 836,148</u>	<u>\$ 187,177</u>	<u>\$ (648,971)</u>

CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Special Revenue
Impact Fee Projects
GAAP Budgetary Basis
For the Year Ended June 30, 2017

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues:				
User Fees (net of allowance)	\$ 2,058,192	\$ 2,058,192	\$ 799,744	\$ (1,258,448)
Investment income (loss)	8,717	8,717	3,167	(5,550)
Total revenues	<u>2,066,909</u>	<u>2,066,909</u>	<u>802,911</u>	<u>(1,263,998)</u>
Expenditures:				
Public Works:				
Current	-	-	59	(59)
Total expenditures	<u>-</u>	<u>-</u>	<u>59</u>	<u>(59)</u>
Excess (deficiency) of revenues over expenditures	<u>2,066,909</u>	<u>2,066,909</u>	<u>802,852</u>	<u>(1,264,057)</u>
Other financing sources (uses):				
Transfers in	-	58,295	58,295	-
Transfers out	(1,860,083)	(1,221,882)	(1,221,882)	-
Total other financing sources (uses)	<u>(1,860,083)</u>	<u>(1,163,587)</u>	<u>(1,163,587)</u>	<u>-</u>
Net change in fund balances	206,826	903,322	(360,735)	(1,264,057)
Fund balances, beginning of year	<u>2,554,677</u>	<u>2,554,677</u>	<u>2,554,677</u>	<u>-</u>
Fund balances, end of year	<u>\$ 2,761,503</u>	<u>\$ 3,457,999</u>	<u>\$ 2,193,942</u>	<u>\$ (1,264,057)</u>

CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Special Revenue
Transportation Grants
GAAP Budgetary Basis
For the Year Ended June 30, 2017

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental revenues	\$ 385,327	\$ 487,226	\$ 334,037	\$ (153,189)
Investment income (loss)	615	615	-	(615)
Total revenues	<u>385,942</u>	<u>487,841</u>	<u>334,037</u>	<u>(153,804)</u>
Expenditures:				
Public Works:				
Current	463,538	579,662	382,942	196,720
Capital outlay	31,090	16,502	5,906	10,596
Total expenditures	<u>494,628</u>	<u>596,164</u>	<u>388,848</u>	<u>207,316</u>
Excess (deficiency) of revenues over expenditures	<u>(108,686)</u>	<u>(108,323)</u>	<u>(54,811)</u>	<u>53,512</u>
Other financing sources (uses):				
Transfers in	89,098	89,098	89,098	-
Transfers out	-	(170,913)	(170,913)	-
Total other financing sources (uses)	<u>89,098</u>	<u>(81,815)</u>	<u>(81,815)</u>	<u>-</u>
Net change in fund balances	(19,588)	(190,138)	(136,626)	53,512
Fund balances, beginning of year	351,379	351,379	351,379	-
Fund balances, end of year	<u>\$ 331,791</u>	<u>\$ 161,241</u>	<u>\$ 214,753</u>	<u>\$ 53,512</u>

CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Special Revenue
Community Development Grants
GAAP Budgetary Basis
For the Year Ended June 30, 2017

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Gross receipts	\$ 892,138	\$ 892,138	\$ 934,744	\$ 42,606
Intergovernmental revenues	1,790,353	804,673	580,910	(223,763)
User Fees (net of allowance)	-	-	259,311	259,311
Investment income (loss)	3,590	3,590	-	(3,590)
Other revenues/premiums	-	-	26,429	26,429
Total revenues	2,686,081	1,700,401	1,801,394	100,993
Expenditures:				
Community Development:				
Current	2,634,493	1,855,379	1,508,910	346,469
Capital outlay	1,070	1,170	-	1,170
Total expenditures	2,635,563	1,856,549	1,508,910	347,639
Net change in fund balances	50,518	(156,148)	292,484	448,632
Fund balances, beginning of year	855,985	855,985	855,985	-
Prior period adjustment	-	-	21,582	21,582
Fund balances, beginning of year as restated	855,985	855,985	877,567	21,582
Fund balances, end of year	\$ 906,503	\$ 699,837	\$ 1,170,051	\$ 470,214

CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Special Revenue
Senior Citizen Grants
GAAP Budgetary Basis
For the Year Ended June 30, 2017

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental revenues	\$ 1,522,685	\$ 1,574,590	\$ 1,400,134	\$ (174,456)
User Fees (net of allowance)	-	-	53,674	53,674
Other revenues/premiums	83,000	87,659	13,114	(74,545)
Total revenues	<u>1,605,685</u>	<u>1,662,249</u>	<u>1,466,922</u>	<u>(195,327)</u>
Expenditures:				
Community Development:				
Current	3,678,609	3,687,995	3,524,490	163,505
Capital outlay	199,342	262,574	133,226	129,348
Total expenditures	<u>3,877,951</u>	<u>3,950,569</u>	<u>3,657,716</u>	<u>292,853</u>
Excess (deficiency) of revenues over expenditures	<u>(2,272,266)</u>	<u>(2,288,320)</u>	<u>(2,190,794)</u>	<u>97,526</u>
Other financing sources (uses):				
Transfers in	2,272,266	2,272,266	2,275,427	3,161
Sale Capital Assets/Land	-	-	4,681	4,681
Total other financing sources (uses)	<u>2,272,266</u>	<u>2,272,266</u>	<u>2,280,108</u>	<u>7,842</u>
Net change in fund balances	-	(16,054)	89,314	105,368
Fund balances, beginning of year	396,937	396,937	396,937	-
Fund balances, end of year	<u>\$ 396,937</u>	<u>\$ 380,883</u>	<u>\$ 486,251</u>	<u>\$ 105,368</u>

CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Special Revenue
Historic Preservation Grant
GAAP Budgetary Basis
For the Year Ended June 30, 2017

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental revenues	\$ -	\$ -	\$ 6,565	\$ 6,565
User Fees (net of allowance)	-	-	18,600	18,600
Investment income (loss)	497	497	-	(497)
Total revenues	497	497	25,165	24,668
Expenditures:				
Culture and Recreation:				
Current	-	-	6,536	(6,536)
Total expenditures	-	-	6,536	(6,536)
Excess (deficiency) of revenues over expenditures	497	497	18,629	18,132
Other financing sources (uses):				
Transfers in	27,581	27,581	-	(27,581)
Sale Capital Assets/Land	30,000	30,000	-	(30,000)
Total other financing sources (uses)	57,581	57,581	-	(57,581)
Net change in fund balances	58,078	58,078	18,629	(39,449)
Fund balances, beginning of year	157,368	157,368	157,368	-
Fund balances, end of year	\$ 215,446	\$ 215,446	\$ 175,997	\$ (39,449)

CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Special Revenue
Library
GAAP Budgetary Basis
For the Year Ended June 30, 2017

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental revenues	\$ -	\$ 151,001	\$ 99,740	\$ (51,261)
User Fees (net of allowance)	3,000	3,000	1,866	(1,134)
Investment income (loss)	674	674	1,386	712
Total revenues	3,674	154,675	102,992	(51,683)
Expenditures:				
Culture and Recreation:				
Current	1,227,409	1,197,966	1,013,034	184,932
Capital outlay	19,636	26,833	17,385	9,448
Total expenditures	1,247,045	1,224,799	1,030,419	194,380
Excess (deficiency) of revenues over expenditures	(1,243,371)	(1,070,124)	(927,427)	142,697
Other financing sources (uses):				
Transfers in	998,009	998,009	998,009	-
Total other financing sources (uses)	998,009	998,009	998,009	-
Net change in fund balances	(245,362)	(72,115)	70,582	142,697
Fund balances, beginning of year	362,610	362,610	362,610	-
Fund balances, end of year	\$ 117,248	\$ 290,495	\$ 433,192	\$ 142,697

CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Special Revenue
NEA Grants
GAAP Budgetary Basis
For the Year Ended June 30, 2017

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Other revenues/premiums	\$ -	\$ 10,573	\$ 10,573	\$ -
Total revenues	-	10,573	10,573	-
Expenditures:				
Culture and Recreation:				
Current	65,750	76,323	71,126	5,197
Total expenditures	65,750	76,323	71,126	5,197
Excess (deficiency) of revenues over expenditures	(65,750)	(65,750)	(60,553)	5,197
Other financing sources (uses):				
Transfers in	65,750	65,750	65,750	-
Total other financing sources (uses)	65,750	65,750	65,750	-
Net change in fund balances	-	-	5,197	5,197
Fund balances, beginning of year	1,000	1,000	1,000	-
Fund balances, end of year	\$ 1,000	\$ 1,000	\$ 6,197	\$ 5,197

CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Special Revenue
Plaza Use
GAAP Budgetary Basis
For the Year Ended June 30, 2017

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues:				
User Fees (net of allowance)	\$ 25,000	\$ 25,000	\$ 31,265	\$ 6,265
Investment income (loss)	461	461	-	(461)
Total revenues	<u>25,461</u>	<u>25,461</u>	<u>31,265</u>	<u>5,804</u>
Expenditures:				
Culture and Recreation:				
Current	25,000	25,000	28,448	(3,448)
Total expenditures	<u>25,000</u>	<u>25,000</u>	<u>28,448</u>	<u>(3,448)</u>
Net change in fund balances	461	461	2,817	2,356
Fund balances, beginning of year	131,630	131,630	131,630	-
Fund balances, end of year	<u>\$ 132,091</u>	<u>\$ 132,091</u>	<u>\$ 134,447</u>	<u>\$ 2,356</u>

CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Special Revenue
Public Facilities Purchase
GAAP Budgetary Basis
For the Year Ended June 30, 2017

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Fund balances, beginning of year	\$ 56,902	\$ 56,902	\$ 56,902	\$ -
Fund balances, end of year	\$ 56,902	\$ 56,902	\$ 56,902	\$ -

CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Special Revenue
Quality of Life Project
GAAP Budgetary Basis
For the Year Ended June 30, 2017

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Investment income (loss)	\$ 808	\$ 808	\$ -	\$ (808)
Total revenues	808	808	-	(808)
Expenditures:				
Culture and Recreation:				
Current	235,357	235,357	156,999	78,358
Total expenditures	235,357	235,357	156,999	78,358
Excess (deficiency) of revenues over expenditures	(234,549)	(234,549)	(156,999)	77,550
Other financing sources (uses):				
Transfers in	259,434	259,434	259,434	-
Total other financing sources (uses)	259,434	259,434	259,434	-
Net change in fund balances	24,885	24,885	102,435	77,550
Fund balances, beginning of year	228,164	228,164	228,164	-
Fund balances, end of year	\$ 253,049	\$ 253,049	\$ 330,599	\$ 77,550

CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Special Revenue
Recreation Grants
GAAP Budgetary Basis
For the Year Ended June 30, 2017

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Gross receipts	\$ 1,304,675	\$ 1,304,675	\$ 1,367,137	\$ 62,462
Intergovernmental revenues	78,000	98,900	32,078	(66,822)
User Fees (net of allowance)	100,000	100,000	86,735	(13,265)
Investment income (loss)	3,336	3,336	2,431	(905)
Total revenues	<u>1,486,011</u>	<u>1,506,911</u>	<u>1,488,381</u>	<u>(18,530)</u>
Expenditures:				
Culture and Recreation:				
Current	1,914,154	1,934,186	1,695,435	238,751
Capital outlay	-	868	966	(98)
Total expenditures	<u>1,914,154</u>	<u>1,935,054</u>	<u>1,696,401</u>	<u>238,653</u>
Excess (deficiency) of revenues over expenditures	<u>(428,143)</u>	<u>(428,143)</u>	<u>(208,020)</u>	<u>220,123</u>
Other financing sources (uses):				
Transfers in	494,150	494,150	494,150	-
Total other financing sources (uses)	<u>494,150</u>	<u>494,150</u>	<u>494,150</u>	<u>-</u>
Net change in fund balances	66,007	66,007	286,130	220,123
Fund balances, beginning of year	1,179,738	1,179,738	1,179,738	-
Prior period adjustment	-	-	31,521	31,521
Fund balances, beginning of year as restated	<u>1,179,738</u>	<u>1,179,738</u>	<u>1,211,259</u>	<u>31,521</u>
Fund balances, end of year	<u>\$ 1,245,745</u>	<u>\$ 1,245,745</u>	<u>\$ 1,497,389</u>	<u>\$ 251,644</u>

CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Special Revenue
Land Development
GAAP Budgetary Basis
For the Year Ended June 30, 2017

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Investment income (loss)	\$ 4,629	\$ 4,629	\$ -	\$ (4,629)
Total revenues	4,629	4,629	-	(4,629)
Expenditures:				
Culture and Recreation:				
Current	-	29,418	-	29,418
Total expenditures	-	29,418	-	29,418
Net change in fund balances	4,629	(24,789)	-	24,789
Fund balances, beginning of year	442,850	442,850	442,850	-
Fund balances, end of year	\$ 447,479	\$ 418,061	\$ 442,850	\$ 24,789

CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Special Revenue
Special Recreation Leagues
GAAP Budgetary Basis
For the Year Ended June 30, 2017

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues:				
User Fees (net of allowance)	\$ 74,406	\$ 74,406	\$ 40,580	\$ (33,826)
Investment income (loss)	436	436	-	(436)
Total revenues	<u>74,842</u>	<u>74,842</u>	<u>40,580</u>	<u>(34,262)</u>
Expenditures:				
Culture and Recreation:				
Current	<u>68,579</u>	<u>68,579</u>	<u>44,718</u>	<u>23,861</u>
Total expenditures	<u>68,579</u>	<u>68,579</u>	<u>44,718</u>	<u>23,861</u>
Net change in fund balances	6,263	6,263	(4,138)	(10,401)
Fund balances, beginning of year	<u>116,084</u>	<u>116,084</u>	<u>116,084</u>	<u>-</u>
Fund balances, end of year	<u>\$ 122,347</u>	<u>\$ 122,347</u>	<u>\$ 111,946</u>	<u>\$ (10,401)</u>

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Nonmajor Governmental Funds

Capital Projects Funds

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

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

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

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

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

Beautification of Major Arterials - to account for beautification of medians throughout the city.

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.

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 Project - to account for the design of street construction projects .

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

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

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

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

Kitchen Angels - to account for the purchase and intallation of information technology and related infrastructure and to plan, design, construct, acquire, renovate, expand, furnish and equip the facility.

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

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

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

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

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

Major Governmental Funds

Capital Projects Funds

1/2% Gross Receipts Tax - to account for the City's portion of gross receipts taxes collected by the State of New Mexico per Ordinance no. 1981-45.

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CITY OF SANTA FE, NEW MEXICO
Combining Balance Sheet
Nonmajor Governmental Funds
Capital Projects
June 30, 2017

	Assets				Total Assets
	Cash, Investments and Cash Equivalents	Grants Receivable	Taxes Receivable	Interest Receivable	
General Government:					
CIP Reallocation	\$ 902,531	\$ -	\$ -	\$ 3,594	\$ 906,125
Resource Conservation	30,972	-	-	-	30,972
Building Renovations	2,038,924	1,868	-	-	2,040,792
Special Projects	1,193,801	-	-	1,498	1,195,299
Total General Government	4,166,228	1,868	-	5,092	4,173,188
Public Works:					
Beautif. of Major Arterials	180,259	-	-	-	180,259
Bond Acquisition	79,494	-	-	-	79,494
City Drainage Projects	582,515	-	-	-	582,515
City Paving Projects	2,464,896	20,019	112,504	3,153	2,600,572
Santa Fe River Channel	32,507	-	-	-	32,507
City Signalization Projects	163,170	-	-	-	163,170
City Street Const. Projects	1,224,847	1,617,669	-	1,498	2,844,014
City Sidewalk Projects	553,212	-	-	-	553,212
Zia Road Street Lighting	120,410	-	-	-	120,410
Total Public Works	5,401,310	1,637,688	112,504	4,651	7,156,153
Community Development:					
Affordable Housing Program	1,698	-	-	-	1,698
Public Care Facilities	1,211,973	1,016	-	-	1,212,989
Kitchen Angels	-	220,048	-	-	220,048
Total Community Development	1,213,671	221,064	-	-	1,434,735
Culture and Recreation:					
Art for CIP Projects	247,286	-	-	-	247,286
Museums	-	6,774	-	-	6,774
City Parks Improvements	5,288,224	1,367,360	-	-	6,655,584
Open Space Acquisition	296,230	-	-	-	296,230
Library Improvements	217,778	-	-	-	217,778
Total Culture and Recreation	6,049,518	1,374,134	-	-	7,423,652
Totals - June 30, 2017	<u>\$ 16,830,727</u>	<u>\$ 3,234,754</u>	<u>\$ 112,504</u>	<u>\$ 9,743</u>	<u>\$ 20,187,728</u>

CITY OF SANTA FE, NEW MEXICO
Combining Balance Sheet
Nonmajor Governmental Funds
Capital Projects
June 30, 2017

Liabilities, Deferred Inflows of Resources					Fund Balance			Total Liabilities Deferred Inflows of Resources and Fund Balance
Accounts Payable	Accrued Wages Payable	Due to other Funds	Other Current Liabilities	Total Liabilities	Restricted	Assigned	Total Fund Balances	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 906,125	\$ 906,125	\$ 906,125
-	-	-	-	-	-	30,972	30,972	30,972
198,295	-	-	-	198,295	-	1,842,497	1,842,497	2,040,792
26,632	-	-	-	26,632	-	1,168,667	1,168,667	1,195,299
224,927	-	-	-	224,927	-	3,948,261	3,948,261	4,173,188
-	-	-	-	-	180,259	-	180,259	180,259
-	-	-	-	-	-	79,494	79,494	79,494
-	-	-	-	-	-	582,515	582,515	582,515
1,271	18,371	-	-	19,642	2,580,930	-	2,580,930	2,600,572
-	-	-	-	-	-	32,507	32,507	32,507
23,550	-	-	-	23,550	-	139,620	139,620	163,170
460,127	-	-	100,000	560,127	2,283,887	-	2,283,887	2,844,014
-	-	-	-	-	-	553,212	553,212	553,212
-	-	-	-	-	-	120,410	120,410	120,410
484,948	18,371	-	100,000	603,319	5,045,076	1,507,758	6,552,834	7,156,153
-	-	-	-	-	-	1,698	1,698	1,698
-	-	-	-	-	1,212,989	-	1,212,989	1,212,989
-	-	220,048	-	220,048	-	-	-	220,048
-	-	220,048	-	220,048	1,212,989	1,698	1,214,687	1,434,735
-	1,154	-	-	1,154	-	246,132	246,132	247,286
-	-	6,774	-	6,774	-	-	-	6,774
700,252	-	-	-	700,252	5,955,332	-	5,955,332	6,655,584
-	-	-	-	-	296,230	-	296,230	296,230
11,804	-	-	-	11,804	-	205,974	205,974	217,778
712,056	1,154	6,774	-	719,984	6,251,562	452,106	6,703,668	7,423,652
\$ 1,421,931	\$ 19,525	\$ 226,822	\$ 100,000	\$ 1,768,278	\$ 12,509,627	\$ 5,909,823	\$ 18,419,450	\$ 20,187,728

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, 2017

	Revenues					
	Taxes	Inter-Governmental	Investment Income	Other Revenues	Total Revenue	Current
General Government:						
CIP Reallocation	\$ -	\$ -	\$ 558,341	\$ -	\$ 558,341	\$ -
Resource Conservation	-	-	-	80	80	-
Building Renovations	-	157,177	-	148	157,325	100,001
Special Projects	-	-	2,223	-	2,223	318,049
Total General Government	-	157,177	560,564	228	717,969	418,050
Public Works:						
Beautif. of Major Arterials	-	4,535	-	-	4,535	-
Bond Acquisition	-	-	-	-	-	-
City Drainage Projects	-	-	-	-	-	-
City Paving Projects	1,548,162	50,205	4,681	6,309	1,609,357	885,387
Santa Fe River Channel	-	-	-	-	-	-
City Signalization Projects	-	-	-	-	-	-
City Street Const. Projects	-	5,322,480	2,223	61,413	5,386,116	204
City Sidewalk Projects	-	299,058	-	-	299,058	1,479
Zia Road Street Lighting	-	-	-	-	-	-
Total Public Works	1,548,162	5,676,278	6,904	67,722	7,299,066	887,070
Community Development:						
Affordable Housing Programs	-	-	-	-	-	1
Public Care Facilities	-	68,680	-	25	68,705	2,019
Kitchen Angels	-	226,779	-	169	226,948	-
Total Community Development	-	295,459	-	194	295,653	2,020
Culture and Recreation:						
Arts for CIP Projects	-	-	-	-	-	12,531
Museums	-	14,834	-	-	14,834	-
City Parks Improvement	-	2,398,656	-	-	2,398,656	12,804
Open Space Acquisition	-	-	-	-	-	-
Library Improvements	-	-	-	-	-	110,327
Total Culture and Recreation	-	2,413,490	-	-	2,413,490	135,662
Totals - June 30, 2017	\$ 1,548,162	\$ 8,542,404	\$ 567,468	\$ 68,144	\$ 10,726,178	\$ 1,442,802

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, 2017

Other Financing Sources (Uses)			Fund Balance				
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
\$ -	\$ -	\$ 558,341	\$ 7,180,684	\$ (7,227,785)	\$ 511,240	\$ 394,885	\$ 906,125
-	-	80	-	-	80	30,892	30,972
1,041,057	1,141,058	(983,733)	1,595,612	(193,793)	418,086	1,424,411	1,842,497
170,107	488,156	(485,933)	1,654,600	-	1,168,667	-	1,168,667
1,211,164	1,629,214	(911,245)	10,430,896	(7,421,578)	2,098,073	1,850,188	3,948,261
4,711	4,711	(176)	161,585	-	161,409	18,850	180,259
-	-	-	-	-	-	79,494	79,494
310,841	310,841	(310,841)	-	-	(310,841)	893,356	582,515
1,991,748	2,877,135	(1,267,778)	917,664	(972,264)	(1,322,378)	3,903,308	2,580,930
-	-	-	-	-	-	32,507	32,507
345,289	345,289	(345,289)	-	-	(345,289)	484,909	139,620
6,648,317	6,648,521	(1,262,405)	-	(136,704)	(1,399,109)	3,682,996	2,283,887
692,927	694,406	(395,348)	-	-	(395,348)	948,560	553,212
74,426	74,426	(74,426)	-	-	(74,426)	194,836	120,410
10,068,259	10,955,329	(3,656,263)	1,079,249	(1,108,968)	(3,685,982)	10,238,816	6,552,834
16,945	16,946	(16,946)	-	-	(16,946)	18,644	1,698
85,868	87,887	(19,182)	7,946	-	(11,236)	1,224,225	1,212,989
226,948	226,948	-	-	-	-	-	-
329,761	331,781	(36,128)	7,946	-	(28,182)	1,242,869	1,214,687
175,694	188,225	(188,225)	-	-	(188,225)	434,357	246,132
14,834	14,834	-	-	-	-	-	-
6,685,757	6,698,561	(4,299,905)	1,939,113	(1,447,654)	(3,808,446)	9,763,778	5,955,332
-	-	-	-	-	-	296,230	296,230
59,370	169,697	(169,697)	373,353	-	203,656	2,318	205,974
6,935,655	7,071,317	(4,657,827)	2,312,466	(1,447,654)	(3,793,015)	10,496,683	6,703,668
\$ 18,544,839	\$ 19,987,641	\$ (9,261,463)	\$ 13,830,557	\$ (9,978,200)	\$ (5,409,106)	\$ 23,828,556	\$ 18,419,450

CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Capital Projects
CIP Reallocation Fund
GAAP Budgetary Basis
For the Year Ended June 30, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Investment income (loss)	\$ 84,803	\$ 84,803	\$ 558,341	\$ 473,538
Total revenues	84,803	84,803	558,341	473,538
Excess (deficiency) of revenues over expenditures	84,803	84,803	558,341	473,538
Other financing sources (uses):				
Transfers in	9,371,807	6,543,088	7,180,684	637,596
Transfers out	(3,803,346)	(6,865,285)	(7,227,785)	(362,500)
Total other financing sources (uses)	5,568,461	(322,197)	(47,101)	275,096
Net change in fund balances	5,653,264	(237,394)	511,240	748,634
Fund balances, beginning of year	394,885	394,885	394,885	-
Fund balances, end of year	\$ 6,048,149	\$ 157,491	\$ 906,125	\$ 748,634

CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Capital Projects
Resource Conservation
GAAP Budgetary Basis
For the Year Ended June 30, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Other revenues/premiums	\$ -	\$ 80	\$ 80	\$ -
Total revenues	-	80	80	-
Expenditures:				
General Government:				
Current	-	8,172	-	8,172
Total expenditures	-	8,172	-	8,172
Net change in fund balances	-	(8,092)	80	8,172
Fund balances, beginning of year	30,892	30,892	30,892	-
Fund balances, end of year	\$ 30,892	\$ 22,800	\$ 30,972	\$ 8,172

CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Capital Projects
Building Renovations
GAAP Budgetary Basis
For the Year Ended June 30, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental revenues	\$ -	\$ 436,330	\$ 157,177	\$ (279,153)
Other revenues/premiums	-	-	148	148
Total revenues	<u>-</u>	<u>436,330</u>	<u>157,325</u>	<u>(279,005)</u>
Expenditures:				
General Government:				
Current	1,870,000	236,044	100,001	136,043
Capital outlay	2,368,552	2,662,696	1,041,057	1,621,639
Total expenditures	<u>4,238,552</u>	<u>2,898,740</u>	<u>1,141,058</u>	<u>1,757,682</u>
Excess (deficiency) of revenues over expenditures	<u>(4,238,552)</u>	<u>(2,462,410)</u>	<u>(983,733)</u>	<u>1,478,677</u>
Other financing sources (uses):				
Transfers in	1,548,725	1,595,612	1,595,612	-
Transfers out	(66,300)	(188,381)	(193,793)	(5,412)
Total other financing sources (uses)	<u>1,482,425</u>	<u>1,407,231</u>	<u>1,401,819</u>	<u>(5,412)</u>
Net change in fund balances	<u>(2,756,127)</u>	<u>(1,055,179)</u>	<u>418,086</u>	<u>1,473,265</u>
Fund balances, beginning of year	1,424,411	1,424,411	1,424,411	-
Fund balances, end of year	<u>\$ (1,331,716)</u>	<u>\$ 369,232</u>	<u>\$ 1,842,497</u>	<u>\$ 1,473,265</u>

CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Capital Projects
Special Projects
GAAP Budgetary Basis
For the Year Ended June 30, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental revenues	\$ -	\$ 320,400	\$ -	\$ (320,400)
Investment income (loss)	-	-	2,223	2,223
Total revenues	-	320,400	2,223	(318,177)
Expenditures:				
General Government:				
Current	70,535	1,391,850	318,049	1,073,801
Capital outlay	1,600,000	583,150	170,107	413,043
Total expenditures	1,670,535	1,975,000	488,156	1,486,844
Excess (deficiency) of revenues over expenditures	(1,670,535)	(1,654,600)	(485,933)	1,168,667
Other financing sources (uses):				
Transfers in	1,600,000	1,654,600	1,654,600	-
Total other financing sources (uses)	1,600,000	1,654,600	1,654,600	-
Net change in fund balances	(70,535)	-	1,168,667	1,168,667
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	\$ (70,535)	\$ -	\$ 1,168,667	\$ 1,168,667

CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Capital Projects
Beautification of Major Arterials
GAAP Budgetary Basis
For the Year Ended June 30, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental revenues	\$ -	\$ 4,535	\$ 4,535	\$ -
Total revenues	-	4,535	4,535	-
Expenditures:				
Public Works:				
Capital outlay	161,585	166,120	4,711	161,409
Total expenditures	161,585	166,120	4,711	161,409
Excess (deficiency) of revenues over expenditures	(161,585)	(161,585)	(176)	161,409
Other financing sources (uses):				
Transfers in	161,585	161,585	161,585	-
Total other financing sources (uses)	161,585	161,585	161,585	-
Net change in fund balances	-	-	161,409	161,409
Fund balances, beginning of year	18,850	18,850	18,850	-
Fund balances, end of year	\$ 18,850	\$ 18,850	\$ 180,259	\$ 161,409

CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Capital Projects
Bond Aquisition Funds
GAAP Budgetary Basis
For the Year Ended June 30, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Fund balances, beginning of year	\$ 79,494	\$ 79,494	\$ 79,494	\$ -
Fund balances, end of year	\$ 79,494	\$ 79,494	\$ 79,494	\$ -

CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Capital Projects
City Drainage Projects
GAAP Budgetary Basis
For the Year Ended June 30, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Expenditures:				
Public Works:				
Capital outlay	\$ 275,000	\$ 315,656	\$ 310,841	\$ 4,815
Total expenditures	<u>275,000</u>	<u>315,656</u>	<u>310,841</u>	<u>4,815</u>
Net change in fund balances	(275,000)	(315,656)	(310,841)	4,815
Fund balances, beginning of year	<u>893,356</u>	<u>893,356</u>	<u>893,356</u>	-
Fund balances, end of year	<u>\$ 618,356</u>	<u>\$ 577,700</u>	<u>\$ 582,515</u>	<u>\$ 4,815</u>

CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Capital Projects
City Paving Projects
GAAP Budgetary Basis
For the Year Ended June 30, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Motor	\$ 1,445,000	\$ 1,445,000	\$ 1,548,162	\$ 103,162
Intergovernmental revenues	-	75,205	50,205	(25,000)
Investment income (loss)	-	-	4,681	4,681
Other revenues/premiums	-	6,309	6,309	-
Total revenues	<u>1,445,000</u>	<u>1,526,514</u>	<u>1,609,357</u>	<u>82,843</u>
Expenditures:				
Public Works:				
Current	984,243	1,070,882	885,387	185,495
Capital outlay	2,202,541	2,099,308	1,991,748	107,560
Total expenditures	<u>3,186,784</u>	<u>3,170,190</u>	<u>2,877,135</u>	<u>293,055</u>
Excess (deficiency) of revenues over expenditures	<u>(1,741,784)</u>	<u>(1,643,676)</u>	<u>(1,267,778)</u>	<u>375,898</u>
Other financing sources (uses):				
Transfers in	-	917,664	917,664	-
Transfers out	-	(972,264)	(972,264)	-
Total other financing sources (uses)	<u>-</u>	<u>(54,600)</u>	<u>(54,600)</u>	<u>-</u>
Net change in fund balances	<u>(1,741,784)</u>	<u>(1,698,276)</u>	<u>(1,322,378)</u>	<u>375,898</u>
Fund balances, beginning of year	<u>3,903,308</u>	<u>3,903,308</u>	<u>3,903,308</u>	<u>-</u>
Fund balances, end of year	<u>\$ 2,161,524</u>	<u>\$ 2,205,032</u>	<u>\$ 2,580,930</u>	<u>\$ 375,898</u>

CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Capital Projects
Santa Fe River Channel
GAAP Budgetary Basis
For the Year Ended June 30, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Fund balances, beginning of year	\$ 32,507	\$ 32,507	\$ 32,507	\$ -
Fund balances, end of year	<u>\$ 32,507</u>	<u>\$ 32,507</u>	<u>\$ 32,507</u>	<u>\$ -</u>

CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Capital Projects
City Signalization Projects
GAAP Budgetary Basis
For the Year Ended June 30, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental revenues	\$ 150,000	\$ -	\$ -	\$ -
Total revenues	150,000	-	-	-
Expenditures:				
Public Works:				
Current	-	68,937	-	68,937
Capital outlay	415,957	365,315	345,289	20,026
Total expenditures	415,957	434,252	345,289	88,963
Net change in fund balances	(265,957)	(434,252)	(345,289)	88,963
Fund balances, beginning of year	484,909	484,909	484,909	-
Fund balances, end of year	\$ 218,952	\$ 50,657	\$ 139,620	\$ 88,963

CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Capital Projects
City Sidewalk Projects
GAAP Budgetary Basis
For the Year Ended June 30, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental revenues	\$ -	\$ 328,944	\$ 299,058	\$ (29,886)
Total revenues	-	328,944	299,058	(29,886)
Expenditures:				
Public Works:				
Current	-	1,280	1,479	(199)
Capital outlay	851,407	961,775	692,927	268,848
Total expenditures	851,407	963,055	694,406	268,649
Net change in fund balances	(851,407)	(634,111)	(395,348)	238,763
Fund balances, beginning of year	948,560	948,560	948,560	-
Fund balances, end of year	\$ 97,153	\$ 314,449	\$ 553,212	\$ 238,763

CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Capital Projects
City Street Constr. Projects
GAAP Budgetary Basis
For the Year Ended June 30, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental revenues	\$ 8,986,500	\$ 5,617,597	\$ 5,322,480	\$ (295,117)
Investment income (loss)	-	-	2,223	2,223
Other revenues/premiums	87,000	87,000	61,413	(25,587)
Total revenues	<u>9,073,500</u>	<u>5,704,597</u>	<u>5,386,116</u>	<u>(318,481)</u>
Expenditures:				
Public Works:				
Current	10,000	10,184	204	9,980
Capital outlay	8,039,989	7,510,957	6,648,317	862,640
Total expenditures	<u>8,049,989</u>	<u>7,521,141</u>	<u>6,648,521</u>	<u>872,620</u>
Excess (deficiency) of revenues over expenditures	<u>1,023,511</u>	<u>(1,816,544)</u>	<u>(1,262,405)</u>	<u>554,139</u>
Other financing sources (uses):				
Transfers out	(16,000)	(135,593)	(136,704)	(1,111)
Total other financing sources (uses)	<u>(16,000)</u>	<u>(135,593)</u>	<u>(136,704)</u>	<u>(1,111)</u>
Net change in fund balances	1,007,511	(1,952,137)	(1,399,109)	553,028
Fund balances, beginning of year	3,682,996	3,682,996	3,682,996	-
Fund balances, end of year	<u>\$ 4,690,507</u>	<u>\$ 1,730,859</u>	<u>\$ 2,283,887</u>	<u>\$ 553,028</u>

CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Capital Projects
Zia Road Street Lighting
GAAP Budgetary Basis
For the Year Ended June 30, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Expenditures:				
Public Works:				
Capital outlay	\$ 139,949	\$ 139,949	\$ 74,426	\$ 65,523
Total expenditures	139,949	139,949	74,426	65,523
Net change in fund balances	(139,949)	(139,949)	(74,426)	65,523
Fund balances, beginning of year	194,836	194,836	194,836	-
Fund balances, end of year	<u>\$ 54,887</u>	<u>\$ 54,887</u>	<u>\$ 120,410</u>	<u>\$ 65,523</u>

CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Capital Projects
Affordable Housing Program
GAAP Budgetary Basis
For the Year Ended June 30, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Expenditures:				
Community Development:				
Current	\$ -	\$ 16,946	\$ 1	\$ 16,945
Capital outlay	-	-	16,945	(16,945)
Total expenditures	-	16,946	16,946	-
Net change in fund balances	-	(16,946)	(16,946)	-
Fund balances, beginning of year	18,644	18,644	18,644	-
Fund balances, end of year	\$ 18,644	\$ 1,698	\$ 1,698	\$ -

CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Capital Projects
Public Care Facilities
GAAP Budgetary Basis
For the Year Ended June 30, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental revenues	\$ -	\$ 425,292	\$ 68,680	\$ (356,612)
Other revenues/premiums	-	25	25	-
Total revenues	<u>-</u>	<u>425,317</u>	<u>68,705</u>	<u>(356,612)</u>
Expenditures:				
Community Development:				
Current	-	-	2,019	(2,019)
Capital outlay	535,175	788,386	85,868	702,518
Total expenditures	<u>535,175</u>	<u>788,386</u>	<u>87,887</u>	<u>700,499</u>
Excess (deficiency) of revenues over expenditures	<u>(535,175)</u>	<u>(363,069)</u>	<u>(19,182)</u>	<u>343,887</u>
Other financing sources (uses):				
Transfers in	5,927	7,946	7,946	-
Total other financing sources (uses)	<u>5,927</u>	<u>7,946</u>	<u>7,946</u>	<u>-</u>
Net change in fund balances	<u>(529,248)</u>	<u>(355,123)</u>	<u>(11,236)</u>	<u>343,887</u>
Fund balances, beginning of year	1,224,225	1,224,225	1,224,225	-
Fund balances, end of year	<u>\$ 694,977</u>	<u>\$ 869,102</u>	<u>\$ 1,212,989</u>	<u>\$ 343,887</u>

CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Capital Projects
Art for CIP Projects
GAAP Budgetary Basis
For the Year Ended June 30, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Expenditures:				
Culture and Recreation:				
Current	\$ 282,109	\$ 414,952	\$ 12,531	\$ 402,421
Capital outlay	262,175	15,000	175,694	(160,694)
Total expenditures	<u>544,284</u>	<u>429,952</u>	<u>188,225</u>	<u>241,727</u>
Net change in fund balances	(544,284)	(429,952)	(188,225)	241,727
Fund balances, beginning of year	<u>434,357</u>	<u>434,357</u>	<u>434,357</u>	-
Fund balances, end of year	<u>\$ (109,927)</u>	<u>\$ 4,405</u>	<u>\$ 246,132</u>	<u>\$ 241,727</u>

CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Capital Projects
Camino Lejo Museum
GAAP Budgetary Basis
For the Year Ended June 30, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental revenues	\$ -	\$ 14,835	\$ 14,834	\$ (1)
Total revenues	-	14,835	14,834	(1)
Expenditures:				
Culture and Recreation:				
Capital outlay	-	14,835	14,834	1
Total expenditures	-	14,835	14,834	1
Net change in fund balances	-	-	-	-
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	\$ -	\$ -	\$ -	\$ -

CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Capital Projects
City Parks Imprvmt.
GAAP Budgetary Basis
For the Year Ended June 30, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental revenues	\$ 3,665,772	\$ 4,358,705	\$ 2,398,656	\$ (1,960,049)
Investment income (loss)	29,494	29,494	-	(29,494)
Other revenues/premiums	-	80,000	-	(80,000)
Total revenues	<u>3,695,266</u>	<u>4,468,199</u>	<u>2,398,656</u>	<u>(2,069,543)</u>
Expenditures:				
Culture and Recreation:				
Current	322,338	367,511	12,804	354,707
Capital outlay	11,401,244	12,438,122	6,685,757	5,752,365
Total expenditures	<u>11,723,582</u>	<u>12,805,633</u>	<u>6,698,561</u>	<u>6,107,072</u>
Excess (deficiency) of revenues over expenditures	<u>(8,028,316)</u>	<u>(8,337,434)</u>	<u>(4,299,905)</u>	<u>4,037,529</u>
Other financing sources (uses):				
Transfers in	800,699	1,935,547	1,939,113	3,566
Transfers out	(833,000)	(1,444,088)	(1,447,654)	(3,566)
Total other financing sources (uses)	<u>(32,301)</u>	<u>491,459</u>	<u>491,459</u>	<u>-</u>
Net change in fund balances	<u>(8,060,617)</u>	<u>(7,845,975)</u>	<u>(3,808,446)</u>	<u>4,037,529</u>
Fund balances, beginning of year	9,763,778	9,763,778	9,763,778	-
Fund balances, end of year	<u>\$ 1,703,161</u>	<u>\$ 1,917,803</u>	<u>\$ 5,955,332</u>	<u>\$ 4,037,529</u>

CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Capital Projects
Open Space Acquisition
GAAP Budgetary Basis
For the Year Ended June 30, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Fund balances, beginning of year	\$ 296,230	\$ 296,230	\$ 296,230	\$ -
Fund balances, end of year	\$ 296,230	\$ 296,230	\$ 296,230	\$ -

CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Capital Projects
Library Grants
GAAP Budgetary Basis
For the Year Ended June 30, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Expenditures:				
Culture and Recreation:				
Current	\$ -	\$ 110,327	\$ 110,327	\$ -
Capital outlay	310,154	263,026	59,370	203,656
Total expenditures	<u>310,154</u>	<u>373,353</u>	<u>169,697</u>	<u>203,656</u>
Excess (deficiency) of revenues over expenditures	<u>(310,154)</u>	<u>(373,353)</u>	<u>(169,697)</u>	<u>203,656</u>
Other financing sources (uses):				
Transfers in	<u>373,353</u>	<u>373,353</u>	<u>373,353</u>	<u>-</u>
Total other financing sources (uses)	<u>373,353</u>	<u>373,353</u>	<u>373,353</u>	<u>-</u>
Net change in fund balances	63,199	-	203,656	203,656
Fund balances, beginning of year	<u>2,318</u>	<u>2,318</u>	<u>2,318</u>	<u>-</u>
Fund balances, end of year	<u>\$ 65,517</u>	<u>\$ 2,318</u>	<u>\$ 205,974</u>	<u>\$ 203,656</u>

CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Major Capital Projects
1/2% Gross Receipts Tax
GAAP Budgetary Basis
For the Year Ended June 30, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Gross receipts	\$ 15,998,032	\$ 15,998,032	\$ 18,222,207	\$ 2,224,175
Investment income (loss)	-	-	6,260	6,260
Total revenues	<u>15,998,032</u>	<u>15,998,032</u>	<u>18,228,467</u>	<u>2,230,435</u>
Expenditures:				
Culture and Recreation:				
Current	3,032,324	3,224,788	2,682,512	542,276
Capital outlay	616,596	424,132	275,190	148,942
Total expenditures	<u>3,648,920</u>	<u>3,648,920</u>	<u>2,957,702</u>	<u>691,218</u>
Excess (deficiency) of revenues over expenditures	<u>12,349,112</u>	<u>12,349,112</u>	<u>15,270,765</u>	<u>2,921,653</u>
Other financing sources (uses):				
Transfers in	350,000	8,756,545	350,000	(8,406,545)
Transfers out	(12,691,375)	(22,601,955)	(14,747,394)	7,854,561
Total other financing sources (uses)	<u>(12,341,375)</u>	<u>(13,845,410)</u>	<u>(14,397,394)</u>	<u>(551,984)</u>
Net change in fund balances	7,737	(1,496,298)	873,371	2,369,669
Fund balances, beginning of year	5,901,809	5,901,809	5,901,809	-
Prior period adjustment	-	-	390,375	390,375
Fund balances, end of year	<u>\$ 5,909,546</u>	<u>\$ 4,405,511</u>	<u>\$ 7,165,555</u>	<u>\$ 2,760,044</u>

Major Governmental Fund Debt Service Fund Budget vs Actual Report

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

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CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Major Government Funds
Debt Service Funds
Non-GAAP Budgetary Basis
For the Year Ended June 30, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Investment income (loss)	\$ 14,173	\$ 14,173	\$ 16,988	\$ 2,815
Property	3,131,922	3,131,922	4,529,099	1,397,177
Total revenues	<u>3,146,095</u>	<u>3,146,095</u>	<u>4,546,087</u>	<u>1,399,992</u>
Expenditures:				
Debt Service:				
Principal payments	9,894,716	9,894,716	24,103,966	(14,209,250)
Interest	5,220,540	5,329,126	7,218,026	(1,888,900)
Total expenditures	<u>15,115,256</u>	<u>15,223,842</u>	<u>31,321,992</u>	<u>(16,098,150)</u>
Excess (deficiency) of revenues over expenditures	<u>(11,969,161)</u>	<u>(12,077,747)</u>	<u>(26,775,905)</u>	<u>(14,698,158)</u>
Other financing sources (uses):				
Transfers in	12,134,701	21,716,701	17,197,201	(4,519,500)
Transfers out	-	(909,229)	(2,402,968)	(1,493,739)
Issuance of note	-	917,815	917,815	-
Payments to bond escrow	(545,000)	(545,000)	(18,655,040)	18,110,040
Proceeds of refunding bonds	-	-	17,350,001	(17,350,001)
Premiums on bonds issued	-	-	2,939,146	(2,939,146)
Total other financing sources (uses)	<u>11,589,701</u>	<u>21,180,287</u>	<u>17,346,155</u>	<u>(3,834,132)</u>
Net change in fund balances	(379,460)	9,102,540	(9,429,750)	(18,532,290)
Fund balances, beginning of year	<u>74,077,409</u>	<u>4,484,749</u>	<u>5,667,343</u>	<u>1,182,594</u>
Fund balances, end of year	<u>\$ 73,697,949</u>	<u>\$ 13,587,289</u>	<u>\$ (3,762,407)</u>	<u>\$ (17,349,696)</u>

CITY OF SANTA FE, NEW MEXICO
Combining Balance Sheet
Major Governmental Fund
Debt Service Fund
For the Year Ended June 30, 2017

	General Obligation 2010 Debt Service	General Obligation 2013 Debt Service	General Obligation 2014 Debt Service	GRT 2008 CIP Debt Service	GRT CIP & Ref. 2012A Debt Service	GRT Refunding 2013A Debt Service	GRT Refunding 2013B Debt Service	GRT 2014 Debt Service	NMFA- Land Acquisition Debt Service	NMFA Fire Department Debt Service	Totals
Assets											
Cash and investments:	\$ 40,782	\$ 451,978	\$ 242,276	\$ 207,488	\$ 74,637	\$ 18,318	\$ 12,496	\$ 99,882	\$ 24,760	\$ -	\$ 1,172,617
Restricted cash, cash equivalents and investments: Restricted for debt service payments	331	27,066	-	117,150	480,431	277,414	55,942	60,962	-	-	1,019,296
Receivables:											
Interest	-	-	-	-	2,768	1,714	-	-	-	-	4,482
Other receivable	39,716	14,822	6,771	-	-	-	-	-	-	-	61,309
Total assets	<u>\$ 80,829</u>	<u>\$ 493,866</u>	<u>\$ 249,047</u>	<u>\$ 324,638</u>	<u>\$ 557,836</u>	<u>\$ 297,446</u>	<u>\$ 68,438</u>	<u>\$ 160,844</u>	<u>\$ 24,760</u>	<u>\$ -</u>	<u>\$ 2,257,704</u>
Liabilities, Deferred Inflows of Resources and Fund Balances											
Liabilities:											
Due to other funds	\$ 6,013,239	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,872	\$ 6,020,111
Total current liabilities	<u>6,013,239</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,872</u>	<u>6,020,111</u>
Deferred inflows of resources:											
Fund balance:											
Unassigned	(5,932,410)	493,866	249,047	324,638	557,836	297,446	68,438	160,844	24,760	(6,872)	(3,762,407)
Total fund balances	<u>(5,932,410)</u>	<u>493,866</u>	<u>249,047</u>	<u>324,638</u>	<u>557,836</u>	<u>297,446</u>	<u>68,438</u>	<u>160,844</u>	<u>24,760</u>	<u>(6,872)</u>	<u>(3,762,407)</u>
Total liabilities and fund balances	<u>\$ 80,829</u>	<u>\$ 493,866</u>	<u>\$ 249,047</u>	<u>\$ 324,638</u>	<u>\$ 557,836</u>	<u>\$ 297,446</u>	<u>\$ 68,438</u>	<u>\$ 160,844</u>	<u>\$ 24,760</u>	<u>\$ -</u>	<u>\$ 2,257,704</u>

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CITY OF SANTA FE, NEW MEXICO
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Major Governmental Fund
Debt Service Funds
For the Year Ended June 30, 2017

	General Obligation 2010 Debt Service	General Obligation 2013 Debt Service	General Obligation 2014 Debt Service	GRT 2008 CIP Debt Service	GRT Refunding/ CIP 2012A Debt Service	GRT Refunding 2013A Debt Service	GRT Refunding 2013B Debt Service
Revenues:							
Taxes:							
Property	\$ 2,934,078	\$ 1,094,874	\$ 500,147	\$ -	\$ -	\$ -	\$ -
Investment income (loss)	2,861	55	-	349	8,329	5,116	113
Total revenues	2,936,939	1,094,929	500,147	349	8,329	5,116	113
Expenditures:							
Debt service:							
Principal payments	14,930,000	500,000	205,000	674,250	4,460,000	2,980,000	190,000
Interest	1,590,095	351,585	182,736	2,083,369	1,189,737	308,573	480,186
Total expenditures	16,520,095	851,585	387,736	2,757,619	5,649,737	3,288,573	670,186
Excess (deficiency) of revenues over expenditures	(13,583,156)	243,344	112,411	(2,757,270)	(5,641,408)	(3,283,457)	(670,073)
Other financing sources (uses):							
Transfers in	5,062,500	-	-	1,523,956	5,647,116	3,287,691	670,066
Transfers out	(1,493,739)	-	-	-	-	-	-
Payments to bond escrow	-	-	-	(16,485,750)	-	-	-
Proceeds of refunding bonds	-	-	-	15,330,000	-	-	-
Premiums on bonds issued	-	-	-	2,591,836	-	-	-
Issuance of note	-	-	-	-	-	-	-
Total other financing sources (uses)	3,568,761	-	-	2,960,042	5,647,116	3,287,691	670,066
Net change in fund balances	(10,014,395)	243,344	112,411	202,772	5,708	4,234	(7)
Fund balances, beginning of year	4,081,985	250,522	136,636	121,866	552,128	293,212	68,445
Fund balances, end of year	\$ (5,932,410)	\$ 493,866	\$ 249,047	\$ 324,638	\$ 557,836	\$ 297,446	\$ 68,438

* Prior Year GO Bond 2008 and 2010 were reported separately, In 2017 they were combined into 2010 GO Bond.

CITY OF SANTA FE, NEW MEXICO
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Major Governmental Fund
Debt Service Funds
For the Year Ended June 30, 2017

	GRT 2014 CIP Debt Service	NMFA-Land Acquisition Debt Service	NMFA-Fire Department Debt Service	Totals
Revenues:				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ 4,529,099
Investment income (loss)	123	31	11	16,988
Total revenues	123	31	11	4,546,087
Expenditures:				
Debt service:				
Principal payments	-	164,716	-	24,103,966
Interest	728,874	287,402	15,469	7,218,026
Total expenditures	728,874	452,118	15,469	31,321,992
Excess (deficiency) of revenues over expenditures	(728,751)	(452,087)	(15,458)	(26,775,905)
Other financing sources (uses):				
Transfers in	730,004	275,868	-	17,197,201
Transfers out	-	-	(909,229)	(2,402,968)
Payments to bond escrow	-	(2,169,290)	-	(18,655,040)
Proceeds of refunding bonds	-	2,020,000	-	17,350,001
Premiums on bonds issued	-	347,311	-	2,939,146
Issuance of note	-	-	917,815	917,815
Total other financing sources (uses)	730,004	473,889	8,586	17,346,155
Net change in fund balances	1,253	21,802	(6,872)	(9,429,750)
Fund balances, beginning of year	159,591	2,958	-	5,667,343
Fund balances, end of year	\$ 160,844	\$ 24,760	\$ (6,872)	\$ (3,762,407)

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Nonmajor Enterprise Funds

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

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

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

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

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

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

Major Enterprise Funds Budget vs Actual

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

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

Environmental Services - to account for the operation of the City's solid waste collection service.

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

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

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

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CITY OF SANTA FE, NEW MEXICO
Combining Statement of Net Position
Nonmajor Enterprise Funds
For the Year Ended June 30, 2017

	Municipal Recreation Complex	Parking Enterprise Fund	Transit Bus System	Airport	GCCC	Totals
Cash and investments:	\$ 463,832	\$ 420,688	\$ 3,465,118	\$ 161,019	\$ 2,119,581	\$ 6,630,238
Restricted for debt service	109,566	-	-	-	-	109,566
Restricted for customer deposits	-	11,416	14	-	18,321	29,751
Grants receivable	11,041	-	1,926,305	578,279	5,337	2,520,962
Receivables (net of allowances)	136,303	19,630	-	-	-	155,933
Interest	-	-	5,398	-	1,715	7,113
Other receivable	16,286	-	-	214,028	-	230,314
Prepaid expense	-	-	-	1,710	-	1,710
Total current assets	737,028	451,734	5,396,835	955,036	2,144,954	9,685,587
Land and water rights	2,250,000	-	-	129,711	2,072,067	4,451,778
Buildings and structures	2,314,761	35,268,581	7,721,323	5,279,142	23,306,768	73,890,575
Sewerlines and utility systems	-	-	-	-	29,820	29,820
Improvements	15,194,101	63,620	766,447	26,417,720	3,032,739	45,474,627
Furniture and fixtures	-	-	7,558	-	37,525	45,083
Equipment and machinery	1,287,944	799,553	1,665,906	1,170,271	502,655	5,426,329
Vehicles	59,236	430,619	14,239,596	596,733	119,582	15,445,766
Data processing equip./software	59,203	519,199	471,583	1,142	50,469	1,101,596
Art	-	-	180,971	-	-	180,971
Construction in Progress	-	-	1,237,488	511,668	34,834	1,783,990
Less: accumulated depreciation	(15,934,281)	(6,643,471)	(13,100,674)	(18,775,212)	(9,313,423)	(63,767,061)
Total capital assets (net accumulated depreciation)	5,230,964	30,438,101	13,190,198	15,331,175	19,873,036	84,063,474
Total noncurrent assets	5,230,964	30,438,101	13,190,198	15,331,175	19,873,036	84,063,474
Deferred outflows related to pension activity	267,163	1,630,209	3,468,617	623,784	1,341,697	7,331,470
Total assets and deferred outflows	\$ 6,235,155	\$ 32,520,044	\$ 22,055,650	\$ 16,909,995	\$ 23,359,687	\$ 101,080,531
Accounts payable	\$ 26,766	\$ 77,229	\$ 12,138	\$ 123,071	\$ 134,051	\$ 373,255
Gross receipts taxes payable	4,226	19,623	-	146	8,507	32,502
Compensated absence payable	-	26,319	-	-	-	26,319
Accrued wages payable	18,643	76,835	196,852	34,124	85,997	412,451
Notes payable	-	-	279,644	-	-	279,644
Bonds payable (net amort discounts)	1,083,787	494,541	-	-	-	1,578,328
Accrued interest payable	19,863	23,062	5,268	-	-	48,193
Deposits and Escrow	-	11,416	14	-	18,321	29,751
Total current liabilities	1,153,285	729,025	493,916	157,341	246,876	2,780,443
Bonds Payable (net of unamortized discounts)	4,434,312	12,621,856	-	-	-	17,056,168
Notes payable	-	-	2,436,749	-	-	2,436,749
Compensated absences payable	21,638	200,785	373,777	82,480	127,714	806,394
Net pension liability	849,322	5,182,502	11,026,876	1,983,035	4,265,310	23,307,045
Total noncurrent liabilities	5,305,272	18,005,143	13,837,402	2,065,515	4,393,024	43,606,356
Total liabilities	6,458,557	18,734,168	14,331,318	2,222,856	4,639,900	46,386,799
Unamortized gain on refunding of bonds	76,652	-	-	-	-	76,652
Deferred inflows related to pension activity	23,631	144,195	306,806	55,175	118,676	648,483
Total deferred inflows of resources	100,283	144,195	306,806	55,175	118,676	725,135
Net Investment in capital assets	(363,787)	17,321,704	10,473,805	15,331,175	19,873,036	62,635,933
Restricted for debt service	109,566	-	-	-	-	109,566
Unrestricted	(69,464)	(3,680,023)	(3,056,279)	(699,211)	(1,271,925)	(8,776,902)
Total net position	(323,685)	13,641,681	7,417,526	14,631,964	18,601,111	53,968,597
Total liabilities, inflows of resources & net position	\$ 6,235,155	\$ 32,520,044	\$ 22,055,650	\$ 16,909,995	\$ 23,359,687	\$ 101,080,531

CITY OF SANTA FE, NEW MEXICO
Combining Statement of Revenues, Expenses
and Changes to Net Position
Nonmajor Enterprise Funds
For the Year Ended June 30, 2017

	Municipal Recreation Complex	Parking Enterprise Fund	Transit Bus System	Airport	GCCC	Totals
Operating revenues:						
User Fees (net of allowance)	\$ 1,084,938	\$ 4,598,684	\$ 1,455,242	\$ 1,263,842	\$ 1,734,196	\$ 10,136,902
Other revenues/premiums	42,893	424,878	184,659	15,359	-	667,789
Facilities rentals	49,826	-	-	332,916	303,890	686,632
Total operating revenues	1,177,657	5,023,562	1,639,901	1,612,117	2,038,086	11,491,323
Operating expenses:						
Salaries, wages and fringe benefits	676,665	3,698,497	8,654,084	1,379,742	3,364,882	17,773,870
Contractual services and utilities	441,784	182,039	196,577	624,088	675,638	2,120,126
Repairs and maintenance	54,309	101,963	368,608	38,123	137,943	700,946
Supplies	155,247	150,994	736,731	26,480	186,393	1,255,845
Capital outlay-inventory exempt items	7,128	260,431	63,525	114,301	87,415	532,800
Depreciation expense	211,255	727,542	1,902,258	2,123,455	632,517	5,597,027
Insurance premiums	16,810	114,066	285,977	35,395	95,257	547,505
Other	211,122	828,709	1,045,062	242,282	222,641	2,549,816
Total operating expenses	1,774,320	6,064,241	13,252,822	4,583,866	5,402,686	31,077,935
Operating income (loss)	(596,663)	(1,040,679)	(11,612,921)	(2,971,749)	(3,364,600)	(19,586,612)
Non-operating revenues (expenses):						
Investment income (loss)	222	39	8,053	-	2,545	10,859
Intergovernmental						
Federal	-	-	1,603,609	745,062	-	2,348,671
State	251,245	-	52,937	375,804	5,337	685,323
Gain (loss) on sale of capital assets	6,581	20,063	(9,271)	-	(8,949)	8,424
Interest expense	(248,266)	(415,516)	(62,484)	-	-	(726,266)
Prem/(discount) debt service interest	28,236	65,341	-	-	-	93,577
Total non-operating revenues (expenses)	38,018	(330,073)	1,592,844	1,120,866	(1,067)	2,420,588
Income (loss) before transfers and capital contributions	(558,645)	(1,370,752)	(10,020,077)	(1,850,883)	(3,365,667)	(17,166,024)
Capital grants	-	-	37,261	-	-	37,261
Transfers in	2,803,062	-	8,596,463	258,217	2,906,035	14,563,777
Transfers out	(3,713)	(63,362)	-	(22,431)	(592,485)	(681,991)
Change in net position	2,240,704	(1,434,114)	(1,386,353)	(1,615,097)	(1,052,117)	(3,246,977)
Net position, beginning of year	(2,564,389)	15,075,795	8,803,879	16,247,061	19,653,228	57,215,574
Net position, end of year	\$ (323,685)	\$ 13,641,681	\$ 7,417,526	\$ 14,631,964	\$ 18,601,111	\$ 53,968,597

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

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CITY OF SANTA FE, NEW MEXICO
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
Fiscal Year Ended June 30, 2017

	Municipal Recreation Complex	Parking Enterprise Fund	Transit Bus System
Cash flows from operating activities:			
Cash received from customers	\$ 1,185,075	\$ 5,008,894	\$ 1,639,901
Cash payments to suppliers for goods and services	(1,640,569)	(1,207,575)	(1,789,207)
Cash payments to employees for services	(518,724)	(2,513,848)	(6,291,108)
Cash paid for interfund services provided	-	(396,691)	(940,766)
Net cash provided (used) by operating activities	<u>(974,218)</u>	<u>890,780</u>	<u>(7,381,180)</u>
Cash flows from noncapital financing activities:			
Intergovernmental Taxes and Grants	262,192	-	1,721,652
Transfers-in from other funds	2,803,062	-	8,596,463
Transfers-out to other funds	(3,713)	(63,362)	-
Net cash provided (used) by noncapital financing activities	<u>3,061,541</u>	<u>(63,362)</u>	<u>10,318,115</u>
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	(401,502)	(39,117)	(83,658)
Proceeds from sale of capital assets	6,581	20,063	(9,271)
Bond proceeds	5,782,800	-	-
Premium on refunding	710,299	-	-
Interest paid on revenue bonds and notes payable	(252,746)	(410,392)	(62,418)
Principal paid on revenue bond maturities and notes payable	(7,360,000)	(409,151)	(277,480)
Net cash used by capital and related financing activities	<u>(1,514,568)</u>	<u>(838,597)</u>	<u>(432,827)</u>
Cash flows from investing activities			
Interest and dividends on investments	643	393	4,697
Net cash provided (used) by investing activities	<u>643</u>	<u>393</u>	<u>4,697</u>
Net increase (decrease) in cash/cash equivalents	573,398	(10,786)	2,508,805
Cash, investments and cash equivalents at beginning of year	-	442,890	956,327
Cash, investments and cash equivalents at end of year	<u>\$ 573,398</u>	<u>\$ 432,104</u>	<u>\$ 3,465,132</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (596,663)	\$ (1,040,679)	\$ (11,612,921)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation/amortization/bad debt expense	211,255	727,542	1,902,258
Difference between employer cash contribution to pension plan and noncash pension expense:	164,699	1,127,744	2,380,013
Change in assets & liabilities			
(Increase) decrease Accounts receivable	7,418	(14,667)	-
(Increase) decrease Prepaid expenses	-	-	-
Increase (decrease)Accounts payable	(3,713)	52,588	(33,493)
Increase (decrease) Gross receipts taxes payable	(802)	(20,153)	-
Increase (decrease) Compensated absences payable	(4,469)	54,277	(35,085)
Increase (decrease) Accrued wages payable	(2,289)	2,628	18,048
Increase (decrease) Miscellaneous Payable	(749,654)	-	-
Increase (decrease) Customer Deposits	-	1,500	-
Total adjustments	<u>(377,555)</u>	<u>1,931,459</u>	<u>4,231,741</u>
Net cash provided (used) by operating activities	<u>\$ (974,218)</u>	<u>\$ 890,780</u>	<u>\$ (7,381,180)</u>

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

CITY OF SANTA FE, NEW MEXICO
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
Fiscal Year Ended June 30, 2017

	Airport	GCCC	Totals
Cash flows from operating activities:			
Cash received from customers	\$ 2,228,862	\$ 2,038,086	\$ 12,100,818
Cash payments to suppliers for goods and services	(1,989,184)	(1,414,571)	(8,041,106)
Cash payments to employees for services	(934,983)	(2,497,578)	(12,756,241)
Cash paid for interfund services provided	(146,573)	-	(1,484,030)
Net cash provided (used) by operating activities	<u>(841,878)</u>	<u>(1,874,063)</u>	<u>(10,180,559)</u>
Cash flows from noncapital financing activities:			
Intergovernmental Taxes and Grants	1,345,500	19,663	3,349,007
Transfers-in from other funds	258,217	2,906,035	14,563,777
Transfers-out to other funds	(22,431)	(592,485)	(681,991)
Net cash provided (used) by noncapital financing activities	<u>1,581,286</u>	<u>2,333,213</u>	<u>17,230,793</u>
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	(578,566)	(65,916)	(1,168,759)
Proceeds from sale of capital assets	-	(8,949)	8,424
Bond proceeds	-	-	5,782,800
Premium on refunding	-	-	710,299
Interest paid on revenue bonds and notes payable	-	-	(725,556)
Principal paid on revenue bond maturities and notes payable	-	-	(8,046,631)
Net cash used by capital and related financing activities	<u>(578,566)</u>	<u>(74,865)</u>	<u>(3,439,423)</u>
Cash flows from investing activities			
Interest and dividends on investments	177	2,052	7,962
Net cash provided (used) by investing activities	<u>177</u>	<u>2,052</u>	<u>7,962</u>
Net increase (decrease) in cash/cash equivalents	161,019	386,337	3,618,773
Cash, investments and cash equivalents at beginning of year	-	1,751,565	3,150,782
Cash, investments and cash equivalents at end of year	<u>\$ 161,019</u>	<u>\$ 2,137,902</u>	<u>\$ 6,769,555</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (2,971,749)	\$ (3,364,600)	\$(19,586,612)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation/amortization/bad debt expense	2,123,455	632,517	5,597,027
Difference between employer cash contribution to pension plan and noncash pension expense:	419,956	917,947	5,010,359
Change in assets & liabilities			
(Increase) decrease Accounts receivable	616,745	-	609,496
(Increase) decrease Prepaid expenses	(1,710)	-	(1,710)
Increase (decrease)Accounts payable	94,400	(9,998)	99,784
Increase (decrease) Gross receipts taxes payable	135	14	(20,806)
Increase (decrease) Compensated absences payable	22,026	(45,967)	(9,218)
Increase (decrease) Accrued wages payable	2,777	(4,676)	16,488
Increase (decrease) Miscellaneous Payable	(1,147,913)	-	(1,897,567)
Increase (decrease) Customer Deposits	-	700	2,200
Total adjustments	<u>2,129,871</u>	<u>1,490,537</u>	<u>9,406,053</u>
Net cash provided (used) by operating activities	<u>\$ (841,878)</u>	<u>\$ (1,874,063)</u>	<u>\$(10,180,559)</u>

CITY OF SANTA FE, NEW MEXICO
Nonmajor Enterprise Fund
Schedule of Revenues, Expenses
and Changes in Net Position Budget and Actual
Municipal Recreation Complex
Non-GAAP Budgetary Basis
For the Year Ended June 30, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Operating revenues and transfers in:				
User Fees (net of allowance)	\$ 1,006,237	\$ 1,006,237	\$ 1,084,938	\$ 78,701
Investment income (loss)	1,665	1,665	222	(1,443)
Intergovernmental revenues	-	300,580	251,245	(49,335)
Other revenues/premiums	56,026	56,026	42,893	(13,133)
Facilities rentals	48,200	48,200	49,826	1,626
Transfers in	1,715,239	2,803,062	2,803,062	-
Total operating revenues and transfers in	<u>2,827,367</u>	<u>4,215,770</u>	<u>4,232,186</u>	<u>16,416</u>
Operating expenses and transfers out:				
Salaries, wages and fringe benefits	693,710	693,710	676,665	17,045
Contractual services and utilities	334,538	334,538	441,784	(107,246)
Repairs and maintenance	68,695	68,695	54,309	14,386
Supplies	164,446	164,446	155,247	9,199
Capital outlay	145,042	145,042	395,244	(250,202)
Insurance premiums	16,810	16,810	16,810	-
Interest expense	262,397	262,397	248,266	14,131
Other	491,593	511,442	211,122	300,320
Transfers out	3,713	3,713	3,713	-
Total operating expenses and transfers out	<u>2,180,944</u>	<u>2,200,793</u>	<u>2,203,160</u>	<u>(2,367)</u>
Excess of revenues over (under) expenses	<u>646,423</u>	<u>2,014,977</u>	<u>2,029,026</u>	<u>14,049</u>
Revenue (expenses) not budgeted:				
Depreciation expense			(211,255)	
Prem/(discount) debt service interest			28,236	
Gain (loss) on sale of capital assets			6,581	
Change to conform to generally accepted accounting principles				
Capital outlay			<u>388,116</u>	
Change in net position			<u>\$ 2,240,704</u>	

CITY OF SANTA FE, NEW MEXICO
Nonmajor Enterprise Fund
Schedule of Revenues, Expenses
and Changes in Net Position Budget and Actual
Parking Enterprise Fund
Non-GAAP Budgetary Basis
For the Year Ended June 30, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Operating revenues and transfers in:				
User Fees (net of allowance)	\$ 5,414,377	\$ 5,414,377	\$ 4,598,684	\$ (815,693)
Investment income (loss)	30,924	30,924	39	(30,885)
Other revenues/premiums	526,089	526,089	424,878	(101,211)
Total operating revenues and transfers in	<u>5,971,390</u>	<u>5,971,390</u>	<u>5,023,601</u>	<u>(947,789)</u>
Operating expenses and transfers out:				
Salaries, wages and fringe benefits	2,821,030	2,821,030	3,698,497	(877,467)
Contractual services and utilities	327,512	291,387	182,039	109,348
Repairs and maintenance	200,683	198,293	101,963	96,330
Supplies	230,807	222,807	150,994	71,813
Capital outlay	498,170	533,919	299,547	234,372
Insurance premiums	114,066	114,066	114,066	-
Interest expense	482,153	482,153	415,516	66,637
Other	988,052	945,068	828,709	116,359
Transfers out	63,362	74,880	63,362	11,518
Total operating expenses and transfers out	<u>5,725,835</u>	<u>5,683,603</u>	<u>5,854,693</u>	<u>(171,090)</u>
Excess of revenues over (under) expenses	<u>245,555</u>	<u>287,787</u>	<u>(831,092)</u>	<u>(1,118,879)</u>
Revenue (expenses) not budgeted:				
Depreciation expense			(727,542)	
Prem/(discount) debt service interest			65,341	
Gain (loss) on sale of capital assets			20,063	
Change to conform to generally accepted accounting principles				
Capital outlay			<u>39,116</u>	
Change in net position			<u>\$ (1,434,114)</u>	

CITY OF SANTA FE, NEW MEXICO
Nonmajor Enterprise Fund
Schedule of Revenues, Expenses
and Changes in Net Position Budget and Actual
Transit Bus System
Non-GAAP Budgetary Basis
For the Year Ended June 30, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Operating revenues and transfers in:				
User Fees (net of allowance)	\$ 1,392,500	\$ 1,392,500	\$ 1,455,242	\$ 62,742
Investment income (loss)	-	-	8,053	8,053
Intergovernmental revenues	1,955,484	2,801,220	1,656,546	(1,144,674)
Capital grants	-	-	37,261	37,261
Other revenues/premiums	123,595	123,595	184,659	61,064
Transfers in	7,451,878	8,596,463	8,596,463	-
Total operating revenues and transfers in	<u>10,923,457</u>	<u>12,913,778</u>	<u>11,938,224</u>	<u>(975,554)</u>
Operating expenses and transfers out:				
Salaries, wages and fringe benefits	6,669,956	6,669,956	8,654,084	(1,984,128)
Contractual services and utilities	334,605	302,665	196,577	106,088
Repairs and maintenance	417,587	397,603	368,608	28,995
Supplies	687,506	750,362	736,731	13,631
Capital outlay	771,024	754,604	170,629	583,975
Insurance premiums	285,977	285,977	285,977	-
Interest expense	62,418	62,418	62,484	(66)
Other	2,222,990	2,826,607	1,045,062	1,781,545
Total operating expenses and transfers out	<u>11,452,063</u>	<u>12,050,192</u>	<u>11,520,152</u>	<u>530,040</u>
Excess of revenues over (under) expenses	<u>(528,606)</u>	<u>863,586</u>	418,072	<u>(445,514)</u>
Revenue (expenses) not budgeted:				
Depreciation expense			(1,902,258)	
Gain (loss) on sale of capital assets			(9,271)	
Change to conform to generally accepted accounting principles				
Capital outlay			<u>107,104</u>	
Change in net position			<u>\$ (1,386,353)</u>	

CITY OF SANTA FE, NEW MEXICO
Nonmajor Enterprise Fund
Schedule of Revenues, Expenses
and Changes in Net Position Budget and Actual
Airport
Non-GAAP Budgetary Basis
For the Year Ended June 30, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Operating revenues and transfers in:				
User Fees (net of allowance)	\$ 1,088,821	\$ 1,088,821	\$ 1,263,842	\$ 175,021
Investment income (loss)	1,693	1,693	-	(1,693)
Intergovernmental revenues	154,000	3,418,690	1,120,866	(2,297,824)
Other revenues/premiums	-	-	15,359	15,359
Facilities rentals	632,507	632,507	332,916	(299,591)
Transfers in	161,726	257,106	258,217	1,111
Total operating revenues and transfers in	<u>2,038,747</u>	<u>5,398,817</u>	<u>2,991,200</u>	<u>(2,407,617)</u>
Operating expenses and transfers out:				
Salaries, wages and fringe benefits	1,264,195	1,264,195	1,379,742	(115,547)
Contractual services and utilities	261,087	917,901	624,088	293,813
Repairs and maintenance	48,349	58,349	38,123	20,226
Supplies	37,770	40,770	26,480	14,290
Capital outlay	187,575	1,191,686	692,868	498,818
Insurance premiums	48,614	48,614	35,395	13,219
Other	227,732	1,876,807	242,282	1,634,525
Transfers out	-	22,431	22,431	-
Total operating expenses and transfers out	<u>2,075,322</u>	<u>5,420,753</u>	<u>3,061,409</u>	<u>2,359,344</u>
Excess of revenues over (under) expenses	<u>(36,575)</u>	<u>(21,936)</u>	<u>(70,209)</u>	<u>(48,273)</u>
Revenue (expenses) not budgeted:				
Depreciation expense			(2,123,455)	
Change to conform to generally accepted accounting principles				
Capital outlay			<u>578,567</u>	
Change in net position			<u>\$ (1,615,097)</u>	

CITY OF SANTA FE, NEW MEXICO
Nonmajor Enterprise Fund
Schedule of Revenues, Expenses
and Changes in Net Position Budget and Actual
Genoveva Chavez Community Center
Non-GAAP Budgetary Basis
For the Year Ended June 30, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Operating revenues and transfers in:				
User Fees (net of allowance)	\$ 1,699,500	\$ 1,699,500	\$ 1,734,196	\$ 34,696
Investment income (loss)	6,335	6,335	2,545	(3,790)
Intergovernmental revenues	-	5,337	5,337	-
Facilities rentals	281,000	281,000	303,890	22,890
Transfers in	2,902,773	2,906,035	2,906,035	-
Total operating revenues and transfers in	<u>4,889,608</u>	<u>4,898,207</u>	<u>4,952,003</u>	<u>53,796</u>
Operating expenses and transfers out:				
Salaries, wages and fringe benefits	2,684,778	2,684,778	3,364,882	(680,104)
Contractual services and utilities	756,460	724,858	675,638	49,220
Repairs and maintenance	168,553	166,568	137,943	28,625
Supplies	212,197	221,055	186,393	34,662
Capital outlay	281,362	314,113	163,606	150,507
Insurance premiums	102,757	102,757	95,257	7,500
Other	814,942	812,257	222,641	589,616
Transfers out	592,485	592,485	592,485	-
Total operating expenses and transfers out	<u>5,613,534</u>	<u>5,618,871</u>	<u>5,438,845</u>	<u>180,026</u>
Excess of revenues over (under) expenses	<u>(723,926)</u>	<u>(720,664)</u>	<u>(486,842)</u>	<u>233,822</u>
Revenue (expenses) not budgeted:				
Depreciation expense			(632,517)	
Gain (loss) on sale of capital assets			(8,949)	
Change to conform to generally accepted accounting principles				
Capital Outlay			<u>76,191</u>	
Change in net position			<u>\$ (1,052,117)</u>	

CITY OF SANTA FE, NEW MEXICO
Major Enterprise Fund
Schedule of Revenues, Expenses
and Changes in Net Position Budget and Actual
Wastewater Management
Non-GAAP Budgetary Basis
For the Year Ended June 30, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Operating revenues and transfers in:				
User Fees (net of allowance)	\$ 12,406,757	\$ 12,406,757	\$ 13,320,212	\$ 913,455
Facilities rentals	120,000	120,000	144,754	24,754
Investment income (loss)	80,431	80,431	61,184	(19,247)
Gross receipts	1,976,320	1,976,320	2,076,064	99,744
Other revenues/premiums	9,684	9,684	8,239	(1,445)
Transfers in	-	2,946,290	2,946,702	412
Total operating revenues and transfers in	<u>14,593,192</u>	<u>17,539,482</u>	<u>18,557,155</u>	<u>1,017,673</u>
Operating expenses and transfers out:				
Salaries, wages and fringe benefits	5,836,604	5,836,604	6,169,598	(332,994)
Contractual services and utilities	2,333,622	3,029,354	2,195,166	834,188
Repairs and maintenance	789,732	835,206	599,963	235,243
Supplies	693,640	728,019	596,591	131,428
Capital Outlay	6,175,379	6,010,605	1,295,562	4,715,043
Insurance premiums	348,857	348,857	347,847	1,010
Interest expense	615,000	615,000	567,875	47,125
Other	6,393,607	6,190,365	908,232	5,282,133
Transfers out	-	2,946,340	2,946,751	(411)
Total operating expenses and transfers out	<u>23,186,441</u>	<u>26,540,350</u>	<u>15,627,585</u>	<u>10,912,765</u>
Excess of revenues over (under) expenses	<u>(8,593,249)</u>	<u>(9,000,868)</u>	2,929,570	<u>11,930,438</u>
Revenue (expenses) not budgeted:				
Depreciation expense			(2,928,791)	
Prem/(discount) debt service interest			195,263	
Gain (loss) on sale of capital assets			7,110	
Change to conform to generally accepted accounting principles				
Capital Outlay			<u>1,253,791</u>	
Change in net position			<u>\$ 1,456,943</u>	

CITY OF SANTA FE, NEW MEXICO
Major Enterprise Fund
Schedule of Revenues, Expenses
and Changes in Net Position Budget and Actual
Water Management
Non-GAAP Budgetary Basis
For the Year Ended June 30, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Operating revenues and transfers in:				
User Fees (net of allowance)	\$ 37,065,837	\$ 37,065,837	\$ 37,082,476	\$ 16,639
Facilities rentals	300,000	300,000	20,869	(279,131)
Investment income (loss)	253,816	253,816	98,586	(155,230)
Gross receipts	5,186,916	5,186,916	4,769,060	(417,856)
Intergovernmental revenues	843,954	843,954	14,069	(829,885)
Other revenues/premiums	36,000	36,000	194,984	158,984
Transfers in	-	141,662	-	(141,662)
Total operating revenues and transfers in	<u>43,686,523</u>	<u>43,828,185</u>	<u>42,180,044</u>	<u>(1,648,141)</u>
Operating expenses and transfers out:				
Salaries, wages and fringe benefits	8,551,688	8,551,688	11,808,513	(3,256,825)
Contractual services and utilities	9,888,883	9,892,335	7,312,727	2,579,608
Repairs and maintenance	1,762,718	1,782,457	711,887	1,070,570
Supplies	1,247,425	1,202,222	764,956	437,266
Capital Outlay	16,710,094	17,542,935	8,875,072	8,667,863
Insurance premiums	371,368	371,368	373,194	(1,826)
Interest expense	3,443,368	1,782,580	1,790,117	(7,537)
BDD-source of supply	5,757,815	5,757,815	4,001,995	1,755,820
Other	16,094,544	17,129,492	5,206,314	11,923,178
Transfers out	-	1,766,207	100,000	1,666,207
Total operating expenses and transfers out	<u>63,827,903</u>	<u>65,779,099</u>	<u>40,944,775</u>	<u>24,834,324</u>
Excess of revenues over (under) expenses	<u>(20,141,380)</u>	<u>(21,950,914)</u>	1,235,269	<u>23,186,183</u>
Revenue (expenses) not budgeted:				
Depreciation expense			(10,677,050)	
Gain (loss) on sale of capital assets			2,925	
Prem/(discount) debt service interest			(2,438,229)	
Change to conform to generally accepted accounting principles				
Capital Outlay			<u>8,786,549</u>	
Change in net position				<u>\$ (3,090,536)</u>

CITY OF SANTA FE, NEW MEXICO
Major Enterprise Fund
Schedule of Revenues, Expenses
and Changes in Net Position Budget and Actual
Environmental Services
Non-GAAP Budgetary Basis
For the Year Ended June 30, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Operating revenues and transfers in:				
User Fees (net of allowance)	\$ 12,805,855	\$ 12,843,906	\$ 13,103,315	\$ 259,409
Facilities rentals	276,000	276,000	266,000	(10,000)
Investment income (loss)	29,521	29,521	25,899	(3,622)
Gross receipts	1,976,320	1,976,320	2,076,214	99,894
Other revenues/premiums	5,000	5,000	25,136	20,136
Transfers in	14,000	19,000	19,000	-
Total operating revenues and transfers in	<u>15,106,696</u>	<u>15,149,747</u>	<u>15,515,564</u>	<u>365,817</u>
Operating expenses and transfers out:				
Salaries, wages and fringe benefits	4,695,083	4,655,083	5,681,600	(1,026,517)
Contractual services and utilities	3,605,867	3,822,417	3,396,887	425,530
Repairs and maintenance	616,902	782,794	683,244	99,550
Supplies	1,004,249	1,015,217	538,837	476,380
Capital Outlay	3,083,342	4,332,406	3,746,380	586,026
Insurance premiums	267,271	267,271	266,454	817
Interest expense	363,060	339,283	292,544	46,739
Other	1,256,382	1,338,547	1,062,536	276,011
Transfers out	275,868	321,337	321,337	-
Total operating expenses and transfers out	<u>15,168,024</u>	<u>16,874,355</u>	<u>15,989,819</u>	<u>884,536</u>
Excess of revenues over (under) expenses	<u>(61,328)</u>	<u>(1,724,608)</u>	<u>(474,255)</u>	<u>1,250,353</u>
Revenue (expenses) not budgeted:				
Depreciation expense			(1,050,014)	
Gain (loss) on sale of capital assets			110,705	
Prem/(discount) debt service interest			168,639	
Other non-operating revenue (expense)			(43,366)	
Change to conform to generally accepted accounting principles				
Capital Outlay			<u>2,096,342</u>	
Change in net position			<u>\$ 894,783</u>	

CITY OF SANTA FE, NEW MEXICO
Major Enterprise Fund
Schedule of Revenues, Expenses
and Changes in Net Position Budget and Actual
Railyard Properties
Non-GAAP Budgetary Basis
For the Year Ended June 30, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Operating revenues and transfers in:				
Investment income (loss)	\$ 1,779	\$ 1,779	\$ 63	\$ (1,716)
Intergovernmental revenues	-	135,000	-	(135,000)
Other revenues/premiums	566,068	566,068	509,833	(56,235)
Facilities rentals	-	-	5,725	5,725
Transfers in	1,593,470	2,254,943	2,452,723	197,780
Total operating revenues and transfers in	<u>2,161,317</u>	<u>2,957,790</u>	<u>2,968,344</u>	<u>10,554</u>
Operating expenses and transfers out:				
Salaries, wages and fringe benefits	241,764	241,764	281,977	(40,213)
Contractual services and utilities	200,633	200,633	259,569	(58,936)
Repairs and maintenance	2,000	10,650	8,824	1,826
Supplies	15,464	15,464	12,995	2,469
Capital Outlay	5,000	140,000	766	139,234
Insurance premiums	2,406	2,406	2,406	-
Interest expense	597,318	597,318	932,621	(335,303)
Other	139,127	265,477	2,357	263,120
Total operating expenses and transfers out	<u>1,203,712</u>	<u>1,473,712</u>	<u>1,501,515</u>	<u>(27,803)</u>
Excess of revenues over (under) expenses	<u>957,605</u>	<u>1,484,078</u>	<u>1,466,829</u>	<u>(17,249)</u>
Revenue (expenses) not budgeted:				
Depreciation expense			(3,291,179)	
Prem/(discount) debt service interest			429,401	
Gain (loss) on sale of capital assets			7,133	
Change to conform to generally accepted accounting principles				
Capital Outlay			<u>766</u>	
Change in net position			<u>\$ (1,387,050)</u>	

CITY OF SANTA FE, NEW MEXICO
Major Enterprise Fund
Schedule of Revenues, Expenses
and Changes in Net Position Budget and Actual
Santa Fe Convention Center
Non-GAAP Budgetary Basis
For the Year Ended June 30, 2017

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Operating revenues and transfers in:				
User Fees (net of allowance)	\$ 385,000	\$ 385,000	\$ 377,586	\$ (7,414)
Investment income (loss)	13,862	13,862	11,125	(2,737)
Intergovernmental revenues	6,323	7,216	7,216	-
Other revenues/premiums	16,700	16,700	101,051	84,351
Transfers in	4,266,019	4,266,019	4,736,071	470,052
Total operating revenues and transfers in	<u>4,687,904</u>	<u>4,688,797</u>	<u>5,233,049</u>	<u>544,252</u>
Operating expenses and transfers out:				
Salaries, wages and fringe benefits	1,087,276	1,087,276	1,185,526	(98,250)
Contractual services and utilities	449,223	446,616	438,373	8,243
Repairs and maintenance	236,400	156,575	116,707	39,868
Supplies	117,433	155,715	136,275	19,440
Capital Outlay	11,000	111,295	59,474	51,821
Insurance premiums	27,361	27,361	27,361	-
Interest expense	1,264,458	1,264,458	2,260,286	(995,828)
Other	565,247	556,402	556,974	(572)
Total operating expenses and transfers out	<u>3,758,398</u>	<u>3,805,698</u>	<u>4,780,976</u>	<u>(975,278)</u>
Excess of revenues over (under) expenses	<u>929,506</u>	<u>883,099</u>	452,073	<u>(431,026)</u>
Revenue (expenses) not budgeted:				
Depreciation expense			(1,028,005)	
Prem/(discount) debt service interest			(315,016)	
Other non-operating revenue (expense)			(983,833)	
Change to conform to generally accepted accounting principles				
Capital Outlay			<u>21,207</u>	
Change in net position			<u>\$ 114,092</u>	

CITY OF SANTA FE, NEW MEXICO
Major Enterprise Fund
Schedule of Revenues, Expenses
and Changes in Net Position Budget and Actual
College of Santa Fe
Non-GAAP Budgetary Basis
For the Year Ended June 30, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Operating revenues and transfers in:				
Facilities rentals	\$ 2,350,000	\$ 1,080,000	\$ 1,090,976	\$ 10,976
Investment income (loss)	5,784	3,409	3,490	81
Total operating revenues and transfers in	<u>2,355,784</u>	<u>1,083,409</u>	<u>1,094,466</u>	<u>11,057</u>
Operating expenses and transfers out:				
Insurance premiums	401	-	-	-
Interest expense	1,478,567	1,478,567	1,475,792	2,775
Total operating expenses and transfers out	<u>1,478,968</u>	<u>1,478,567</u>	<u>1,475,792</u>	<u>2,775</u>
Excess of revenues over (under) expenses	<u>876,816</u>	<u>(395,158)</u>	<u>(381,326)</u>	<u>13,832</u>
Revenue (expenses) not budgeted:				
Depreciation expense			(1,685,129)	
Change to conform to generally accepted accounting principles				
Change in net position			<u>\$ (2,066,455)</u>	

Internal Service Funds

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

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

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

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

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

Unemployment - to account for unemployment claims from City employees. The funding for this program will be derived from a City wide department assessment.

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CITY OF SANTA FE, NEW MEXICO
Combining Statement of Net Position
Internal Service Funds
June 30, 2017

	Risk Management	Health/Dental	Workers Compensation	Sick Leave Bank	Unemployment Fund	Totals
Assets						
Current assets:						
Cash and investments:	\$ 2,323,210	\$ 9,401,665	\$ 6,479,893	\$ 447,983	\$ 164,851	\$ 18,817,602
Other receivable	-	27,547	-	-	-	27,547
Interest	2,069	12,812	9,265	-	-	24,146
Total current assets	2,325,279	9,442,024	6,489,158	447,983	164,851	18,869,295
Noncurrent assets:						
Capital assets:						
Equipment and machinery	6,812	-	-	-	-	6,812
Vehicles	35,829	-	-	-	-	35,829
Less: accumulated depreciation	(42,641)	-	-	-	-	(42,641)
Total noncurrent assets (net of accum depreciation)	-	-	-	-	-	-
Deferred outflows of resources						
Deferred outflows related to pension activity	553,455	-	-	-	-	553,455
Total deferred outflows of resources	553,455	-	-	-	-	553,455
Total assets and deferred outflows of resources	\$ 2,878,734	\$ 9,442,024	\$ 6,489,158	\$ 447,983	\$ 164,851	\$ 19,422,750
Liabilities						
Current liabilities:						
Accounts payable	\$ 40,070	\$ 325,347	\$ 3,269	\$ -	\$ 12,269	\$ 380,955
Accrued wages payable	24,408	-	-	-	-	24,408
Claims payable	2,087,689	1,107,070	3,713,550	-	-	6,908,309
Total current liabilities	2,152,167	1,432,417	3,716,819	-	12,269	7,313,672
Noncurrent liabilities:						
Compensated absences payable	54,953	-	-	-	-	54,953
Net pension liability	1,759,456	-	-	-	-	1,759,456
Total noncurrent liabilities	1,814,409	-	-	-	-	1,814,409
Total liabilities	3,966,576	1,432,417	3,716,819	-	12,269	9,128,081
Deferred inflows of resources						
Deferred inflows related to pension activity	48,954	-	-	-	-	48,954
Total deferred inflows of resources	48,954	-	-	-	-	48,954
Net Position						
Unrestricted	(1,136,796)	8,009,607	2,772,339	447,983	152,582	10,245,715
Total net position	(1,136,796)	8,009,607	2,772,339	447,983	152,582	10,245,715
Total liabilities, deferred inflows, and net position	\$ 2,878,734	\$ 9,442,024	\$ 6,489,158	\$ 447,983	\$ 164,851	\$ 19,422,750

CITY OF SANTA FE, NEW MEXICO
Combining Statement of Revenues, Expenses
and Changes in Net Position
Internal Service Funds
For the Year Ended June 30, 2017

	Risk	Workers	Sick Leave	Unemployment		
	Management	Health/Dental	Compensation	Bank	Fund	Totals
Premiums	\$ 4,692,026	\$ 21,242,904	\$ 1,714,821	\$ 183,863	\$ 200,000	\$ 28,033,614
Other revenues/premiums	36,349	37,453	87,588	-	-	161,390
Total operating revenues	4,728,375	21,280,357	1,802,409	183,863	200,000	28,195,004
Salaries, wages and fringe benefits	1,188,641	-	-	109,661	-	1,298,302
Contractual services and utilities	309,548	722,770	39,196	-	4,114	1,075,628
Repairs and maintenance	1,203	-	-	-	-	1,203
Supplies	65,188	-	-	-	-	65,188
Capital outlay-inventory exempt items	1,994	-	-	-	-	1,994
Insurance premiums	2,186,791	1,327,341	117,185	-	-	3,631,317
Claims and judgments	1,912,955	17,350,102	965,137	-	148,591	20,376,785
Other	85,468	340	666	-	-	86,474
Total operating expenses	5,751,788	19,400,553	1,122,184	109,661	152,705	26,536,891
Operating income (loss)	(1,023,413)	1,879,804	680,225	74,202	47,295	1,658,113
Investment income (loss)	3,072	19,019	13,755	-	-	35,846
Total non-operating revenues (expenses)	3,072	19,019	13,755	-	-	35,846
Income (loss) before transfers	(1,020,341)	1,898,823	693,980	74,202	47,295	1,693,959
Transfers out	(20,886)	(75,000)	-	-	-	(95,886)
Change in net position	(1,041,227)	1,823,823	693,980	74,202	47,295	1,598,073
Net position, beginning of year	(95,569)	6,185,784	2,078,359	373,781	105,287	8,647,642
Net position, end of year	\$ (1,136,796)	\$ 8,009,607	\$ 2,772,339	\$ 447,983	\$ 152,582	\$ 10,245,715

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CITY OF SANTA FE, NEW MEXICO
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2017

	Risk Management	Santa Fe Health/Dental	Workers Compensation	Sick Leave Bank
Cash flows from operating activities:				
Cash received from customers	\$ 4,728,375	\$ 21,259,660	\$ 1,802,409	\$ 183,863
Cash payments to suppliers for goods and services	(4,288,799)	(20,779,761)	(1,592,254)	-
Cash payments to employees for services	(831,399)	-	-	(109,661)
Net cash provided (used) by operating activities	<u>(391,823)</u>	<u>479,899</u>	<u>210,155</u>	<u>74,202</u>
Cash flows from noncapital financing activities:				
Transfers-out to other funds	(20,886)	(75,000)	-	-
Net cash provided (used) by noncapital financing activities	<u>(20,886)</u>	<u>(75,000)</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities				
Interest and dividends on investments	2,738	11,402	8,668	252
Net cash provided (used) by investing activities	<u>2,738</u>	<u>11,402</u>	<u>8,668</u>	<u>252</u>
Net increase (decrease) in cash and cash equivalents	(409,971)	416,301	218,823	74,454
Cash investments & cash equivalents at beg of year	2,733,181	8,985,364	6,261,070	373,529
Cash investments & cash equivalents at end of year	<u>\$ 2,323,210</u>	<u>\$ 9,401,665</u>	<u>\$ 6,479,893</u>	<u>\$ 447,983</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating income (loss)	\$ (1,023,413)	\$ 1,879,804	\$ 680,225	\$ 74,202
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Difference between employer cash contribution to pension plan and noncash pension expense:	375,782	-	-	-
Change in assets & liabilities:				
(Increase) decrease Accounts receivable	-	(20,697)	-	-
(Increase) decrease Prepaid expenses	-	477	-	-
Increase (decrease) Accounts payable	(8,179)	292,629	(1,087)	-
Increase (decrease) Compensated absences payable	(16,663)	-	-	-
Increase (decrease) Accrued wages payable	(1,877)	-	-	-
Increase (decrease) Claims payable	282,527	(1,672,314)	(468,983)	-
Total adjustments	<u>631,590</u>	<u>(1,399,905)</u>	<u>(470,070)</u>	<u>-</u>
Net cash provided (used) by operating activities:	<u>\$ (391,823)</u>	<u>\$ 479,899</u>	<u>\$ 210,155</u>	<u>\$ 74,202</u>

CITY OF SANTA FE, NEW MEXICO
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2017

	Unemployment Fund	Total
Cash flows from operating activities:		
Cash received from customers	\$ 200,000	\$ 28,174,307
Cash payments to suppliers for goods and services	(155,244)	(26,816,058)
Cash payments to employees for services	-	(941,060)
Net cash provided (used) by operating activities	<u>44,756</u>	<u>417,189</u>
Cash flows from noncapital financing activities:		
Transfers-out to other funds	-	(95,886)
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>(95,886)</u>
Cash flows from investing activities:		
Interest and dividends on investments	31	23,091
Net cash provided (used) by investing activities	<u>31</u>	<u>23,091</u>
Net increase (decrease) in cash and cash equivalents	44,787	344,394
Cash investments & cash equivalents at beg of year	120,064	18,473,208
	-	-
Cash investments & cash equivalents at end of year	<u>\$ 164,851</u>	<u>\$ 18,817,602</u>
 Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities		
Operating income (loss)	\$ 47,295	\$ 1,658,113
 Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Difference between employer cash contribution to pension plan and noncash pension expense:	-	375,782
Change in assets & liabilities:		
(Increase) decrease Accounts receivable	-	(20,697)
(Increase) decrease Prepaid expenses	-	477
Increase (decrease) Accounts payable	(2,539)	280,824
Increase (decrease) Compensated absences payable	-	(16,663)
Increase (decrease) Accrued wages payable	-	(1,877)
Increase (decrease) Claims payable	-	(1,858,770)
Total adjustments	<u>(2,539)</u>	<u>(1,240,924)</u>
Net cash provided (used) by operating activities:	<u>\$ 44,756</u>	<u>\$ 417,189</u>

CITY OF SANTA FE, NEW MEXICO
Internal Service Fund
Schedule of Revenues, Expenses
and Changes in Net Position Budget and Actual
Risk Management
Non-GAAP Budgetary Basis
For the Year Ended June 30, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Operating revenues and transfers in:				
Premiums	\$ 4,699,186	\$ 4,698,785	\$ 4,692,026	\$ (6,759)
Investment income (loss)	6,143	6,143	3,072	(3,071)
Other revenues/premiums	40,000	40,000	36,349	(3,651)
Total operating revenues and transfers in	<u>4,745,329</u>	<u>4,744,928</u>	<u>4,731,447</u>	<u>(13,481)</u>
Operating expenses and transfer out:				
Salaries, wages and fringe benefits	854,552	854,552	1,188,641	(334,089)
Contractual services and utilities	535,915	535,915	309,548	226,367
Repairs and maintenance	4,500	4,500	1,203	3,297
Supplies	67,797	65,597	65,188	409
Capital outlay-inventory exempt items	300	2,500	1,994	506
Insurance premiums	2,739,057	2,739,057	2,186,791	552,266
Claims and judgments	1,385,963	1,385,963	1,630,428	(244,465)
Other	166,408	166,408	85,468	80,940
Transfers out	20,886	20,886	20,886	-
Total operating expenses and transfers out	<u>5,775,378</u>	<u>5,775,378</u>	<u>5,490,147</u>	<u>285,231</u>
Excess of (deficiency) of revenue over expenses	<u>(1,030,049)</u>	<u>(1,030,450)</u>	<u>(758,700)</u>	<u>271,750</u>
Revenue (expenses) not budgeted:				
IBNR claims reserve expense			<u>(282,527)</u>	
Change in net position			<u>\$ (1,041,227)</u>	

CITY OF SANTA FE, NEW MEXICO
Internal Service Fund
Schedule of Revenues, Expenses
and Changes in Net Position Budget and Actual
Health/Dental
Non-GAAP Budgetary Basis
For the Year Ended June 30, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Operating revenues and transfers in:				
Premiums	\$ 20,916,065	\$ 20,916,065	\$ 21,242,904	\$ 326,839
Investment income (loss)	24,280	24,280	19,019	(5,261)
Other revenues/premiums	50,000	50,000	37,453	(12,547)
Total operating revenues and transfers in	<u>20,990,345</u>	<u>20,990,345</u>	<u>21,299,376</u>	<u>309,031</u>
Operating expenses and transfer out:				
Contractual services and utilities	715,000	715,000	722,770	(7,770)
Supplies	299	299	-	299
Insurance premiums	1,294,606	1,294,606	1,327,341	(32,735)
Claims and judgments	20,286,021	20,286,021	15,673,124	4,612,897
Other	300	300	340	(40)
Transfers out	75,000	75,000	75,000	-
Total operating expenses and transfers out	<u>22,371,226</u>	<u>22,371,226</u>	<u>17,798,575</u>	<u>4,572,651</u>
Excess of revenues over (under) expenses	<u>(1,380,881)</u>	<u>(1,380,881)</u>	3,500,801	<u>4,881,682</u>
Revenue (expenses) not budgeted:				
IBNR claims reserve expense			<u>(1,676,978)</u>	
Change in net position			<u>\$ 1,823,823</u>	

CITY OF SANTA FE, NEW MEXICO
Internal Service Funds
Schedule of Revenues, Expenses
and Changes in Net Position Budget and Actual
Workers Compensation
Non-GAAP Budgetary Basis
For the Year Ended June 30, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Operating revenues:				
Premiums	\$ 1,741,011	\$ 1,741,011	\$ 1,714,821	\$ (26,190)
Investment income (loss)	21,392	21,392	13,755	(7,637)
Other revenues/premiums	20,000	20,000	87,588	67,588
Total operating revenues	<u>1,782,403</u>	<u>1,782,403</u>	<u>1,816,164</u>	<u>33,761</u>
Operating expenses and transfer out:				
Contractual services and utilities	60,000	60,000	39,196	20,804
Insurance premiums	158,004	158,004	117,185	40,819
Claims and judgments	1,150,000	1,150,000	965,137	184,863
Other	390	390	666	(276)
Total operating expenses and transfers out	<u>1,368,394</u>	<u>1,368,394</u>	<u>1,122,184</u>	<u>246,210</u>
Excess of revenues over (under) expenses	<u>\$ 414,009</u>	<u>\$ 414,009</u>	<u>\$ 693,980</u>	<u>\$ 279,971</u>

CITY OF SANTA FE, NEW MEXICO
Internal Service Fund
Schedule of Revenues, Expenses
and Changes in Net Position Budget and Actual
Sick Leave Bank
Non-GAAP Budgetary Basis
For the Year Ended June 30, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Operating revenues and transfers in:				
Premiums	\$ -	\$ 128,000	\$ 183,863	\$ 55,863
Total operating revenues and transfers in	-	128,000	183,863	55,863
Operating expenses and transfer out:				
Salaries, wages and fringe benefits	-	135,000	109,661	25,339
Total operating expenses and transfers out	-	135,000	109,661	25,339
Excess of revenues over (under) expenses	<u>\$ -</u>	<u>\$ (7,000)</u>	<u>\$ 74,202</u>	<u>\$ 81,202</u>

CITY OF SANTA FE, NEW MEXICO
Internal Service Fund
Schedule of Revenues, Expenses
and Changes in Net Position Budget and Actual
Unemployment Fund
Non-GAAP Budgetary Basis
For the Year Ended June 30, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Operating revenues and transfers in:				
Premiums	\$ 200,000	\$ 200,000	\$ 200,000	\$ -
Total operating revenues and transfers in	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>-</u>
Operating expenses:				
Contractual services and utilities	-	5,752	4,114	1,638
Claims and judgments	200,000	194,248	148,591	45,657
Total operating expenses	<u>200,000</u>	<u>200,000</u>	<u>152,705</u>	<u>47,295</u>
Excess of revenues over (under) expenses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 47,295</u>	<u>\$ 47,295</u>

Capital Assets Used in the Operation of Governmental Funds

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CITY OF SANTA FE, NEW MEXICO
Capital Assets Used in the Operation of Governmental Funds
Comparative Schedule By Source
For the Year Ended June 30, 2017

	2017
Governmental Funds Capital Assets:	
Land	\$ 169,939,946
Buildings	60,469,656
Improvements	82,806,789
Equipment and machinery	14,949,069
Vehicles	24,002,529
Furniture and fixtures	597,274
Data processing and software	8,094,784
Construction in progress	20,199,232
Art	864,920
Traffic signals	23,517,339
Streets	212,931,483
Bridges	2,109,269
	<u>\$ 620,482,290</u>
Total governmental funds capital assets	<u>\$ 620,482,290</u>
Investment in Governmental Funds Capital Assets by sources:	
General Fund	\$ 330,445,843
Special Revenue Funds	25,240,383
Capital Projects Funds	257,703,655
Other Sources	6,368,286
Donations	724,123
	<u>\$ 620,482,290</u>
Total governmental funds capital assets	<u>\$ 620,482,290</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 position.

CITY OF SANTA FE, NEW MEXICO
Schedule by Function and Activity
For the Year Ended June 30, 2017

Function and Activity	Land	Buildings	Improvements	Equipment and Machinery	Furniture and Fixtures	Vehicles	Data Processing Equipment and Software
General Government:							
City Manager	\$ 25,668,000	\$29,358,091	\$ 5,403,907	\$ 306,018	\$ -	\$ 29,746	\$ 20,605
City Clerk	-	-	-	290,560	22,241	44,916	37,063
Administrative Department	-	175,333	3,561,902	176,948	3,035	4,518,781	5,934,652
Planning and Land Use	-	-	-	28,103	209,212	338,753	287,480
City Services	137,847,376	7,221,775	1,071,903	1,642,923	27,637	728,092	1,068,178
Total General Government	163,515,376	36,755,199	10,037,712	2,444,552	262,125	5,660,288	7,347,978
Public Safety:							
Police	-	5,570,721	4,559,152	329,362	279,480	8,062,900	242,579
Fire	-	11,677,869	101,511	2,886,828	47,866	3,827,877	426,662
Total Public Safety	-	17,248,590	4,660,663	3,216,190	327,346	11,890,777	669,241
Public Works:							
Administration	-	104,455	23,332,027	4,953,345	3,026	2,167,691	21,740
Total Public Works	-	104,455	23,332,027	4,953,345	3,026	2,167,691	21,740
Community Welfare:							
Community Development	204,218	1,695,824	396,000	-	-	-	-
Affordable Housing	840,000	-	574,390	-	-	-	-
Human Services	178,225	3,156,374	800,171	1,992,386	-	1,031,694	-
Total Community Welfare	1,222,443	4,852,198	1,770,561	1,992,386	-	1,031,694	-
Culture and Recreation:							
Parks and Grounds Maintenance	5,202,127	979,483	43,005,826	2,388,555	4,777	3,211,901	-
Arts Commission	-	-	-	-	-	40,178	51,697
Museums and Libraries	-	529,731	-	(45,959)	-	-	4,128
Total Culture and Recreation	5,202,127	1,509,214	43,005,826	2,342,596	4,777	3,252,079	55,825
Total governmental funds capital assets	\$169,939,946	\$60,469,656	\$ 82,806,789	\$ 14,949,069	\$ 597,274	\$24,002,529	\$ 8,094,784

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 position.

CITY OF SANTA FE, NEW MEXICO
Schedule by Function and Activity
For the Year Ended June 30, 2017

Function and Activity	Construction in Progress	Art	Traffic Signals	Streets	Bridges	Total
General Government:						
City Manager	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 60,786,367
City Clerk	-	-	-	-	-	394,780
Administrative Department	784,236	-	-	-	-	15,154,887
Planning and Land Use	-	-	-	-	-	863,548
City Services	-	-	-	-	-	149,607,884
Total General Government	<u>784,236</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>226,807,466</u>
Public Safety:						
Police	-	-	-	-	-	19,044,194
Fire	39,129	-	-	-	-	19,007,742
Total Public Safety	<u>39,129</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>38,051,936</u>
Public Works:						
Administration	6,305,720	-	23,259,824	212,931,483	2,109,269	275,188,580
Total Public Works	<u>6,305,720</u>	<u>-</u>	<u>23,259,824</u>	<u>212,931,483</u>	<u>2,109,269</u>	<u>275,188,580</u>
Community Welfare:						
Community Development	-	-	-	-	-	2,296,042
Affordable Housing	422,374	-	-	-	-	1,836,764
Human Services	215,059	-	-	-	-	7,373,909
Total Community Welfare	<u>637,433</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,506,715</u>
Culture and Recreation:						
Parks and Grounds Maintenance	12,432,714	-	257,515	-	-	67,482,898
Arts Commission	-	864,920	-	-	-	956,795
Museums and Libraries	-	-	-	-	-	487,900
Total Culture and Recreation	<u>12,432,714</u>	<u>864,920</u>	<u>257,515</u>	<u>-</u>	<u>-</u>	<u>68,927,593</u>
Total governmental funds capital assets	<u>\$ 20,199,232</u>	<u>\$ 864,920</u>	<u>\$ 23,517,339</u>	<u>\$ 212,931,483</u>	<u>\$ 2,109,269</u>	<u>\$ 620,482,290</u>

CITY OF SANTA FE, NEW MEXICO
Capital Assets Used in the Operations of Governmental Funds
Schedule of Changes By Function and Activity
For the Year Ended June 30, 2017

Function and Activity	Governmental Funds Capital Assets July 1,	Additions	Deletions	Governmental Funds Capital Assets June 30, 2017
General Government:				
City Manager	\$ 60,775,292	\$ 11,075	\$ -	\$ 60,786,367
City Clerk	394,780	-	-	394,780
Administrative Department	14,353,562	801,325	-	15,154,887
Planning and Land Use	863,548	-	-	863,548
City Services	149,460,984	163,263	(16,363)	149,607,884
Total General Government	225,848,166	975,663	(16,363)	226,807,466
Public Safety:				
Police	18,433,727	905,781	(295,314)	19,044,194
Fire	18,068,569	1,381,714	(442,541)	19,007,742
Total Public Safety	36,502,296	2,287,495	(737,855)	38,051,936
Public Works:				
Administration	266,178,233	9,010,347	-	275,188,580
Total Public Works	266,178,233	9,010,347	-	275,188,580
Community Welfare:				
Community Development	2,296,042	-	-	2,296,042
Affordable Housing	1,414,390	422,374	-	1,836,764
Human Services	7,337,979	278,880	(242,950)	7,373,909
Total Community Welfare	11,048,411	701,254	(242,950)	11,506,715
Culture and Recreation:				
Parks and Grounds Maintenance	60,611,578	6,959,794	(88,474)	67,482,898
Arts Commission	956,795	-	-	956,795
Museums and Libraries	487,900	-	-	487,900
Total Culture and Recreation	62,056,273	6,959,794	(88,474)	68,927,593
Total governmental funds capital assets	\$ 601,633,379	\$ 19,934,553	\$ (1,085,642)	\$ 620,482,290

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 position.

Statistical Section

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CITY OF SANTA FE, NEW MEXICO

Statistical Section

For the Fiscal Year Ended June 30, 2017

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.	181 - 186
Revenue Capacity These schedules contain information to help the reader assess the factors effecting the city's ability to generate its gross tax.	188 - 194
Debt Capacity These schedules present information to help the reader the affordability of the city's current levels of outstanding debt and city's ability to issue additional debt in the future.	196 - 204
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.	205 - 207
Operating Information These schedules contain information about the city's operations and resources to help the reader understand how the city's financial information relates to the services the city provides and the activities it performs.	209 - 212

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 Position by Component
Last Ten Fiscal Years
(Unaudited)

	Fiscal Year				
	2008	2009	2010	2011	2012
Governmental Activities					
Net Investment in capital assets	\$ 182,790,257	\$ 178,547,796	\$ 188,345,882	\$ 191,538,696	\$ 186,752,403
Restricted	10,174,773	10,290,331	10,693,806	21,643,708	52,596,695
Unrestricted	98,944,233	93,668,312	69,331,327	53,773,476	24,870,716
Total governmental activities net position	<u>\$ 291,909,263</u>	<u>\$ 282,506,439</u>	<u>\$ 268,371,015</u>	<u>\$ 266,955,880</u>	<u>\$ 264,219,814</u>
Business-type activities					
Net investment in capital assets	\$ 159,508,099	\$ 160,986,556	\$ 174,237,581	\$ 208,210,696	\$ 231,134,448
Restricted	724,528	1,232,286	6,961,305	5,960,981	6,483,099
Unrestricted	89,549,081	110,164,825	135,921,927	127,140,990	116,317,368
Total business-type activities	<u>\$ 249,781,708</u>	<u>\$ 272,383,667</u>	<u>\$ 317,120,813</u>	<u>\$ 341,312,667</u>	<u>\$ 353,934,915</u>
Primary government					
Net investment in capital assets	\$ 342,298,356	\$ 339,534,352	\$ 362,583,463	\$ 399,749,392	\$ 417,886,851
Restricted	10,899,301	11,522,617	17,655,111	27,604,689	59,079,794
Unrestricted	188,493,314	203,833,137	205,253,254	180,914,466	141,188,084
Total primary government net position	<u>\$ 541,690,971</u>	<u>\$ 554,890,106</u>	<u>\$ 585,491,828</u>	<u>\$ 608,268,547</u>	<u>\$ 618,154,729</u>
	2013	2014	2015	2016	2017
Governmental Activities					
Net Investment in capital assets	\$ 187,585,177	\$ 183,738,623	\$ 171,694,321	\$ 187,148,133	\$ 215,769,254
Restricted	42,214,935	42,689,826	51,463,764	45,527,732	40,290,853
Unrestricted	28,086,027	25,344,402	(45,271,571)	(42,105,783)	(50,599,309)
Total governmental activities net position	<u>\$ 257,886,139</u>	<u>\$ 251,772,851</u>	<u>\$ 177,886,514</u>	<u>\$ 190,570,082</u>	<u>\$ 205,460,798</u>
Business-type activities					
Net investment in capital assets	\$ 218,430,014	\$ 220,974,217	\$ 219,722,956	\$ 283,747,858	\$ 276,670,243
Restricted	7,967,211	6,852,761	8,148,062	2,386,130	1,271,918
Unrestricted	139,972,704	137,082,991	111,937,448	60,617,674	61,775,492
Total business-type activities	<u>\$ 366,369,929</u>	<u>\$ 364,909,969</u>	<u>\$ 339,808,466</u>	<u>\$ 346,751,662</u>	<u>\$ 339,717,653</u>
Primary government					
Net investment in capital assets	\$ 420,502,272	\$ 404,712,840	\$ 391,417,277	\$ 470,895,991	\$ 492,439,497
Restricted	44,765,498	49,542,587	59,611,826	47,913,862	41,562,771
Unrestricted	158,988,298	162,427,393	66,665,877	18,511,891	11,176,183
Total primary government net position	<u>\$ 624,256,068</u>	<u>\$ 616,682,820</u>	<u>\$ 517,694,980</u>	<u>\$ 537,321,744</u>	<u>\$ 545,178,451</u>

CITY OF SANTA FE, NEW MEXICO
Changes in Net Position
Last Ten Fiscal Years
(Unaudited)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses										
Governmental Activities:										
General Government	\$ 27,873,924	\$ 29,566,386	\$ 27,660,875	\$ 26,391,068	\$ 29,053,871	\$ 24,755,660	\$ 27,489,494	\$ 26,419,310	\$ 31,479,026	\$ 28,788,439
Public Safety	34,894,206	38,118,398	38,313,141	38,015,879	38,164,145	42,282,708	43,895,286	43,657,854	44,790,073	44,687,492
Public Works	13,577,325	15,718,517	15,869,603	16,653,193	13,982,704	16,759,696	16,598,017	16,028,819	14,578,275	15,333,620
Community Development	11,397,085	12,974,275	15,145,394	12,191,952	10,636,985	11,340,371	10,748,946	11,583,239	11,898,080	10,284,524
Culture and Recreation	13,430,563	13,417,927	13,580,296	12,218,375	11,365,828	13,767,279	13,264,424	12,681,701	12,460,924	13,081,552
Education	2,864,722	2,899,570	2,988,945	2,846,887	2,673,364	2,711,183	2,547,259	2,620,019	2,606,639	2,621,955
Interet in Long Term Debt	4,563,643	5,456,528	5,485,953	4,952,563	5,847,128	5,768,231	5,591,088	4,580,529	4,543,956	6,550,160
Total governmental activities expenses	\$ 108,601,468	\$118,151,601	\$119,044,207	\$113,269,917	\$111,724,025	\$117,385,128	\$120,134,514	\$117,571,471	\$122,356,973	\$121,347,742
Business-type activities										
Wastewater Management	11,352,274	12,475,625	12,312,850	14,705,132	14,878,988	13,100,203	12,991,007	14,235,723	13,482,949	14,160,571
Water Management	19,074,551	22,882,185	22,369,231	28,452,091	37,026,382	39,530,468	46,776,694	40,302,996	45,088,256	45,173,505
Municipal Recreation Complex	2,975,871	2,408,341	1,803,235	1,336,520	1,781,075	1,825,927	1,641,924	1,742,817	1,881,876	1,994,350
Railyard Center	344,959	1,373,796	1,741,983	1,748,903	3,065,480	4,134,223	5,234,566	5,307,405	4,351,666	4,360,308
Genoveva Chavez Community Center	4,999,087	5,570,172	4,886,084	4,725,388	4,551,692	5,034,066	4,641,275	5,048,065	4,845,955	5,402,686
Santa Fe Convention Center	2,083,034	4,763,646	5,280,908	2,950,521	4,993,798	5,193,941	4,930,009	6,195,823	3,423,469	5,118,957
Environmental Services	9,884,422	9,576,135	9,942,609	10,992,656	11,607,054	11,147,965	11,763,404	11,378,753	11,876,462	14,410,149
College of Santa Fe	-	-	2,436,088	1,946,703	1,062,183	922,854	2,516,891	1,546,029	3,763,512	3,149,944
Transit and Airport Systems	10,312,198	11,275,507	12,366,693	10,984,607	11,686,081	11,668,835	12,527,385	14,903,229	15,132,089	17,899,172
Parking Enterprise Fund	4,716,561	5,128,803	5,271,354	5,147,411	4,923,577	5,308,766	5,285,568	4,763,607	5,409,773	6,414,416
Total business-type expenses	65,742,957	75,454,210	78,411,035	82,989,932	95,576,310	97,867,248	108,308,723	105,424,447	109,256,007	118,084,058
Total primary government expenses	\$ 174,344,425	\$193,605,811	\$197,455,242	\$196,259,849	\$207,300,335	\$215,252,376	\$228,443,237	\$222,995,918	\$231,612,980	\$239,431,800
Program Revenues										
Governmental activities										
Charges for services:										
General Government	\$ 1,908,694	\$ 2,093,097	\$ 478,959	\$ 1,548,813	\$ 7,595,705	\$ 9,077,668	\$ 3,334,437	\$ 8,641,240	\$ 10,547,589	\$ 9,649,498
Public Safety	3,551,192	3,451,045	4,192,344	5,837,000	1,474,567	1,595,823	5,434,696	5,478,431	5,441,078	5,450,534
Public Works	2,246,481	2,094,381	2,379,542	2,782,439	1,807,757	1,927,320	2,190,194	2,137,267	2,294,848	2,311,660
Community Development	491,313	350,718	373,009	427,889	84,441	59,194	267,268	218,086	256,151	312,984
Culture and Recreation	536,901	578,429	685,743	790,664	133,659	146,037	164,353	683,842	208,492	179,046
Operating grants and contributions:										
General Government	417,614	292,957	660,242	292,957	173,174	175,302	210,828	65,092	824,576	620,607
Public Safety	1,032,705	832,402	1,268,866	731,000	1,010,879	1,358,585	1,630,783	1,974,169	2,279,749	1,905,300
Public Works	210,213	214,293	286,133	214,293	501,864	1,982,166	397,789	563,125	468,872	6,010,315
Community Development	3,250,551	3,718,589	5,989,952	3,400,765	2,658,918	309,510	3,179,112	3,288,624	3,840,985	2,226,503
Culture and Recreation	301,646	340,742	182,907	340,742	30,389	2,219,010	189,265	105,568	783,359	2,537,039
Education	-	-	-	-	-	-	-	-	-	14,834

(Continued)

CITY OF SANTA FE, NEW MEXICO
Changes in Net Position
Last Ten Fiscal Years
(Unaudited)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Capital grants and contributions										
General Government	2,711,654	1,706,164	406,830	1,700,235	81,519	267,360	1,253,844	-	-	-
Public Safety	-	529,270	340,853	529,270	1,206,912	-	-	-	-	-
Public Works	2,727,905	6,022,474	3,732,453	1,604,050	5,896,998	1,035,823	756,833	611,554	4,196,814	-
Community Development	372,517	673,023	386,267	673,023	92,838	184,162	403,159	-	-	50,000
Culture and Recreation	1,042,680	2,536,154	2,193,295	2,535,154	429,170	291,047	203,120	26,357	-	-
Total governmental activities program revenues	20,802,066	25,433,738	23,557,395	23,408,294	23,178,790	20,629,007	19,615,681	23,793,355	31,142,513	31,268,320
Business-type activities:										
Charges for services:										
Wastewater Management	\$ 9,326,934	\$ 9,286,246	\$ 10,299,371	\$ 12,524,483	\$ 12,382,263	\$ 12,335,788	\$ 12,017,340	\$ 12,337,206	\$ 14,146,430	\$ 13,473,205
Water Management	30,148,350	27,086,239	30,236,761	35,478,027	37,709,064	41,424,382	38,157,206	35,429,865	42,499,151	37,298,329
Municipal Recreation Complex	1,055,670	1,076,776	1,100,296	1,159,308	1,118,569	1,078,252	1,089,457	1,114,221	1,163,244	1,177,657
Railyard Center	634,870	565,324	561,147	712,325	574,930	432,332	448,776	405,576	728,852	515,558
Genoveva Chavez Community Center	1,480,294	1,512,964	1,637,933	1,970,167	1,869,036	1,899,221	1,950,872	1,996,390	1,941,290	2,038,086
Santa Fe Convention Center	-	300,448	408,746	494,117	1,020,386	294,257	231,276	408,129	488,109	478,637
Environmental Services	9,419,575	9,195,553	9,178,089	10,030,316	10,144,062	10,572,918	11,574,429	11,687,609	12,932,405	13,394,451
College of Santa Fe	-	-	2,092,884	2,374,914	2,350,000	2,350,086	2,350,000	2,350,000	2,350,000	1,080,000
Transit and Airport Systems	767,256	888,259	1,918,748	2,312,176	2,424,594	2,519,902	2,380,611	3,079,345	3,171,468	3,252,018
Parking Enterprise Fund	3,693,146	3,715,155	4,498,969	4,419,714	4,627,583	5,075,348	4,722,434	4,472,618	4,596,479	5,023,562
Operating grants and contributions:										
Water Management	-	-	-	-	-	-	-	-	1,212,418	14,069
Municipal Recreation Complex	-	-	-	-	-	-	-	-	112,741	251,245
Genoveva Chavez Community Center	-	-	-	-	-	-	-	-	19,663	5,337
Santa Fe Convention Center	-	-	-	-	-	-	-	-	6,323	7,216
Transit and Airport Systems	1,260,704	1,120,734	1,021,037	-	1,134,570	2,510,011	2,568,477	4,810,403	2,723,625	2,724,475
Capital grants and contributions:										
Wastewater Management	45,447	55,899	180,749	184,019	-	-	-	-	-	-
Water Management	1,567,685	1,372,315	8,812,197	3,150,751	487,250	1,542,771	4,162,171	960,062	135,000	-
Municipal Recreation Complex	73,433	96,986	464,581	-	-	-	-	44,378	-	-
Railyard Center	7,187,248	536,692	50,154	668,500	-	-	-	-	-	-
Genoveva Chavez Community Center	144,607	293,548	17,029	-	75,367	140,600	-	-	-	-
Santa Fe Convention Center	-	-	55,532	3,500	11,234	6,167	6,613	6,826	-	-
Environmental Services	-	-	-	-	-	-	114,670	75,623	-	-
Transit and Airport Systems	5,438,603	4,012,989	6,620,886	4,276,281	3,787,053	2,858,565	1,566,216	318,722	413,384	90,198
Parking Enterprise Fund	-	-	-	-	-	-	-	22	-	-
All other proprietary funds	24,515	69,953	-	-	40,000	68,274	-	-	-	-
Total business-type activities program revenues	72,268,337	61,186,080	79,155,109	79,758,598	79,755,961	85,108,874	83,340,548	79,496,995	88,640,582	80,824,043
Total government program expenses	\$ 93,070,403	\$ 86,619,818	\$ 102,712,504	\$ 103,166,892	\$ 102,934,751	\$ 105,737,881	\$ 102,956,229	\$ 103,290,350	\$ 119,783,095	\$ 112,092,363
Net (Expenses)/Revenue										
Governmental activities										

(Continued)

CITY OF SANTA FE, NEW MEXICO
Changes in Net Position
Last Ten Fiscal Years
(Unaudited)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Government	(22,835,962)	(25,474,168)	(26,114,844)	(22,849,063)	(21,203,473)	(15,235,330)	(22,690,385)	(17,712,978)	(20,106,861)	(18,518,334)
Public Safety	(30,310,309)	(33,305,681)	(32,511,078)	(30,918,609)	(34,471,787)	(39,328,300)	(36,829,807)	(36,205,254)	(37,069,246)	(37,331,658)
Public Works	(8,392,726)	(7,387,369)	(9,471,475)	(12,052,411)	(5,776,085)	(11,814,387)	(13,253,201)	(12,716,873)	(7,617,741)	(7,011,645)
Community development	(7,282,704)	(8,231,945)	(8,396,166)	(7,690,275)	(7,800,788)	(10,787,505)	(6,899,407)	(8,076,529)	(7,800,944)	(7,695,037)
Culture and recreation	(11,549,336)	(9,962,602)	(10,518,351)	(8,551,815)	(10,772,610)	(11,111,185)	(12,707,686)	(11,865,934)	(11,469,073)	(10,365,467)
Education	(2,864,722)	(2,899,570)	(2,988,945)	(2,846,887)	(2,673,364)	(2,711,183)	(2,547,259)	(2,620,019)	(2,606,639)	(2,607,121)
Interest on Long term debt	(4,563,643)	(5,456,528)	(5,485,953)	(4,952,563)	(5,847,128)	(5,768,231)	(5,591,088)	(4,580,529)	(4,543,956)	(6,550,160)
Business-type activities										
Wastewater Management	(1,979,893)	(3,133,480)	(1,832,730)	(1,996,630)	(2,496,725)	(764,415)	(973,667)	(1,898,517)	663,481	(687,366)
Water Management	12,641,484	5,576,369	16,679,727	10,176,687	1,169,932	3,436,685	(4,457,317)	(3,913,069)	(1,241,687)	(7,861,107)
College of Santa Fe	-	-	(343,204)	428,211	1,287,817	1,427,232	(166,891)	803,971	(1,413,512)	(2,069,944)
Municipal Recreation Complex	(1,846,768)	(1,234,579)	(238,358)	(177,212)	(662,506)	(747,675)	(552,467)	(584,218)	(605,891)	(565,448)
Railyard Center	7,477,159	(271,780)	(1,130,682)	(368,078)	(2,490,550)	(3,701,891)	(4,785,790)	(4,901,829)	(3,622,814)	(3,844,750)
Geneveva Chavez Community Center	(3,374,186)	(3,763,660)	(3,231,122)	(2,755,221)	(2,607,289)	(2,994,245)	(2,690,403)	(3,051,675)	(2,885,002)	(3,359,263)
Santa Fe Convention Center	(2,083,034)	(4,463,198)	(4,816,630)	(2,452,904)	(3,962,178)	(4,893,517)	(4,692,120)	(5,780,868)	(2,929,037)	(4,633,104)
Environmental Services	(464,847)	(380,582)	(764,520)	(962,340)	(1,462,992)	(575,047)	(74,305)	384,479	1,055,943	(1,015,698)
Transit and Airport Systems	(2,845,635)	(5,253,525)	(2,806,022)	(4,396,150)	(4,339,864)	(3,780,357)	(6,012,081)	(6,694,759)	(8,823,612)	(11,832,481)
Parking Enterprise Fund	(1,023,415)	(1,413,648)	(772,385)	(727,697)	(295,994)	(233,418)	(563,134)	(290,967)	(813,294)	(1,390,854)
All other proprietary funds	24,515	69,953	-	-	40,000	68,274	-	-	-	-
	\$ (81,274,022)	\$106,985,993)	\$(94,742,738)	\$(93,092,957)	\$104,365,584)	\$109,514,495)	\$125,487,008)	\$119,705,568)	\$111,829,885)	\$127,339,437)

**Governmental Revenues and Other Changes
in Net Position**

Governmental activities

Taxes										
Property taxes	\$ 3,964,867	\$ 3,773,701	\$ 6,658,311	\$ 7,763,486	\$ 8,317,569	\$ 8,082,970	\$ 9,251,086	\$ 9,636,160	\$ 10,610,845	\$ 11,442,774
Sales taxes	91,972,070	82,800,905	76,345,768	77,533,815	80,000,069	79,927,194	83,633,041	85,911,545	88,954,804	94,225,671
Lodgers taxes	8,797,321	7,872,311	7,238,114	8,350,150	7,881,259	8,009,032	8,376,475	9,251,039	9,664,653	10,809,464
Franchise taxes	2,549,067	2,646,539	2,589,218	2,226,689	2,535,193	2,992,353	2,892,235	2,821,230	3,669,517	4,104,877
Motor fuel taxes	1,654,875	1,696,868	1,739,763	1,792,433	1,772,322	1,703,819	1,895,938	1,859,045	1,684,034	1,956,647
Cigarette taxes	113,820	65,597	96,502	8,940	91	1,246,517	-	-	-	-
Unrestricted investment earnings	4,383,448	3,264,549	664,354	492,319	515,681	235,245	591,813	450,301	360,613	1,015,860
Miscellaneous revenues	1,401,382	1,684,015	1,538,546	1,993,112	1,176,732	1,374,606	1,555,925	1,001,298	933,386	521,773
Gain on sale of capital assets	142,601	-	215,508	-	73,295	-	3,300	-	-	143,956
Transfers	(29,791,045)	(20,489,446)	(15,734,696)	(11,714,456)	(16,463,102)	(9,149,210)	(13,794,268)	(18,049,329)	(11,979,824)	(20,668,193)
Special item-transfer of capital asset	-	-	-	-	-	-	-	-	-	-
Total governmental activities	85,188,406	83,315,039	81,351,388	88,446,488	85,809,109	94,422,526	94,405,545	92,881,289	103,898,028	103,552,829

Business-type activities

Property taxes	8,800,497	11,055,714	10,451,588	10,615,795	-	-	-	-	-	-
Sales taxes	-	-	-	-	10,955,392	11,138,547	11,462,992	11,762,071	12,218,907	8,921,338
Unrestricted investment earnings	7,078,365	3,291,660	1,110,329	775,571	840,509	177,928	1,152,797	838,062	647,384	208,987
Miscellaneous revenues	1,689,593	1,997,611	-	-	(57,111)	276,287	-	-	-	-
Donated land	-	-	16,683,838	-	-	-	-	-	-	-
Gain (loss) on sale of capital assets	(24,603)	35,658	12,621	4,317,366	40,705	33,941	(6,888)	2,900	29,610	136,297

(Continued)

CITY OF SANTA FE, NEW MEXICO
Changes in Net Position
Last Ten Fiscal Years
(Unaudited)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Transfers	29,791,045	20,489,446	15,734,696	11,714,456	16,463,102	9,149,210	13,794,268	18,049,329	11,979,824	20,668,193
Total business-type activities	47,334,897	36,870,089	43,993,072	27,423,188	28,242,597	20,775,913	26,403,169	30,652,362	24,875,725	29,934,815
Total government	\$ 132,523,303	\$120,185,128	\$125,344,460	\$115,869,676	\$114,051,706	\$115,198,439	\$120,808,714	\$123,533,651	\$128,773,753	\$133,487,644
Change in Net Position										
Governmental activities	\$ (2,610,996)	\$ (9,402,824)	\$(14,135,424)	\$ (1,415,135)	\$ (2,736,126)	\$ (2,333,595)	\$ (6,113,288)	\$ (896,827)	\$ 12,683,568	\$ 13,473,407
Business-type activities	53,860,277	22,601,959	44,737,146	24,191,854	12,422,248	8,017,539	1,434,994	4,724,910	4,260,300	(7,325,200)
Total Government	\$ 51,249,281	\$ 13,199,135	\$ 30,601,722	\$ 22,776,719	\$ 9,686,122	\$ 5,683,944	\$ (4,678,294)	\$ 3,828,083	\$ 16,943,868	\$ 6,148,207

CITY OF SANTA FE, NEW MEXICO
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Unaudited)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Fund										
Non-spendable	\$ -	\$ -	\$ -	\$ 440,752	\$ 145,699	\$ 105,822	\$ 84,269	\$ 92,436	\$ 101,015	\$ 88,693
Restricted	6,722,866	6,843,676	6,533,816	6,071,202	5,458,379	6,378,383	6,136,549	6,532,724	6,649,878	7,456,833
Committed	3,920,763	2,063,939	1,823,960	1,243,499	1,310,811	1,306,416	1,256,819	1,340,604	1,362,023	1,557,795
Unassigned	16,309,042	12,059,216	7,314,057	8,269,206	10,845,524	8,804,906	8,292,215	7,108,052	12,835,273	5,137,319
Total general fund	\$ 26,952,671	\$ 20,966,831	\$ 15,671,833	\$ 16,024,659	\$ 17,760,413	\$ 16,595,527	\$ 15,769,852	\$ 15,073,816	\$ 20,948,189	\$ 14,240,640
All Other Governmental Funds										
Non-spendable	-	-	-	11,184,545	11,443,717	11,326,634	4,334,545	250,000	250,000	255,000
Restricted	23,697,756	19,063,112	16,558,006	41,744,396	44,110,480	36,373,892	42,781,711	53,978,741	47,058,413	37,934,570
Committed	-	-	-	2,007,489	5,211,699	2,886,735	863,689	1,098,113	1,311,953	1,459,841
Assigned	25,927,119	4,738,444	4,802,848	3,375,086	6,064,720	4,147,913	6,609,152	7,912,322	6,240,251	7,278,855
Unassigned	51,720,722	56,203,130	37,176,386	(413,391)	(382,397)	(48,666)	(908,779)	(1,375,770)	(194,252)	(2,532,002)
Total all other governmental funds	\$ 101,345,597	\$ 80,004,686	\$ 58,537,240	\$ 57,898,125	\$ 66,448,219	\$ 54,686,508	\$ 53,680,318	\$ 61,863,406	\$ 54,666,365	\$ 44,396,264

CITY OF SANTA FE, NEW MEXICO
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Unaudited)

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues										
Taxes	\$ 109,052,020	\$ 98,855,921	\$ 94,667,676	\$ 97,675,513	\$100,506,503	\$101,961,885	\$106,048,775	\$109,389,019	\$114,583,853	\$122,539,435
Licenses and permits	2,211,926	2,262,507	1,571,947	1,855,363	2,341,436	2,856,179	2,346,669	2,461,998	2,760,196	3,533,969
Intergovernmental revenues	12,067,485	16,866,068	15,447,798	12,021,489	12,082,661	7,816,549	8,221,733	6,724,489	12,394,355	13,364,598
Fees and charges for services	6,522,655	6,305,163	6,537,650	9,531,442	8,754,693	9,949,863	9,044,279	13,927,167	15,307,074	13,729,500
Sale of capital assets	42,601	42,204	215,508	35,552	-	-	3,300	-	-	-
Fines and forfeitures	527,173	518,267	526,845	448,621	370,072	412,236	506,527	429,736	373,917	304,712
Rents, royalties and concessions	79,490	130,047	126,043	219,850	205,990	156,741	180,538	339,965	306,971	335,542
Investment Income	3,695,071	2,784,697	507,687	378,878	408,800	213,794	478,747	372,628	486,471	967,673
Land Sales	100,000	-	-	-	90,939	260,328	253,445	173,500	419,439	198,277
Other revenues	864,065	993,497	885,658	1,288,904	589,225	545,301	615,415	827,798	513,947	521,772
Total Revenues	135,162,486	128,758,371	120,486,812	123,455,612	125,350,319	124,172,876	127,699,428	134,646,300	146,946,223	155,495,478
Expenditures										
General Government	26,330,509	27,641,394	25,807,820	23,115,451	22,986,525	24,072,339	21,224,217	27,191,995	28,875,061	29,120,290
Public Safety	32,809,858	35,979,160	36,856,996	36,797,749	36,273,737	40,060,495	41,461,515	41,931,574	42,050,323	42,005,888
Public Works	6,218,207	6,442,473	6,533,194	9,198,763	6,222,086	6,283,527	6,247,484	6,850,449	6,463,090	5,883,784
Community Development	11,217,328	12,785,076	14,766,993	12,093,940	10,154,155	11,086,013	10,469,220	11,339,034	11,378,061	9,707,249
Culture and Recreation	11,920,461	12,559,894	11,690,820	11,709,686	10,545,655	12,473,946	11,524,049	11,268,209	11,658,586	11,268,292
Education	2,859,578	2,892,938	2,983,168	2,841,615	2,670,215	2,710,895	2,545,991	2,620,019	2,600,930	2,619,374
Capital outlay	20,319,842	24,938,573	16,150,454	13,392,473	18,196,279	17,228,467	16,317,789	16,566,429	17,510,589	23,825,930
Capital outlay/Inventory exempt	5,909,298	6,963,610	4,871,841	-	-	-	-	-	-	-
Debt Service:										
Principial	7,352,698	30,193,446	7,673,026	23,509,213	23,538,688	33,489,819	8,681,450	9,677,468	10,113,885	42,759,006
Interest and fiscal agent fees	5,361,324	6,301,926	5,784,564	6,562,034	6,202,697	6,727,493	5,238,130	5,623,865	5,539,428	5,356,836
Bond issuance costs	-	-	-	420,600	401,987	399,940	187,572	466,645	-	-
Total expenditures	130,299,103	166,698,490	133,118,876	139,641,524	137,192,024	154,532,934	123,897,417	133,535,687	136,189,953	172,546,649
Excess of revenues over (under)	4,863,383	(37,940,119)	(12,632,064)	(16,185,912)	(11,841,705)	(30,360,058)	3,802,011	1,110,613	10,756,270	(17,051,171)
Other Financing Sources (Uses)										
Transfers in	61,064,891	85,030,926	32,228,023	53,075,463	77,138,478	59,160,811	39,572,832	45,645,545	28,172,546	45,402,483
Transfers out	(90,855,936)	(104,721,290)	(46,365,517)	(64,789,919)	(92,759,737)	(68,301,293)	(53,257,903)	(63,598,829)	(40,251,484)	(65,974,790)
HUD loan payments (flow through)	7,862	58,866	7,113	31,815	30,973	30,095	29,192	-	-	-
Issuance of Bonds:										
Face value of bonds issued	40,135,000	26,370,000	-	25,305,000	32,725,000	24,900,000	11,760,000	21,260,000	-	19,941,836
Premium on issuance of bond	1,623,540	672,959	-	2,027,264	4,992,779	1,643,848	262,003	3,069,723	-	917,815
Other non operating revenue (expense)	-	-	-	-	-	-	-	-	-	(1,843,472)
Total other Financing sources (uses)	11,975,357	7,411,461	(14,130,381)	15,649,623	22,127,493	17,433,461	(1,633,876)	6,376,439	(12,078,938)	(1,556,128)
Net change in funds balances	\$ 16,838,740	\$ (30,528,658)	\$(26,762,445)	\$ (536,289)	\$ 10,285,788	\$(12,926,597)	\$ 2,168,135	\$ 7,487,052	\$ (1,322,668)	\$(18,607,299)
Debt service as a percentage of noncapital expenditures	11.6 %	25.7 %	11.5 %	23.8 %	25.0 %	29.3 %	12.9 %	13.1 %	13.2 %	33.4 %

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		Personal Property		Exemptions Real Property	Total Assessed Value	Total Estimated Actual Value	Ratio of Total Assessed to Total Estimated
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value				
2008	\$ 3,315,706	\$ 9,957,075	\$ 175,280	\$ 526,985	\$ 39,987	\$ 3,450,999	\$ 10,363,360	33.3 %
2009	3,506,494	10,530,012	67,798	203,598	68,934	3,505,358	10,526,601	33.3 %
2010	3,632,556	10,908,577	62,630	188,078	67,679	3,627,507	10,893,414	33.3 %
2011	3,655,579	10,977,715	61,775	185,511	70,146	3,647,208	10,952,577	33.3 %
2012	3,669,055	11,018,183	59,346	178,216	72,281	3,656,120	10,979,339	33.3 %
2013	3,681,278	11,054,889	59,759	179,456	71,582	3,669,454	11,019,381	33.3 %
2014	3,682,763	11,059,348	62,782	188,535	78,845	3,666,701	11,011,114	33.3 %
2015	3,793,449	11,391,739	64,484	193,646	83,078	3,774,855	11,335,904	33.3 %
2016	3,096,095	11,730,015	64,726	194,372	92,456	3,878,365	11,646,742	33.3 %
2017	4,111,133	12,334,633	62,236	189,726	116,678	4,057,690	12,174,289	33.3 %

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

Source: Santa Fe County Assessor's Office

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
2008	1.516	1.250	6.476	6.982	3.160	19.384
2009	1.595	1.150	6.600	7.038	3.236	19.619
2010	1.772	1.530	6.570	7.040	3.220	20.132
2011	1.878	1.362	6.742	7.120	3.314	20.416
2012	1.729	1.360	6.662	7.048	3.292	20.091
2013	2.082	1.360	6.860	7.049	3.386	20.737
2014	2.151	1.360	7.642	8.585	3.625	23.363
2015	2.372	1.360	8.039	8.572	3.776	24.119
2016	2.442	1.360	7.864	8.617	3.690	23.973
2017	2.419	1.360	7.924	9.292	3.690	24.685

Non-Residential						
Tax Year Ended June 30	City	State	County	School District	Santa Fe Community College	Total Residential Tax Levy
2008	2.459	1.250	12.500	7.247	4.046	27.502
2009	2.856	1.150	13.780	7.310	4.046	29.142
2010	3.247	1.530	13.723	7.350	4.015	29.865
2011	3.560	1.362	13.701	7.485	4.015	30.123
2012	3.381	1.360	13.490	7.420	3.930	29.581
2013	3.693	1.360	13.491	7.416	3.930	29.890
2014	3.643	1.360	13.581	8.933	3.930	31.447
2015	3.754	1.360	13.760	8.868	3.995	31.737
2016	3.956	1.360	13.821	9.075	4.000	32.212
2017	3.977	1.360	13.973	9.807	4.000	33.117

Source: New Mexico Department and Administration, Local Government Division

CITY OF SANTA FE, NEW MEXICO
Principal Property Tax Payers
Current Year And Ten Years Ago
(Unaudited)

Taxpayer	2017			2007		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Public Service Company	\$ 84,788,187	1	2.09 %	\$124,966,773	1	3.94 %
Public Service of NM	82,593,114	2	2.04 %	-	-	- %
Truzaf Ltd. Partnership	44,915,565	3	1.11 %	33,717,436	5	1.06 %
Glorieta 2.0 Inc	44,654,718	4	1.10 %	-	-	- %
Guadalupe Hotel Investment	41,308,029	5	1.02 %	-	-	- %
C & Z LLC	38,845,827	6	0.96 %	-	-	- %
Qwest	38,575,821	7	0.95 %	82,531,095	2	2.60 %
BNSF Railway	37,623,672	8	0.93 %	-	-	- %
NM Gas Company	30,674,670	9	0.76 %	-	-	- %
La Fonda Holdings	30,226,113	10	0.74 %	-	-	- %
San Cristobal Ranch	-	-	-	41,925,909	3	1.32 %
La Fonda Hotel	-	-	-	18,558,668	9	0.59 %
De Vargas Mall	-	-	-	20,500,000	7	0.65 %
Zorro Ranch	-	-	-	18,145,397	10	0.57 %
El Dorado Parntership	-	-	-	18,633,300	8	0.59 %
La Posada	-	-	-	25,000,000	6	0.79 %
Villa Linda Mall	-	-	-	36,725,046	4	1.16 %
Total	<u>\$474,205,716</u>	-	<u>11.69 %</u>	<u>\$420,703,624</u>	-	<u>13.27 %</u>

Source: Santa Fe Coutny Assessor's Office

CITY OF SANTA FE, NEW MEXICO
Total Taxable Base for Gross Receipts by Fiscal Year
(Unaudited)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Agriculture, Forestry, Hunting, Fishing	\$ 14,074,406	\$ 15,377,597	\$ 12,204,888	\$ 9,879,744	\$ 7,055,650	\$ 5,847,839	\$ 4,220,241	\$ 4,257,127	\$ 4,538,877	\$ 6,088,690
Mining	8,736	272,856	-	45,695	34,881	105,254	137,738	484,092	467,021	143,357
Transportation, Comm, Utilities	99,278,414	94,502,403	76,608,504	96,542,131	99,708,882	93,074,119	98,216,273	84,950,190	111,692,127	115,417,629
Construction	436,060,485	404,777,586	274,052,776	255,458,962	302,263,940	278,676,381	305,323,749	248,761,976	304,185,739	359,454,251
Manufacturing	65,750,198	54,959,608	49,920,425	54,372,037	51,923,598	50,973,424	53,958,423	49,204,771	52,870,906	57,377,739
Wholesale	64,371,974	50,164,427	48,175,711	48,886,043	52,366,170	43,776,255	43,008,303	49,402,224	58,327,532	62,416,707
Retail	987,207,613	948,902,960	891,484,336	884,291,670	899,263,874	876,175,072	910,890,987	854,421,956	958,505,682	962,858,945
Finance, Insurance & Real Estate	108,156,523	89,564,306	80,082,754	81,396,496	88,446,087	100,856,362	117,264,939	104,978,861	128,633,960	145,628,165
Services	118,560,311	123,074,448	128,156,567	146,522,994	182,173,866	224,325,406	319,341,298	284,039,025	434,165,176	569,760,878
Government	9,243	-	-	-	15,356	48,326	4,625	-	291,295	286,171
Unclassified/Misc. Other	38,073,156	13,466,097	19,867,134	7,983,405	10,460,937	7,737,771	32,777,051	57,749,481	42,440,209	21,328,619
Total	\$931,551,059	\$795,062,288	\$580,553,095	\$585,379,177	\$693,713,241	\$681,596,209	\$885,143,627	\$738,249,703	\$096,118,524	\$300,761,151

Source: State of New Mexico Taxation and Revenue Department

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

CITY OF SANTA FE, NEW MEXICO
Total Gross Receipts Tax By Category
(Unaudited)

	2008	2009 ⁽¹⁾	2010	2011	2012	2013	2014	2015	2016	2017
Agriculture, Forestry, Hunting, Fishing	\$ 425,121	\$ 462,067	\$ 360,973	\$ 299,657	\$ 209,901	\$ 174,895	\$ 113,496	\$ 135,883	\$ 142,052	\$ 172,129
Mining	112	8,238	272	3,100	1,043	3,965	4,135	14,464	16,642	5,385
Utilities	2,312,988	2,244,517	2,283,430	2,126,983	2,511,000	2,617,159	2,737,141	2,536,313	2,614,292	2,540,181
Construction	13,329,669	11,981,369	8,218,948	7,479,285	8,853,011	8,253,074	9,022,065	8,012,200	8,486,214	9,772,948
Manufacturing	1,972,298	1,655,709	1,461,937	1,581,150	1,581,810	1,444,404	1,573,931	1,432,140	1,646,538	1,645,300
Wholesale	1,923,131	1,483,543	1,342,178	1,451,394	1,584,445	1,330,238	1,296,013	1,600,730	1,710,745	1,825,300
Retail	29,388,707	28,306,999	26,456,316	26,589,033	26,790,310	26,460,409	27,141,343	27,539,185	28,098,236	28,221,459
Transportation & warehousing	625,939	532,132	514,611	481,208	482,659	206,613	192,881	197,431	251,988	383,109
Information & Cultural Indust.	1,631,339	1,704,690	2,755,004	3,267,602	3,441,276	3,466,394	3,753,200	3,628,773	3,789,409	3,871,700
Finance & Insurance	1,168,871	982,546	881,891	940,872	944,034	1,173,133	1,254,730	1,241,265	1,318,442	1,413,572
Real estate, rental & leasing	2,094,448	1,639,091	1,474,704	1,442,114	1,673,830	1,848,496	2,206,097	2,036,824	2,615,837	2,668,573
Prof. Scientific, Technical	6,356,094	6,226,754	6,352,059	6,648,110	7,003,279	7,298,655	7,712,636	7,992,389	8,300,049	8,464,267
Management of companies	344,512	300,802	228,036	232,026	208,563	215,286	176,058	146,638	135,737	120,427
Admin & Support, Waste Mgt	442,406	445,420	539,050	794,833	885,692	703,779	703,450	889,009	917,524	1,173,203
Education Services	254,901	258,390	319,473	491,982	545,237	538,566	669,685	739,097	799,095	749,620
Health Care & Social Assist	3,969,203	4,364,551	4,302,733	4,533,433	4,425,757	4,275,389	4,418,919	4,459,242	5,031,110	4,753,793
Arts, Entertainment & Recr	387,837	364,818	398,593	458,067	422,002	437,735	447,258	604,312	674,028	952,210
Accommodation & Food	10,134,875	9,950,881	9,424,398	9,700,468	9,925,719	10,470,734	11,349,744	12,373,247	13,396,242	13,900,556
Other Services	9,940,018	9,540,958	8,583,369	8,291,869	8,593,209	9,273,288	9,615,669	9,550,973	9,471,551	8,587,227
Public Administration	274	-	-	-	1,168	1,444	881	-	164	78,760
Unclassified	1,199,556	402,126	381,402	374,213	209,789	288,399	586,410	1,378,242	843,924	1,199,995
State Reimb-Food/Med Tax-Exempt	12,605,194	10,195,332	10,411,415	9,963,290	10,374,852	10,842,817	10,437,191	10,426,042	10,651,860	8,909,057
Municipal Equivalent Distribution	-	115,947	302,556	318,208	357,337	307,349	312,915	482,468	296,914	302,092
Total GRT Revenue Distribution	100,507,493	93,166,880	86,993,348	87,468,897	91,025,923	91,632,221	95,725,848	97,416,867	101,208,593	101,710,863
City direct Gross Receipts Tax rate	7.94 %	7.94 %	8.06 %	8.19 %	8.19 %	8.19 %	8.19 %	8.19 %	8.31 %	8.31 %

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 and Revenue has implemented revised reporting formats at different times over the years, compromising comparability with earlier years.

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

⁽¹⁾ In May 2008 the City received a one-time allocation adjustment for the food tax exemption for approx. \$3,863,000.

CITY OF SANTA FE, NEW MEXICO
Direct and Overlapping Gross Receipts Tax Rates
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	City Direct Rate	Santa Fe County
2008	7.94 %	6.63 %
2009	7.94 %	6.38 %
2010	8.06 %	6.50 %
2011	8.19 %	6.62 %
2012	8.19 %	6.62 %
2013	8.19 %	6.62 %
2014	8.19 %	6.87 %
2015	8.19 %	6.87 %
2016	8.31 %	7.00 %
2017	8.31 %	7.00 %

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

CITY OF SANTA FE, NEW MEXICO
Schedule of Pledged Revenues
Fiscal Years 2016 and 2017
(Unaudited)

	Fiscal Year	
	2016	2017
0.05% Municipal Gross Receipts Tax (GRT) revenues	\$ 16,496,023	\$ 18,222,207
MGRT Infrastructure revenues	2,037,494	1,886,279
MGRT Environmental revenues	2,037,351	1,886,129
State shared GRT revenues	38,643,525	38,420,828
Total	<u>\$ 59,214,393</u>	<u>\$ 60,415,443</u>

Source: City of Santa Fe Cash Management and Investment Officer

CITY OF SANTA FE, NEW MEXICO
Schedule of Gross Receipts Tax Revenues
Fiscal Years 2016 and 2017
(Unaudited)

	Fiscal Year	
	2016	2017
Municipal General GRT (Including Capital Improvements)	\$ 32,992,046	\$ 34,924,936
Infrastructure revenues	8,149,977	7,545,117
MGRT revenues	8,248,012	8,351,365
Environmental revenues	2,037,351	1,886,129
State-shared GRT revenues	41,314,508	38,420,828
Water Capital Outlay	8,144,062	4,009,321
Municipal Equivalent Distribution	287,755	297,965
Total	<u>\$101,173,711</u>	<u>\$ 95,435,661</u>

Source: City of Santa Fe Cash Management and Investment Officer

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 (Par Value) ⁵		Amount Available Debt Service Fund ⁶	Net Bonded Debt	Ratio of Net Long Term Debt To Assessed Value	Net General Long Term Debt Per Capital
2008	69,961	\$ 3,450,998,939	\$ 20,000,000	\$ -	\$ 20,000,000	0.58 %	286	
2009	70,661	\$ 3,505,357,810	\$ 20,000,000	\$ 1,538,960	\$ 18,461,040	0.57 %	261	
2010	67,947	\$ 3,627,507,187	\$ 19,400,000	\$ 2,003,936	\$ 17,396,064	0.53 %	256	
2011	68,642	\$ 3,647,208,573	\$ 28,950,000	\$ 3,063,476	\$ 25,886,524	0.79 %	377	
2012	68,500	\$ 3,656,120,170	\$ 27,710,000	\$ 3,431,635	\$ 24,278,365	0.76 %	354	
2013	68,800	\$ 3,669,453,816	\$ 26,510,000	\$ 3,210,845	\$ 23,299,155	0.72 %	339	
2014	82,800	\$ 3,666,700,895	\$ 37,265,000	\$ 4,057,286	\$ 33,207,714	1.02 %	401	
2015	83,000	\$ 3,774,855,457	\$ 41,305,000	\$ 4,054,334	\$ 37,250,666	1.09 %	449	
2016	84,009	\$ 3,878,365,023	\$ 39,270,000	\$ 4,469,142	\$ 34,800,858	1.01 %	414	
2017	83,875	\$ 4,057,690,611	\$ 23,635,000	\$ -	\$ 23,635,000	0.58 %	282	

(1) Estimated population figures for 2008, 2009 and 2010 were provided by the City of Santa Fe Planning Department staff. Estimated population figures for 2011, 2012 were provided by US Census Bureau. 2013, 2014, 2015, 2016 and 2017 populations are estimated by Santa Fe Planning Department staff.

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

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

(4) During 2014 the County annexation was completed.

(5) Includes general obligation outstanding par only, excluding any applicable unamortized premium or discount.

(6) Includes restricted cash as well as accumulated unrestricted investment income and other unrestricted miscellaneous income.

CITY OF SANTA FE, NEW MEXICO
Ratio of Annual Debt Service Expenditures
For General Obligation Bonded Debt
To Total General Fund Expenditures
Last 10 Fiscal Years
(Unaudited)

Fiscal Year	Principal	Interest	Debt Service	Total General Fund Expenditure	Ratio of Debt Service to General Governmental Expenditures
2008	\$ -	\$ -	\$ -	\$ -	-
2009	\$ -	\$ 541,860	\$ 541,860	\$ 68,683,865	0.0079
2010	\$ 600,000	\$ 829,457	\$ 1,429,457	\$ 67,956,485	0.0210
2011	\$ 750,000	\$ 883,796	\$ 1,633,796	\$ 69,496,944	0.0235
2012	\$ 1,240,000	\$ 1,105,258	\$ 2,345,258	\$ 63,207,592	0.0371
2013	\$ 1,200,000	\$ 1,065,870	\$ 2,265,870	\$ 67,822,465	0.0334
2014	\$ 1,245,000	\$ 1,220,740	\$ 2,465,740	\$ 63,903,013	0.0386
2015	\$ 1,760,000	\$ 1,439,537	\$ 3,199,537	\$ 72,489,834	0.0441
2016	\$ 2,035,000	\$ 1,483,451	\$ 3,518,451	\$ 72,393,334	0.0486
2017	\$ 15,635,000	\$ 2,054,579	\$ 17,689,579	\$ 79,044,226	0.2238

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

CITY OF SANTA FE, NEW MEXICO
Computation of Direct & Overlapping Debt General Obligation Debt
June 30, 2017
(Unaudited)

	General Obligation as of June 30, 2017 (Par Value) ^{1,2}	Percentage Applicable to City of Santa Fe		City of Santa Fe Share of Debt
City of Santa Fe	\$ 23,635,000	100.00	%	\$ 23,635,000
Subtotal Direct Debt				23,635,000
State of New Mexico	260,760,000	4.03	%	10,508,628
Santa Fe County	130,440,000	56.50	%	73,698,600
Santa Fe Public Schools	200,375,000	70.58	%	141,424,675
Santa Fe Community College	18,215,000	70.58	%	12,856,147
Subtotal Overlapping Debt				238,488,050
Total Direct and Overlapping Debt				\$ 262,123,050

Ratios:

Total direct and overlapping debt to assessed valuation for tax year 2017 \$4,057,690,611 6.46%

Direct and overlapping debt to actual valuation of \$ 12,174,289,262 2.15%

Direct and overlapping debt per capita of 83,875 \$3,125

¹ Includes general obligation outstanding par only, excluding any applicable unamortized premium or discount.

² Does not include \$2,504,981 NMFA Loan to City of Santa Fe, \$24,000,000 Santa Public School Education Technology notes or \$80,405,000 County of Santa Fe Correctional System notes.

CITY OF SANTA FE, NEW MEXICO
Legal Debt Margin Information
Last Ten Fiscal Years
(Unaudited)

Legal Debt Margin Calculation for Fiscal Year 2017

Assessed Value Per DFA Capacity Statement	\$ 4,057,690,611
Debt Limit (4% of Assessed Value)	162,307,624
Debt applicable to limit	
General obligation bonds	(23,635,000)
Legal debt margin	\$ 138,672,624

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Debt Limit	\$ 138,039,594	\$140,214,312	\$145,100,287	\$145,888,343	\$146,244,807	\$148,439,172	\$148,959,429	\$152,108,584	\$156,571,717	\$162,307,624
Total net debt applicable to limit	(20,000,000)	(20,000,000)	(19,400,000)	(28,950,000)	(27,710,000)	(26,510,000)	(37,265,000)	(41,305,000)	(39,270,000)	(23,635,000)
Legal debt margin	118,039,594	120,214,312	125,700,287	116,938,343	118,534,807	121,929,172	111,694,429	110,803,584	117,301,717	138,672,624
Total net debt applicable to the limit as a percentage of debt limit	14.49 %	14.26 %	13.37 %	19.84 %	18.95 %	17.86 %	25.02 %	27.15 %	25.08 %	14.56 %

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

Source: State of New Mexico, Department of Finance And Administration General Obligation Capacity Statement of April 30, 2013.

CITY OF SANTA FE, NEW MEXICO
Pledge-Revenue Coverage
Last Ten Fiscal Years
(Unaudited)

Environmental Services ⁽¹⁾						
Fiscal Year Ended	Gross Revenues	Less: Operating Expense	Net Revenue Available for Debt Service	Debt Service		Coverage
				Principal	Interest	
2008	\$ 11,425,138	\$ 8,435,925	\$ 2,989,213	\$ 635,000	\$ 670,998	2.29
2009 ⁽²⁾	12,276,761	8,141,442	4,135,319	665,000	642,423	3.16
2010	11,041,661	8,341,668	2,699,993	690,000	614,160	2.07
2011	11,861,931	9,609,126	2,252,805	720,000	584,835	1.73
2012	12,027,377	10,297,065	1,730,312	760,000	550,373	1.32
2013	12,443,575	9,773,117	2,670,458	785,000	518,073	2.05
2014	13,552,850	10,406,349	3,146,501	830,000	478,823	2.40
2015	13,692,104	10,862,279	2,829,825	865,000	442,660	2.16
2016	12,932,045	10,496,187	2,435,858	900,000	408,060	1.86
2017	13,394,451	13,279,596	114,855	876,067	293,800	0.10

⁽¹⁾ Revenues pledged for 2015 included municipal gross receipts tax infrastructure revenues of \$1,963,001.

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

Water Management Bonds ⁽¹⁾						
Fiscal Year Ended	Gross Revenues	Less: Operating Expense	Net Revenue Available for Debt Service	Debt Service		Coverage
				Principal	Interest	
2008	\$ 30,583,912	\$ 17,138,584	\$ 13,445,328	\$ 3,995,000	\$ 2,725,818	2.00
2009	26,473,819	18,182,591	8,291,228	2,105,000	2,406,219	1.84
2010	32,456,123	20,144,274	12,311,849	2,345,000	3,852,835	1.99
2011	42,996,211	18,429,596	24,566,615	3,625,594	5,551,724	2.68
2012	45,548,927	30,005,770	15,543,157	4,217,187	5,812,050	1.55
2013	48,938,614	23,671,357	25,267,257	3,922,294	5,597,173	2.65
2014	46,257,538	31,205,838	15,051,700	4,077,726	5,413,333	1.59
2015	44,094,081	25,341,540	18,752,541	4,081,700	5,270,630	2.01
2016	42,499,151	30,769,361	11,729,790	4,307,203	5,132,271	1.24
2017	37,298,329	30,268,109	7,030,220	1,723,382	1,604,514	2.11

⁽¹⁾ Revenues pledged for 2015 included water system revenues and the 1/4% municipal capital outlay gross receipts of \$7,836,010.

⁽²⁾ Debt includes bonds and loans.

Railyard Bonds ⁽¹⁾						
Fiscal Year Ended	Gross Revenues	Less: Operating Expense	Net Revenue Available for Debt Service	Debt Service		Coverage
				Principal	Interest	
2011	\$ 936,098	107,965	\$ 828,133	\$ 240,000	\$ 223,687	\$ 1.79
2012 ⁽²⁾	1,905,015	143,131	1,761,884	293,660	546,300	2.10
2013	1,082,385	503,933	578,452	301,959	541,711	0.69
2014 ⁽³⁾	3,334,848	1,423,693	1,911,155	765,210	791,583	1.23
2015	2,974,548	1,599,788	1,374,760	884,007	671,594	0.88
2016	728,852	519,959	208,893	913,077	638,720	0.13
2017	515,558	568,128	(52,570)	970,000	1,432,187	(0.02)

⁽¹⁾ Revenues pledged for 2015 included municipal gross receipts tax railyard infrastructure revenues of \$2,562,355.

⁽²⁾ The City of Santa Fe Subordinate Lien Gross Receipts Tax Refunding Revenue Bonds, Series 2010B, were issued December 14, 2010.

⁽³⁾ The City of Santa Fe Subordinate Line Gross Receipts Tax Improvement Revenue Bonds, Series 2012C, were issued December 19, 2012.

⁽⁴⁾ Debt includes the bond and loans.

Municipal Recreation Complex Bonds ⁽¹⁾						
Fiscal Year Ended	Gross Revenues	Less: Operating Expense	Net Revenue Available for Debt Service	Debt Service		Coverage
				Principal	Interest	
2008	\$ 2,382,508	\$ 1,533,264	\$ 849,244	\$ 705,000	\$ 579,328	0.66
2009	2,661,658	1,564,447	1,097,211	735,000	554,653	0.85
2010	2,188,038	1,438,896	749,142	760,000	528,928	0.58
2011	2,017,133	1,156,748	860,385	790,000	500,428	0.67
2012	2,218,524	1,186,553	1,031,971	825,000	468,828	0.80
2013	2,375,602	1,172,309	1,203,293	865,000	435,827	0.93
2014	2,595,731	1,057,952	1,537,779	900,000	404,453	1.18
2015	2,701,069	1,198,698	1,502,371	920,000	368,453	1.17
2016	2,822,851	1,382,633	1,440,218	980,000	368,453	1.07
2017	1,177,657	1,563,065	(385,408)	1,015,650	1,271,057	(0.30)

⁽¹⁾ Revenues pledged for 2015 included Municipal Recreation Complex revenues and gross receipts tax revenues of

Convention Center Bonds ⁽¹⁾						
Fiscal Year Ended	Gross Revenues	Less: Operating Expense	Net Revenue Available for Debt Service	Debt Service		Coverage
				Principal	Interest	
2008	\$ 1,393,947	\$ 671,547	\$ 722,400	\$ 285,000	\$ 1,968,800	0.32
2009 ⁽²⁾	4,735,197	1,437,526	3,297,671	895,000	2,441,716	0.99
2010	3,939,717	1,709,132	2,230,585	1,010,000	2,345,325	0.66
2011	3,041,881	1,672,968	1,368,913	1,035,000	2,308,350	0.41
2012	5,109,312	1,494,863	3,614,449	1,085,000	2,270,413	1.08
2013	4,693,690	1,693,851	2,999,839	1,130,000	2,230,675	0.89
2014	3,640,036	1,505,091	2,134,945	1,175,000	2,179,500	0.64
2015	4,422,895	1,901,069	2,521,826	1,761,500	1,544,245	0.76
2016	488,109	1,814,154	(1,326,045)	1,295,000	1,571,000	(0.46)
2017	478,637	2,499,483	(2,020,846)	958,000	1,569,323	(0.80)

⁽¹⁾ Revenues pledged for 2015 included convention center lodger's tax revenues of \$3,668,064.

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

Wastewater System Bonds ⁽¹⁾						
Fiscal Year Ended	Gross Revenues	Less: Operating Expense	Net Revenue Available for Debt Service	Debt Service		Coverage
				Principal	Interest	
2008	\$ 11,023,657	\$ 7,434,117	\$ 3,589,540	\$ 1,095,000	\$ 1,035,014	1.69
2009 ⁽²⁾	11,670,486	8,108,002	3,562,484	1,120,000	661,951	2.00
2010	12,185,467	8,215,370	3,970,097	1,240,000	439,255	2.36
2011	14,425,862	9,427,836	4,998,026	1,365,000	416,510	2.81
2012	13,539,337	9,556,158	3,983,179	1,445,000	486,025	2.06
2013 ⁽³⁾	14,229,591	9,214,164	5,015,427	1,495,000	847,225	2.14
2014	14,111,275	9,374,911	4,736,364	1,515,000	794,750	2.05
2015	14,432,415	10,862,279	3,570,136	1,725,000	750,050	1.44
2016	14,146,430	10,061,120	4,085,310	1,840,000	695,600	1.61
2017	13,473,205	10,859,168	2,615,407	1,884,350	575,043	1.06

⁽¹⁾ Revenues pledged for 2014 include wastewater and municipal gross receipts tax environmental revenue of \$1,963,060.

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

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

College of Santa Fe Loan ⁽¹⁾						
Fiscal Year Ended	Gross Revenues	Less: Operating Expense	Net Revenue Available for Debt Service	Debt Service		Coverage
				Principal	Interest	
2010	\$ 2,208,713	1,592,261	\$ 616,452	\$ -	\$ 1,008,195	\$ 0.61
2011	2,436,997	1,007,658	1,429,339	615,000	1,605,973	0.64
2012	2,396,951	136,683	2,260,268	630,000	1,594,841	1.02
2013	2,357,959	18,851	2,339,108	645,000	1,580,226	1.05
2014	2,377,038	82,676	2,294,362	665,000	1,559,199	1.03
2015	2,362,616	12,450	2,350,166	685,000	1,535,857	1.06
2016	2,350,000	437,317	1,912,683	715,000	1,508,526	0.86
2017	1,080,000	-	1,080,000	745,000	1,478,567	0.49

⁽¹⁾ Revenues pledged from the lease with Santa Fe Higher Education, LLC included \$2,350,000.

⁽²⁾ The New Mexico Finance Authority Loan for the purchase of the College of Santa Fe was issued September 14, 2009.

Parking Loan ⁽¹⁾						
Fiscal Year Ended	Gross Revenues	Less: Operating Expense	Net Revenue Available for Debt Service	Debt Service		Coverage
				Principal	Interest	
2015	\$ 4,496,921	4,284,834	\$ 212,087	\$ 58,500	\$ 26,847	\$ 2.48
2016	4,596,479	4,414,701	181,778	-	287,038	0.63
2017	5,023,562	5,336,699	(313,137)	407,000	530,855	(0.33)

⁽¹⁾ The New Mexico Finance Authority Loan for the construction of the Convention Center and underground parking garage was refunded April 8, 2015 and split between the Convention Center and Parking debt service funds.

Transit Loan ⁽¹⁾						
Fiscal Year Ended	Gross Revenues	Less: Operating Expense	Net Revenue Available for Debt Service	Debt Service		Coverage
				Principal	Interest	
2015	\$ 353,499	-	\$ 353,499	\$ 229,807	\$ 52,992	\$ 1.25
2016	1,395,699	9,473,601	(8,077,902)	273,320	63,284	(24.00)
2017 ⁽²⁾	1,639,901	11,350,564	(9,710,663)	277,480	62,385	(28.57)

⁽¹⁾ The New Mexico Finance Authority Loan for the purchase of buses was issued August 1, 2014.

⁽²⁾ GRT revenues are pledged to pay debt service for this load in lieu of transit system revenues.

Note: Detail regarding governmental outstanding debt can be found in the notes to the financial statements and in the Major Debt Section of the CAFR.

CITY OF SANTA FE, NEW MEXICO
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(Unaudited)

Government Activities						
Fiscal Year	GRT Bonds	General Oblig. Bonds	NMFA Loans	HUD 108 Loan	SFPS ¹ Loan	Capital Lease
2008	\$ 96,049,900	\$ 20,159,555	\$ 15,739,976	\$ 297,000	\$ -	\$ 520,046
2009	89,114,582	20,151,577	19,114,530	279,000	-	261,059
2010	81,822,335	19,543,599	18,834,504	261,000	560,000	-
2011	75,596,503	29,528,321	18,213,291	243,000	280,000	-
2012	90,034,778	28,257,043	17,572,603	225,000	-	767,600
2013	97,558,427	27,025,765	2,965,784	207,000	-	575,700
2014	89,223,139	38,011,079	2,817,334	189,000	-	383,800
2015	98,729,591	42,244,953	2,663,866	-	-	191,900
2016	89,973,701	40,152,961	2,504,981	-	-	-
2017	99,603,790	23,635,000	1,088,790	-	-	-

Business-Type Activities											
Fiscal Year	MRC Bonds	Convention ² Center Bonds	Parking ² Bonds	Water Bonds	Wastewater Bonds	Environment al Bonds	Railyard Bonds	NMFA Loans	Total Primary Government	Percent of Personal Income 1	Per Capita 1
2008	\$ 13,416,569	\$ 52,917,848	\$ -	\$ 51,936,530	\$ 27,314,121	\$ 14,080,135	\$ -	\$ 28,952,077	\$321,383,757	14.67 %	4,648
2009	12,664,283	51,933,483	-	49,703,013	26,159,194	13,397,025	-	29,050,052	311,827,798	13.69 %	4,457
2010	11,866,997	50,834,118	-	107,841,528	24,884,267	12,688,915	-	59,086,891	388,224,154	16.72 %	5,494
2011	11,107,272	49,709,753	-	104,848,553	23,484,340	11,950,805	-	58,840,567	383,802,405	18.98 %	5,649
2012	10,237,425	48,535,388	-	101,750,528	22,254,971	11,172,695	11,032,788	46,015,124	387,855,943	18.80 %	5,650
2013	9,355,139	47,316,023	-	98,527,553	20,483,684	10,369,585	15,856,786	44,603,487	374,844,933	18.02 %	5,472
2014	8,437,853	46,051,658	-	95,169,578	18,752,735	9,521,475	15,067,127	42,605,655	366,230,433	14.28 %	4,423
2015	7,500,567	32,447,704	13,656,229	92,373,649	16,811,786	8,638,365	14,162,468	43,603,387	373,024,465	14.23 %	4,494
2016	6,503,281	30,171,602	13,590,889	41,671,803	14,755,837	7,720,255	13,232,809	42,428,833	302,706,952	10.37 %	3,603
2017	5,518,099	30,034,635	13,116,397	40,554,114	12,596,436	7,967,712	12,351,078	39,620,848	\$286,086,899	8.38 %	2,966

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements. See the Table XV Economic and Demographic Information for personal income and population data. GRT/revenue debt for solid waste, convention center and wastewater was reclassified FY 2007-2008 to respective enterprise funds

¹ SFPS is Santa Fe Public Schools for land purchase.

² At FY End 2015 the share of Convention Center debt attributable to the Convention Center parking garage was transferred to the Parking Debt Service Fund.

³ This table reflects par value only for the City's outstanding debt exclusive of unamortized premium and discount.

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

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

CITY OF SANTA FE, NEW MEXICO
Demographic and Economic Information
(Unaudited)

Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Unemployment Rate
2005	69,468	\$ 2,139,614	\$ 30,800	4.20 %
2006	70,502	2,227,863	31,600	4.10 %
2007	71,496	2,352,218	32,900	3.00 %
2008	72,833	2,163,140	29,700	3.80 %
2009	73,979	2,322,941	31,400	6.60 %
2010	81,034	2,552,571	31,500	6.80 %
2011	81,645	2,694,285	33,000	6.20 %
2012	82,102	2,635,474	32,100	5.80 %
2013	82,528	2,715,171	32,900	5.60 %
2014	82,925	2,736,525	33,000	5.50 %
2015	83,286	2,948,324	35,400	5.40 %

Source: The City of Santa Fe's Planning Department.

Population:

Year	City	County	State
2005	69,468	137,610	1,928,384
2006	70,502	138,786	1,954,599
2007	71,496	140,210	1,990,070
2008	72,833	141,704	2,010,662
2009	73,979	143,205	2,036,802
2010	81,034	144,170	2,064,756
2011	81,645	145,378	2,077,756
2012	82,102	146,157	2,083,784
2013	82,528	146,745	2,085,193
2014	82,925	147,329	2,083,024
2015	83,286	147,708	2,080,328

Source: Estimated population for 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2009, 2010, and 2011 were provided by the City of Santa Fe Planning Dept. Staff. Estimates for State population for 2000-2011 were provided by the Bureau of Business and Economic Research and U.S. Census

Age Profile:

Age	City	State	United States
0-19	22.10 %	27.10 %	26.10 %
20-44	28.50 %	32.30 %	33.50 %
45-64	28.30 %	25.90 %	26.30 %
65+	21.10 %	14.70 %	14.10 %
	- %	- %	- %
	100.00 %	100.00 %	100.00 %

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

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	2,680	7.00 %
10,000 to 14,999	1,751	5.00 %
15,000 to 24,999	3,970	11.00 %
25,000 to 34,999	3,871	11.00 %
35,000 to 49,999	5,232	15.00 %
50,000 to 74,999	6,651	19.00 %
75,000 to 99,000	3,968	11.00 %
100,000 and more	7,469	21.00 %
Total Households	35,592	100.00 %

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
2006	\$ 31,600	\$ 30,209	\$ 47,390
2007	32,900	31,703	48,420
2008	29,700	33,447	48,640
2009	31,400	32,523	47,250
2010	31,500	33,109	48,880
2011	33,000	34,737	50,710
2012	32,100	35,427	52,850
2013	32,900	34,752	54,000
2014	33,000	36,701	56,190
2015	35,400	38,025	57,640

Source: Bureau of Business & Economic Research, UNM-2012 information note available

CITY OF SANTA FE, NEW MEXICO
Demographic and Economic Information
(Unaudited)

Public School District Enrollment

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

Year	Pre-Kindergarten	1-6	7-12	Special Education	Total
2002	1,015	6,879	5,199	-	13,093
2003	1,094	6,745	5,626	-	13,465
2004	1,056	6,819	5,682	-	13,557
2005	1,292	6,770	5,673	-	13,735
2006	1,269	6,796	5,675	-	13,740
2007	1,241	6,850	5,274	-	13,365
2008	1,216	6,947	5,395	-	13,558
2009	1,164	7,061	5,366	-	13,591
2010	1,256	7,157	5,271	-	13,684
2011	1,249	7,187	5,361	-	13,797
2012	N/A	N/A	N/A	-	N/A

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

Source: New Mexico Department of Education

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

Year	Kindergarten	1-6	7-12	Special Education	Total
2002	222	872	2,258	-	3,352
2003	275	847	2,244	-	3,366
2004	216	805	2,263	-	3,284
2005	188	820	2,379	-	3,387
2006	150	808	1,600	-	2,558
2007	195	859	1,643	-	2,697
2008	482	875	2,379	-	3,736
2009	394	835	2,326	-	3,555
2010	370	827	2,254	-	3,451
2011	N/A	N/A	N/A	-	N/A
2012	N/A	N/A	N/A	-	N/A

Source: New Mexico Department of Education

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
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	33	270
2009	931	9,393	473	69	325
2010	268	9,799	463	N/A	442
2011	N/A	9,505	490	221	539
2012	N/A	N/A	N/A	N/A	N/A

Source: Individual Institutions

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
2008	\$ 3,450,998,939	4,925	\$ 142,844,833
2009	3,505,357,810	3,864	136,960,866
2010	3,627,507,187	3,870	125,204,260
2011	3,647,208,573	4,161	105,449,986
2012	3,656,120,170	4,751	179,671,299
2013	3,669,453,816	5,068	125,419,309
2014	3,666,700,895	4,688	113,830,876
2015	3,774,855,457	4,771	106,656,654
2016	3,878,365,023	4,955	162,954,112
2017	4,057,690,611	4,904	150,608,250

Utility Connections

Calendar Year	Water Meters ³	Electric Meters ⁴	Gas Meters ⁵
2008	37,991	72,254	49,381
2009	39,131	74,422	50,862
2010	39,393	76,654	52,387
2011	39,642	77,107	52,764
2012	39,856	77,338	52,888
2013	40,106	77,588	53,028
2014	40,260	77,820	53,467
2015	40,542	78,058	53,917
2016	40,833	78,304	54,381
2017	-	-	-

Source:

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

² City of Santa Fe Building Inspectors Office, estimated.

³ Sangre De Cristo Water Division

⁴ Public Service Company of New Mexico.

⁵ New Mexico Gas Company.

CITY OF SANTA FE, NEW MEXICO
**Ten Largest Employers
Santa Fe Metropolitan Area
June 30, 2017
(Unaudited)**

Employer	Type of Business	Approximate Number of Employees
State of New Mexico	Government	20,000 +
Christus St. Vincent	Healthcare	2,000-3,000
City of Santa Fe	Government	1,000-2,000
County of Santa Fe	Government	1,000-2,000
City of Gold Casino	Tribal	500-999
Buffalo Thunder Resort and Casino	Tribal	500-999
Santa Fe Community College	Education	500-999
Wal-Mart	Retail	500-999
Eldorado Hotel and Spa	Tourism	250-499
Presbyterian Medical Services	Healthcare	250-499

¹ These percentages are based on a total civilian labor force (Santa Fe County) estimated at 84,009 from Santa Fe County Open Public Records and the New Mexico Department of Labor for 2016

CITY OF SANTA FE, NEW MEXICO
Authorized Budgeted Positions of City Government Employees by Function
Last Ten Fiscal Years
(Unaudited)

Function	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Government	313	325	307	309	311	316	249	249	242	248
Public Safety										
Police										
Officers	158	162	160	160	160	201	202	202	196	200
Civillians	42	45	42	42	52	36	29	29	28	30
Fire30										
Firefighters and officers	126	140	145	145	153	151	157	157	151	154
Civilians	16	19	8	8	9	10	9	9	10	12
Highways and streets										
Engineering	74	83	75	75	75	-	56	56	55	59
Maintenance	80	78	78	78	78	51	50	50	53	54
Sanitation	131	132	132	133	133	136	130	130	126	131
Culture and recreation	570	585	570	572	573	486	486	486	467	474
Water	87	105	95	97	99	148	128	96	83	90
Transit	111	117	116	116	116	123	131	131	115	131
Parking	58	70	64	64	64	62	55	55	53	56
Total	1,766	1,861	1,792	1,799	1,823	1,720	1,682	1,650	1,579	1,639

Source: City of Santa Fe Budget Office

CITY OF SANTA FE, NEW MEXICO
Schedule of Insurance in Force
June 30, 2017
(Unaudited)

Insurance Carrier/Description	Policy #	Term	Coverage Limits	Annual Premium	Deductible	Miscellaneous
I. City of Santa Fe Self Insurance						
A. Worker's Compensation		-	\$600,000	\$ -	\$ -	Self-Insured
B. Group Health Insurance		-	Unlimited	\$ 15,199,811	\$ -	
II. Safety National Casualty Company						
Excess Worker's Compensation	SP 4055437	-	Statutory Limit	\$ 117,185	\$ 600,000	Self-Insured Retention
III. Traveler's Insurance Company						
Public Entity Package						
A. Liability Package Policy	15N80223	-	Aggregate \$3 million, \$1,050,000 tort limit	\$ 1,466,934	\$ 100,000	Self insured Retention
B. Cyber Liability		-	\$1,000,000	\$ 11,016	\$ 5,000	
C. Automobile Liability		-	Various	\$ 415,102	\$ 25,000	
D. Property Damage	H-630- 2C41023A	-	\$342,077,456	\$ 192,155	\$ 100,000	
E. Umbrella	15N80235	-	\$3,000,000	\$ 70,749	\$ 10,000	
IV. National Union Fire Insurance						
Fiduciary	01-462-99-27	-	\$2,000,000 Aggregate	\$ 12,625	\$ 25,000	Self-insured Retention
V. Federal Insurance Company						
Airport General Liability	9959-1934-04	-	\$20,000,000	\$ 11,778	\$ 2,500	
VI. Cigna Health Care Insurance						
Company						
A. Specific Stop Loss	26001-1	-	Medical in excess of \$250,000	\$ 837,812	\$ -	Stoploss
B. Aggregate Stop Loss		-	\$2,000,000	\$ 64,260	\$ -	
C. Supplemental Life		-	2x annual salary-Natural death	\$ 425,269	\$ -	
VII. Chubb Environmental Insurance						
Company						
Underground Storage Tank Liability	UST G2706423100 5	-	\$1,000000/2,000,000 Aggregate	\$ 5,930	\$ 5,000	
VIII. Evanston Insurance Company						
SWAMA Pollution Liability	15PKGWE00 97	-	\$1,000,000/2,000,000 aggregate	\$ 35,416	\$ 25,000	
IX. IronshoreIndemnity Inc.						
Fine Arts	HTB-000069- 002	-	\$1,000,000	\$ 3,000	\$ 1,000	

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)	53
Fire Protection	
Number of stations (Manned and Unmanned)	8
Total employees (Includes 16 Civilians)	181
Police Protection	
Number of stations	2
Total Employees (Includes 52 Civilians)	215
Parks	
Acreage (developed, not open space or trails)	925
Number of parks	71
Community centers and recreational buildings	3
Swimming pools	4
Tennis courts	19
Libraries	
Holdings	294,841 items
Circulation	736,084 per year
Municipal Sewer	
Number of sewer accounts	38,245
Miles of sanitary lines	359

Notes: Data as of June 30, 2017

Supplementary Schedules

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CITY OF SANTA FE, NEW MEXICO
Combined Schedule of Deposits and Investments
(Reconciliation of Bank Balance to Carrying Balance)
All Funds
June 30, 2017

	Type of Account	Bank or Cash Balance	Outstanding Checks	Deposits In Transit	Carrying Balance	FAIR VALUE
Change, imprest funds	Petty cash	\$ -	\$ -	\$ -	\$ 11,055	\$ 11,055
Deposits with financial institutions:						
Wells Fargo Bank - General Liability	Checking	135,775	78,564	-	57,211	57,211
Wells Fargo Bank - Worker's Comp.	Checking	53,951	73,637	-	(19,686)	(19,686)
Wells Fargo Bank - Common	Checking	22,739,711	1,598,721	770,073	21,911,063	21,911,063
Wells Fargo Bank - Credit Card	Checking	100,899	-	-	100,899	100,899
Wells Fargo Bank - Payroll	Checking	144,980	14,263	-	130,717	130,717
Citibank - Santa Fe Health	Checking	328,064	-	287,936	616,000	616,000
Public Safety Corp. - Santa Fe Alarm Reduction	Checking	75,561	-	-	75,561	75,561
Wells Fargo Bank - Restricted Cash	Savings	4,419,833	-	-	4,419,833	4,419,833
Wells Fargo Bank - NMFA #20 DS Reserve	Savings	2,539	-	-	2,539	2,539
State Employee Credit Union - Southside Library	Trust	255,676	-	-	255,676	255,676
New Mexico Finance Authority - Railyard Market Station	Trust	2,738	-	-	2,738	2,738
New Mexico Finance Authority - College of Santa Fe	Trust	180	-	-	180	180
New Mexico Finance Authority - Environmental Services	Trust	34,925	-	-	34,925	34,925
New Mexico Finance Authority - 2008 GRT CIP Bond	Trust	705	-	-	705	705
New Mexico Finance Authority - Land Acquisition	Trust	29	-	-	29	29
New Mexico Finance Authority - Convention Center	Trust	497	-	-	497	497
New Mexico Finance Authority - Parking	Trust	114	-	-	114	114
New Mexico Finance Authority - Water Division	Trust	95	-	-	95	95
New Mexico Finance Authority - Transit Project Fund	Trust	38	-	-	38	38
New Mexico Finance Authority - Wastewater Management	Trust	635	-	-	635	635
New Mexico Finance Authority - MRC	Trust	993	-	-	993	993
New Mexico Finance Authority - Fire Department	Trust	1,713	-	-	1,713	1,713
New Mexico Finance Authority - Railyard Reserve Taxable	Trust	2,773	-	-	2,773	2,773
Century Bank-Certificate of Deposit	Time Deposit	200,600	-	-	200,600	200,600
Guadalupe Credit Union-CD	Time Deposit	250,000	-	-	250,000	250,000
State Employees Credit Union-CD	Time Deposit	250,000	-	-	250,000	250,000
First National Bank of Santa Fe	Time Deposit	3,500,000	-	-	3,500,000	3,500,000
First National Bank of Santa Fe	Time Deposit	3,000,000	-	-	3,000,000	3,000,000
First National Bank of Santa Fe	Time Deposit	2,000,000	-	-	2,000,000	2,000,000
Total bank and carrying balances		37,503,024	1,765,185	1,058,009	36,806,903	36,806,903
Wells Fargo Government Money						
Market-Cash	Investment	2,338,302	-	-	2,338,302	2,338,302
Blackrock Prime Inst #24	Investment	25,881,187	-	-	25,883,884	25,883,884
Fidelity Prime MM Port #2014	Investment	20,086,955	-	-	20,086,955	20,086,955
JP Morgan Prime MM #3605	Investment	40,127,663	-	-	40,125,656	40,125,656
NM State Local Government Investment Pool (LGIP)	Investment	898	-	-	898	898
U.S. Government Agency Securities	Investment	55,501,404	-	-	55,412,784	55,412,784

CITY OF SANTA FE, NEW MEXICO
Combined Schedule of Deposits and Investments
(Reconciliation of Bank Balance to Carrying Balance)
All Funds
June 30, 2017

	Type of Account	Bank or Cash Balance	Outstanding Checks	Deposits In Transit	Carrying Balance	FAIR VALUE
New Mexico Municipal Securities	Investment	2,500,000	-	-	2,513,225	2,513,225
Total investment balances		146,436,409	-	-	146,361,704	146,361,704
Total Accounts		183,939,433	\$ 1,765,185	\$ 1,058,009	\$183,168,607	\$183,168,607

CITY OF SANTA FE, NEW MEXICO
Schedule of Pledged Collateral
(Market Value)
June 30, 2017

	Bank Balance	Total Unsecured Public Funds	Pledge Securities Market Value	Maturity Date
<u>Wells Fargo Bank:</u>				
<u>Non-Interest Bearing Accounts</u>				
General Liability Checking	\$ 135,775			
Worker's Comp. Checking	53,951			
Common Checking	22,739,711			
Credit Card	100,899			
Payroll	<u>144,980</u>			
Total Checking Requiring Collateral	23,175,316			
<u>Federal Depository Insurance - \$250,000 on NIB*</u>	<u>(250,000)</u>			
Total Unsecured Public Funds (Checking)		\$ 22,925,316		
<u>Interest Bearing Accounts</u>				
NMFA #20 DS Reserve	2,539			
Restricted Cash	<u>4,419,833</u>			
Total Requiring Collateral	<u>4,422,372</u>			
Total Unsecured Public Funds (Savings, CDs)		<u>4,422,372</u>		
Total Unsecured Public Funds		27,347,688		
<u>Collateral Held By Bank of New York Mellon:</u>				
FMAC, Cusip 3128MJXE5			\$ (23,829,304)	12/15/42
FMAC, Cusip 3137APUA6			(477,963)	06/01/46
FMAC, Cusip 3137ASEQ3			<u>(6,492,937)</u>	06/01/43
Total Pledged Collateral			<u>(30,800,204)</u>	
Difference between Pledged Collateral and Unsecured Funds			(3,452,516)	
102% pledged collateral requirement			27,894,642	
Total Pledge Collateral			<u>(30,800,204)</u>	
Pledged collateral (over) under 102% requirement			<u>\$ (2,905,562)</u>	
<u>First National Bank of Santa Fe:</u>				
Certificate of Deposit	3,000,000			
Certificate of Deposit	2,000,000			
Certificate of Deposit	<u>3,500,000</u>			
Total Requiring Collateral	8,500,000			
<u>Federal Deposit Insurance</u>	<u>(250,000)</u>			
Total Unsecured Public Funds		8,250,000		
<u>Collateral Held by Federal Reserve Bank of Boston</u>				
3128P73T8			(1,390,467)	06/01/33
3128P75H2			(2,733,809)	02/01/34
3136AGJV5			(2,735,178)	08/25/38
3137B6PB1			(1,885,651)	01/15/43
3140EUCG2			(2,178,689)	01/01/34
31418AJK5			<u>(807,802)</u>	11/01/21
Total Pledged Collateral			(11,731,596)	

	Bank Balance	Total Unsecured Public Funds	Pledge Securities Market Value	Maturity Date
Difference between Pledged Collateral and Unsecured Funds			\$ (3,481,596)	
102% pledged collateral requirement			8,415,000	
Total Pledged Collateral			<u>(11,731,596)</u>	
			<u>\$ (3,316,596)</u>	

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

Agency Funds Description

Santa Fe Solid Waste Management Agency- To account for funds held by the City as a fiscal agent Santa Fe Solid Waste Management Agency.

Buckman Direct Diversion Project- To account for funds held by the City as fiscal agent for the Buckman Direct Diversion final project close out expenditures of on-going work effects and task pursuant to regulatory mandates with the National Environmental Policy Act, Environmental Impact Statements and the Endangered Species Act.

CITY OF SANTA FE, NEW MEXICO

Combining Statement of Changes in Assets and Liabilities

Agency Funds

June 30, 2017

<u>Santa Fe Solid Waste Management Agency</u>	<u>Balance 06/30/2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 06/30/2017</u>
ASSETS				
Cash	<u>\$ 16,938,148</u>	<u>\$ 14,243,826</u>	<u>\$ (12,866,239)</u>	<u>\$ 18,315,735</u>
LIABILITIES				
Deposits Held for Others	<u>\$ 16,938,148</u>	<u>\$ 14,243,826</u>	<u>\$ (12,866,239)</u>	<u>\$ 18,315,735</u>
Buckman Direct Diversion Project				
ASSETS				
Cash	<u>\$ 4,467,993</u>	<u>\$ 7,330,431</u>	<u>\$ (7,621,977)</u>	<u>\$ 4,176,447</u>
LIABILITIES				
Deposits Held for Others	<u>\$ 4,467,993</u>	<u>\$ 7,330,431</u>	<u>\$ (7,621,977)</u>	<u>\$ 4,528,977</u>
Combined Agency Funds				
ASSETS				
Total Cash	<u>\$ 21,406,141</u>	<u>\$ 21,574,257</u>	<u>\$ (20,488,216)</u>	<u>\$ 22,492,182</u>
LIABILITIES				
Total Deposits Held for Others	<u>\$ 21,406,141</u>	<u>\$ 21,574,257</u>	<u>\$ (20,488,216)</u>	<u>\$ 22,492,182</u>

Other Supplementary Financial Data

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CITY OF SANTA FE, NEW MEXICO
Schedule of Industrial Revenue Bonds Authorized and Outstanding
As of June 30, 2017
(Unaudited)

Recipient	Year Issued	Year of Retirement	Interest Rate	Amount of Issue	Purpose
St. John's College	1998	2024	4.5 - 5.5%	\$ 6,900,000	Refunding of 1992 Issue and Facilities Construction
Ridgetop Road LLC	2007	2037	15.00%	45,000,000	Commercial Office
St. John's College	2011	2028	4.10%	\$ 8,310,000	Facilities Construction

CITY OF SANTA FE, NEW MEXICO
Schedule of Bonds and Loans Payable
Classified by Fund and Purposes
June 30, 2017
(Unaudited)

Fund and Purpose	Interest Rate	Date of Issue	Amount of Issue	Date of Final Maturity	Outstanding June 30, 2017	
					Issue Remaining	Total
Revenue bonds payable solely from state-shared taxes:						
Series 2008	3.25% - 5.50%	04/07/2008	\$ 20,135,000	June 1, 2022	\$ 1,560,000	
Series 2012A	3.00% - 5.00%	03/01/2012	37,725,000	June 1, 2026	22,690,000	
Series 2013A	2.00% - 4.00%	06/18/2013	10,880,000	June 1, 2020	4,805,000	
Series 2013B	2.00% - 5.00%	06/18/2013	13,780,000	June 1, 2036	13,015,000	
Series 2014	2.25% - 5.00%	09/30/2014	15,460,000	June 1, 2029	15,460,000	
Series 2016D	.89%-2.19%	07/13/2016	2,020,000	June 1, 2029	2,020,000	
Series 2016B	.76%-2.50%	07/13/2016	15,330,000	June 1, 2035	15,330,000	
Total bonds payable solely from state-shared taxes					74,880,000	
General obligation bonds payable solely from property tax:						
Property Tax - Series 2010	2.00% - 4.00%	04/08/2015	10,300,000	Aug 1, 2029	7,695,000	
Property Tax - Series 2013	1.75% - 4.00%	07/23/2013	12,000,000	Aug 1, 2032	10,545,000	
Property Tax - Series 2014	3.00% - 4.00%	08/14/2014	5,800,000	Aug 1, 2034	5,395,000	
Total bonds payable solely from property tax					23,635,000	
Total bonds payable from tax revenue (governmental)						\$ 98,515,000
Revenue bonds payable from Enterprise funds (primary government)						
Convention Center NMFA Series 2015	1.35% - 5.10%	04/08/2015	21,382,500	June 15, 2035	20,165,150	
Series 2016B	.76%-2.50%	07/13/2016	6,570,000	June 1, 2035	6,535,000	
Series 2008 GRT/CCtr Share	3.25% - 5.50%	04/07/2008	8,570,000	June 1, 2022	240,000	
Total bonds payable from Convention Center Fund					26,940,150	
Convention Center Parking Garage - NMFA Series 2015	1.35%-5.10%	04/08/2015	12,407,500	June 15, 2035	11,939,850	
Total bonds payable from Parking Fund					11,939,850	
Environmental - (Solid Waste)- Series 2016A	.76%-1.38%	07/13/2016	6,700,000	06/01/2023	5,840,000	
Total bonds payable from Environmental fund					5,840,000	
Municipal Recreation Complex - Series 2016C	.76%-1.50%	07/13/2016	5,782,800	06/01/2024	4,807,800	
Total bonds payable from Municipal Recreation Complex fund					4,807,800	
Water Revenue Bonds - Series 2016	3.25%-5.00%	08/09/2006	49,790,000	06/01/2027	35,765,000	
Total bonds payable from Water fund					35,765,000	
Wastewater Bonds - Series 2016C	.76%-1.50%	07/13/2016	3,697,200	06/01/2024	3,007,200	
Series 2012B	2.00%-5.00%	03/01/2012	14,280,000	06/01/2022	8,230,000	
Total bonds payable from Wastewater fund					11,237,200	
Railyard Center Refunding Bonds - Series 2010B	3.00%-5.00%	12/14/2010	10,490,000	06/01/2026	7,170,000	
Market Station - Series 2012C	1.42%-3.56%	06/02/2017	4,530,000	06/01/2033	4,530,000	
Total revenue bonds payable from Railyard fund					11,700,000	
Total revenue bonds payable from Enterprise funds (business-type)						108,230,000
Total Long-Term Bond Indebtedness						206,745,000
Loans Payable						
Loans payable from 1/2% Municipal GRT						
NMFA SANTA FE#18 - Land Acquisition	2.20%-5.04%	08/01/2008	3,610,000	06/01/2028	170,975	
Total loans payable from 1/2% Municipal GRT					170,975	
Total loans payable from tax revenue (governmental)						170,975
Loans payable from Environmental Services						
NMFA Environmental (Solid Waste) Recycle Carts	1.53%-2.34%	05/05/2017	1,300,582	05/05/2023	1,284,515	
Total loans payable from Environmental Services					1,284,515	
Total loans payable from tax revenue						
Loans payable from Water Enterprise Fund						
NMFA SANTA FE#DW-2-Buckman	2.00%	05/16/2008	15,150,000	06/01/2029	9,800,033	

CITY OF SANTA FE, NEW MEXICO
Schedule of Bonds and Loans Payable
Classified by Fund and Purposes
June 30, 2017
(Unaudited)

Fund and Purpose	Interest Rate	Date of Issue	Amount of Issue	Date of Final Maturity	Outstanding June 30, 2017	
					Issue Remaining	Total
NMFA SANTAFE#DW-4-Buckman	2.00%	05/13/2013	2,525,000	06/01/2035	2,189,422	
Total loans payable from Water fund					11,989,455	
Loans payable from Transit Enterprise Fund						
NMFA SANTAFE#26-Equipment	.24%-3.22%	08/01/2014	3,500,000	06/01/2026	2,716,393	
Total loans payable from Transit Fund					2,716,393	
Total loans payable from Enterprise Funds						15,990,363
Loans payable from third parties						
Laureate Education, Inc. facility lease:						
NMFA SANTAFE#20-College of Santa Fe	1.81%-6.07%	09/14/2009	29,615,000	06/01/2036	\$ 24,915,000	
NMFA Fire Equipment	.84%-1.63%	08/05/2016	917,815	05/01/2025	917,815	
Total loans payable from third parties					25,832,815	
Total loans payable from Special Sources						\$ 25,832,815
Total Long-Term Loan Indebtedness						41,994,153
Total Outstanding Indebtedness						\$248,739,153

CITY OF SANTA FE, NEW MEXICO

Schedule of Joint Power Agreements

Fiscal Year Ended

June 30, 2017

Participants	Responsible Party	Description	Dates of Agreement	Total Amount/ City Share	FYE 6-30-2017 Amount	Reporting Party	Audit Responsibility
Joint Agreement With County of Santa Fe							
City of Santa Fe and County of Santa Fe	Both, BDD Board	To operate and manage the Buckman Direct Diversion water project	Date of Approval by DFA to Termination by either party's Governing Body	50%	4,001,995		BDD Board

Joint Agreement with other Participants

City of Santa Fe and New Mexico Taxation and Revenue Department	-	City to issue CRS numbers necessary for the purpose of registering a business in New Mexico	7/1/2016 to 6/30/2026				-
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CITY OF SANTA FE, NEW MEXICO
Schedule of Other Financial Assistance
Fiscal Year Ended
June 30, 2017
(Unaudited)

Grantor Program Name Grant Number	State Program or Award Amount	Cash/Accrued or (Deferred) Revenue at July 1, 2016	Cash or Receipts Recognized	Disbursements/ Expenditures	Cash/Accrued or (Deferred) Revenue at June 30, 2017
<u>N.M. Highway and Transportation</u>					
<u>Department</u>					
Cerrillos Road Reconstruction	\$ 9,859,715	\$ 2,012,117	\$ 5,596,128	\$ 5,163,133	\$ 1,579,122
Small Sidewalks	328,944	-	299,058	299,058	-
Signal Maintenance	300,000	131,917	131,917	-	-
Paved Street Resurfacing	50,205	-	50,205	50,205	-
Botolph Road Improvements	600,000	137,099	123,389	-	13,710
Bridge Rehabilitation - Defouri St. Bridge	80,000	-	80,000	80,000	-
Intersection Safety Project	20,000	810	5,472	8,516	3,854
Airport Terminal Upgrade	233,300	38,566	88,556	49,990	-
Airport Improvements	13,241	4,350	6,124	1,774	-
Airport Improvements	56,926	9,151	30,342	21,191	-
Airfield Striping	144,000	-	89,595	107,785	18,190
New Airport Snow Plow Vehicle	31,250	-	-	-	-
RW 2-20 Resurfacing Design	8,765	-	2,728	7,948	5,220
Taxiway D Reconstruction Project	5,715	-	3,411	5,172	1,761
Airport Drainage Master Plan	6,018	-	2,664	4,544	1,880
Airport Maintenance Grant	10,000	-	10,000	10,000	-
Air Service Assistance Program (ASAP)	200,000	-	46,203	46,203	-
Total Highway and Transportation Department	\$ 11,948,079	\$ 2,334,010	\$ 6,565,792	\$ 5,855,519	\$ 1,623,737
<u>N.M. Department of Tourism</u>					
Beautification and Litter Control Program	\$ 56,500	\$ 31,443	\$ 46,067	\$ 32,078	\$ 17,454
Total N.M. Department of Tourism	\$ 56,500	\$ 31,443	\$ 46,067	\$ 32,078	\$ 17,454
<u>N.M. Department of Cultural Affairs</u>					
Historical Preservation	\$ 10,000	\$ -	\$ -	\$ -	\$ -
Total Department of Cultural Affairs	\$ 10,000	\$ -	\$ -	\$ -	\$ -
<u>N.M. Energy, Minerals, Natrual Resources</u>					
Fire Hazard Reduction Grant	\$ 372,400	\$ 214,344	\$ 649,316	\$ 527,018	\$ 92,046
Wildland Urban Interface-TCCG 2233	103,609	17,202	61,539	44,337	-
Total Energy, Minerals, Natural Resources	\$ 476,009	\$ 231,546	\$ 710,855	\$ 571,355	\$ 92,046
<u>State Agency on Aging</u>					
Senior Companion Program	\$ 161,461	\$ 11,047	\$ 145,771	\$ 158,226	\$ 23,502
Senior Employment Program	32,954	3,750	23,715	26,459	6,494
Foster Grandparent Program	98,539	6,983	97,084	98,539	8,438
Retired Senior Volunteer Program	44,000	3,795	43,354	44,000	4,441
HB-2-Nutrition	211,416	13,664	153,572	175,135	35,227
HB-2-In Home Support	184,772	15,148	144,300	156,685	27,533
HB-2-Assisted Transportation	97,352	1,741	64,453	78,377	15,665
State Area On Aging Capital Improvements	229,050	44,663	146,745	102,082	-
Senior Center-Luisa	185,690	65,534	65,534	-	-
Senior Center-Luisa	146,940	42,638	42,638	-	-
Senior Center-Luisa	197,500	-	13,541	14,557	1,016
Senior Center-Villa Consuelo	110,890	12,989	12,989	-	-
Senior Center-Villa Consuelo	147,900	11,194	11,194	-	-
Senior Center-Villa Consuelo	38,300	-	1,625	1,625	-
Mary Ester Gonzales Senior Center	200,000	-	2,190	4,059	1,869
Mary Ester Gonzales Senior Center	134,880	81,311	81,311	-	-
Mary Ester Gonzales Senior Center	300,000	225,784	225,784	-	-
Mary Ester Gonzales Senior Center	178,100	71,770	178,100	106,330	-
Mary Ester Gonzales Senior Center	-	-	-	-	-
Total State Agency on Aging	\$ 2,699,744	\$ 612,011	\$ 1,453,900	\$ 966,074	\$ 124,185

CITY OF SANTA FE, NEW MEXICO
Schedule of Other Financial Assistance
Fiscal Year Ended
June 30, 2017
(Unaudited)

Grantor Program Name Grant Number	State Program or Award Amount	Cash/Accrued or (Deferred) Revenue at July 1, 2016	Cash or Receipts Recognized	Disbursements/ Expenditures	Cash/Accrued or (Deferred) Revenue at June 30, 2017
County of Santa Fe					
M.P.O. Section 112	\$ 13,065	\$ 5,129	\$ 11,942	\$ 9,625	\$ 2,812
M.P.O. Section 5303	7,742	1,642	5,525	4,851	698
Municipal Recreational Complex	5,000	-	5,000	5,000	-
Boy's Club-Zona Del Sol	50,000	-	-	-	-
Santa Fe County Community DWI	10,000	-	-	-	-
Total County of Santa Fe	\$ 85,807	\$ 6,771	\$ 22,467	\$ 19,476	\$ 3,510
N.M. Department of Finance and Administration					
Medians and Sidewalks	\$ 35,000	\$ -	\$ 4,535	\$ 4,535	\$ -
La Familia Medical Center	50,000	-	50,000	50,000	-
Comunidad De Los Ninos	50,000	7,400	9,898	2,498	-
Sal Perez Park	70,000	-	46,789	46,789	-
El Museo	50,000	9,899	17,959	14,834	6,774
Parks and Recreation	320,000	32,758	32,758	-	-
Kitchen Angel's	195,000	-	-	195,000	195,000
Kitchen Angel's	280,000	-	6,731	31,779	25,048
Transit Facility Center Building	440,000	-	36,709	52,937	16,228
Santa Fe Water Historical Park/Museum	150,000	120,033	120,033	-	-
Municipal Recreational Complex	225,000	21,988	45,043	23,624	569
Municipal Recreational Complex	227,700	-	217,149	227,621	10,472
Genoveva Chavez Community Center	25,000	19,663	19,663	5,337	5,337
Santa Fe Municipal Airport-Terminal Upgrade	846,450	-	-	121,197	121,197
Santa Fe Municipal Airport-Terminal Upgrade	881,100	231,900	231,900	-	-
Total Dept. of Finance and Administration	\$ 3,845,250	\$ 443,641	\$ 839,167	\$ 776,151	\$ 380,625
N.M. Finance Authority					
0349-WTB Watershe Restoration & Source Water Protection	\$ 135,000	\$ 32,185	\$ -	\$ (32,185)	\$ -
Total N.M. Finance Authority	\$ 135,000	\$ 32,185	\$ -	\$ (32,185)	\$ -
N.M. Arts Commission					
Community Gallery FY15-16	\$ 7,216	\$ -	\$ 7,216	\$ 7,216	\$ -
Total N.M. Arts Commission	\$ 7,216	\$ -	\$ 7,216	\$ 7,216	\$ -
Grand Total	\$ 19,263,605	\$ 3,691,607	\$ 9,645,464	\$ 8,195,684	\$ 2,241,557

CITY OF SANTA FE, NEW MEXICO
Schedule of Other Financial Assistance
Fiscal Year Ended
June 30, 2017
(Unaudited)

Grantor Program Name Grant Number	State Program or Award Amount	Cash/Accrued or (Deferred) Revenue at July 1, 2016	Cash or Receipts Recognized	Disbursements/ Expenditures	Cash/Accrued or (Deferred) Revenue at June 30, 2017
County of Santa Fe					
M.P.O. Section 112	\$ 13,065	\$ 5,129	\$ 11,942	\$ 9,625	\$ 2,812
M.P.O. Section 5303	7,742	1,642	5,525	4,851	698
Municipal Recreational Complex	5,000	-	5,000	5,000	-
Boy's Club-Zona Del Sol	50,000	-	-	-	-
Santa Fe County Community DWI	10,000	-	-	-	-
Total County of Santa Fe	\$ 85,807	\$ 6,771	\$ 22,467	\$ 19,476	\$ 3,510
N.M. Department of Finance and Administration					
Medians and Sidewalks	\$ 35,000	\$ -	\$ 4,535	\$ 4,535	\$ -
La Familia Medical Center	50,000	-	50,000	50,000	-
Comunidad De Los Ninos	50,000	7,400	9,898	2,498	-
Sal Perez Park	70,000	-	46,789	46,789	-
El Museo	50,000	9,899	17,959	14,834	6,774
Parks and Recreation	320,000	32,758	32,758	-	-
Kitchen Angel's	195,000	-	-	195,000	195,000
Kitchen Angel's	280,000	-	6,731	31,779	25,048
Transit Facility Center Building	440,000	-	36,709	52,937	16,228
Santa Fe Water Historical Park/Museum	150,000	120,033	120,033	-	-
Municipal Recreational Complex	225,000	21,988	45,043	23,624	569
Municipal Recreational Complex	227,700	-	217,149	227,621	10,472
Geneveva Chavez Community Center	25,000	19,663	19,663	5,337	5,337
Santa Fe Municipal Airport-Terminal Upgrade	846,450	-	-	121,197	121,197
Santa Fe Municipal Airport-Terminal Upgrade	881,100	231,900	231,900	-	-
Total Dept. of Finance and Administration	\$ 3,845,250	\$ 443,641	\$ 839,167	\$ 776,151	\$ 380,625
N.M. Finance Authority					
0349-WTB Watershe Restoration & Source Water Protection	\$ 135,000	\$ 32,185	\$ -	\$ (32,185)	\$ -
Total N.M. Finance Authority	\$ 135,000	\$ 32,185	\$ -	\$ (32,185)	\$ -
N.M. Arts Commission					
Community Gallery FY15-16	\$ 7,216	\$ -	\$ 7,216	\$ 7,216	\$ -
Total N.M. Arts Commission	\$ 7,216	\$ -	\$ 7,216	\$ 7,216	\$ -
Grand Total	\$ 19,263,605	\$ 3,691,607	\$ 9,645,464	\$ 8,195,684	\$ 2,241,557

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Single Audit Section

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CITY OF SANTA FE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FISCAL YEAR ENDED
June 30, 2017

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Program or Award Amount	Revenue Disbursements/ Expenditures
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	B14MC350003	526,401	45,263
Community Develop Block Grant	14.218	B15MC350003	526,401	13,511
Community Develop Block Grant	14.218	B16MC350003	512,408	372,438
Total CDBG-Entitlement and (HUD-Administered) Small Cities Cluster			1,565,210	431,212
Continuum of Care Grants:				
Continuum of Care	14.267	NM0076L6B011403	135,059	-
Continuum of Care	14.267	NM0034L6B011407	428,678	-
Continuum of Care	14.267	NM0029L6B011407	143,129	-
Continuum of Care	14.267	NM0026L6B011407	245,382	-
Total Continuum of Care Grants			952,248	-
Shelter Plus Care Grants:				
Shelter Plus	14.238	NM0073C6B011100	565,140	94,168
Shelter Plus	14.238	NM0072C6B011100	173,520	34,630
Total Shelter Plus Care Grants			738,660	128,798
Department of Housing and Urban Development			3,256,118	560,010
US DEPARTMENT OF JUSTICE				
Passed-through NM Children Youth and Families:				
Juvenile Accountability Block Grants	16.523	17-690-19792	133,395	101,667
Total passed-through NM Children Youth and Families			133,395	101,667
Pass through Santa Fe County				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2014-DJ-BX-1036	42,741	13,585
Total passed-through Santa Fe County			42,741	13,585
Department of Justice Direct Program:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2015-DJ-BX-0702	20,099	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738		19,631	19,631
Total Department of Justice Direct Program			39,730	19,631
Total Edward Byrne Memorial Justice Program			82,471	33,216
US Department of Justice			215,866	134,883
DEPARTMENT OF TRANSPORTATION				
Federal Aviation Administration Direct Program:				
Airport Improvement Grant #39	20.106	AIP 3-05-0037-039-2013	762,910	-
Airport Improvement Grant #40	20.106	AIP 3-05-0037-040-2013	1,557,510	-
Airport Improvement Grant #41	20.106	AIP 3-05-0037-041-2014	406,235	53,220
Airport Improvement Grant #43	20.106	AIP 3-35-0037-043-2016	937,500	-
Airport Improvement Grant #44	20.106	AIP 3-35-0037-044-2016	171,478	155,153
Airport Improvement Grant #45	20.106	AIP 3-35-0037-045-2016	262,855	238,440
Airport Improvement Grant #46	20.106	AIP 3-35-0037-046-2016	180,541	136,334
Total Airport Improvement Grants			4,279,129	583,147
Small Community Air Service Development (SCASD)	20.930	DOT-OST-2016-0037-002	500,000	161,915
Total Small Community Air Service Development Grant			500,000	161,915
Total Federal Aviation Administration Direct Program:			4,779,129	745,062
Department of Transportation Direct Program:				
Interagency Hazardous Materials Public-Sector Training and Planning	20.703	HM-HMP-0519-15-01-00	6,964	-
Interagency Hazardous Materials Public-Sector Training and Planning	20.703	HM-HMP-0519-16-01-00	21,660	5,164
Total Department of Transportation Direct Program:			28,624	5,164
Passed-through Department of Transportation:				
Highway and Planning Cluster:				
Intersection Safety Improvement Projects	20.205	S100370	180,000	70,831
Highway Planning and Construction	20.205	S100390	3,263,808	2,148,656
Highway Planning and Construction	20.205	S100280	250,000	250,000
Section 112	20.205	CA: D14792	373,825	186,987
Total Highway and Planning Cluster:			4,067,633	2,656,474
Section 5303	20.505	MOA No. M01378	102,670	61,070
			102,670	61,070

CITY OF SANTA FE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FISCAL YEAR ENDED
June 30, 2017

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Program or Award Amount	Revenue Disbursements/ Expenditures
NM Highway and Transportation Department				
Federal Transit Formula Grants				
Ridefinders 16/17	20.507	M01223	71,773	71,773
Section 5307 - Main Operating	20.507	N.M.D.O.T. 5307	1,603,608	1,603,608
Total: Section 5307 Grants			<u>1,675,381</u>	<u>1,675,381</u>
Section 5309 - Capital Outlay	20.521	N.M.D.O.T. 5310	154,267	-
Section 5309 - Capital Outlay	20.521	N.M.D.O.T. 5339	153,395	-
Section 5309 - Capital Outlay	20.521	NM040009	588,000	-
Section 5309 - Capital Outlay	20.521	NM040026	240,000	37,261
Total Section 5309 - Capital Outlay Grant			<u>1,135,662</u>	<u>37,261</u>
Total Federal Transit Formula Grants			<u>2,811,043</u>	<u>1,712,642</u>
Total Department of Transportation passed-through			<u>6,981,346</u>	<u>4,430,186</u>
Department of Transportation			<u>11,789,099</u>	<u>5,180,412</u>
DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed-through NM State Agency on Aging/NCNMEDD:				
Aging Cluster:				
NM State Agency on Aging/NCNMEDD				
Title III-B	93.044	2016-17-60026	72,209	53,144
Total NM State Agency on Aging/NCNMEDD			<u>72,209</u>	<u>53,144</u>
NM State Agency on Aging/NCNMEDD				
Title III-C-1	93.045	2016-17-60026	104,863	104,862
Title III-C-2	93.045	2016-17-60026	27,151	27,151
Total NM State Agency on Aging/NCNMEDD			<u>132,014</u>	<u>132,013</u>
NM State Agency on Aging/NCNMEDD				
NSIP	93.053	2016-17-60026	179,766	177,376
Total NM State Agency on Aging/NCNMEDD			<u>179,766</u>	<u>177,376</u>
Total Aging Cluster			<u>383,989</u>	<u>362,533</u>
Title III-E/Grandparents	93.052	2016-17-60026	56,618	56,616
Department of Health and Human Services			<u>440,607</u>	<u>419,149</u>
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE				
Passed-through NM State Agency on Aging/NCNMEDD:				
Foster Grandparent Program				
	94.011	17-624-4000-0024	24,833	24,832
Total Foster Grandparent Program			<u>24,833</u>	<u>24,832</u>
Retired Senior Volunteer Program				
Retired Senior Volunteer Program	94.002	17-624-4000-0065	32,412	30,595
Retired Senior Volunteer Program	94.002	18-624-4000-0065	40,000	2,760
Total Retired Senior Volunteer Program			<u>72,412</u>	<u>33,355</u>
Total Passed-through NM State Agency on Aging:			<u>97,245</u>	<u>58,187</u>
Corporation for National and Community Service			<u>97,245</u>	<u>58,187</u>
US DEPARTMENT OF INTERIOR				
Title XVI Water Reclamation and Reuse	15.504	R14AP00118	132,000	14,069
US Department of Interior			<u>132,000</u>	<u>14,069</u>

CITY OF SANTA FE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FISCAL YEAR ENDED
June 30, 2017

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Program or Award Amount	Revenue Disbursements/ Expenditures
US DEPARTMENT OF HOMELAND SECURITY				
Emergency Management Performance Grant	97.042	EMW-2015-EP-00066-S01	62,660	-
Emergency Management Performance Grant	97.042	EMT-2016-EP-0005-S01	52,150	51,935
Emergency Management Performance Grant	97.042	EMW-2015-EP-00066-S01	53,250	32,441
Total Emergency Management Performance Grants			168,060	84,376
Homeland Security Grant Program	97.067	EMW-2014-SS-00030-S01	82,150	-
Homeland Security Grant Program	97.067	EMW-2014-SS-00030-S01	59,691	-
Homeland Security Grant Program	97.067	EMW-2015-SS-00110-S01	99,500	-
Homeland Security Grant Program	97.067	EMW-2016-SS-00105	108,000	-
Homeland Security Grant Program	97.067	EMW-2015-SS-00110	105,540	884
Total Homeland Security Grant Program			454,881	984
US Department of Homeland Security			622,941	85,360
US DEPARTMENT OF AGRICULTURE				
Watershed Restoration and Enhancement	10.693	17-CS-11031000-006	315,000	-
US Department of Agriculture			315,000	-
TOTAL EXPENDITURES OF FEDERAL AWARDS			16,868,876	6,452,070

CITY OF SANTA FE, NEW MEXICO
NOTES TO SUPPLEMENTAL SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS
06/30/2017

General

The following is a reconciliation of the total Federal Awards of the City of Santa Fe for the year ended June 30, 2017:

City of Santa Fe Federal Expenditures as reported on previous page.	\$ 6,452,070
Total Federal Expenditures of the Primary Government	<u>\$ 6,452,070</u>

Basis of Accounting

The accompanying Supplemental Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in note 1 to the City's Comprehensive Annual Financial Report.

The City did not expend federal awards related to loans or loan guarantees during the year. The City did not elect to use the allowed 10% indirect cost rate. The City has no federally funded insurance.

<u>Relationship to the Comprehensive Annual Financial Report:</u>	<u>CFDA #</u>	<u>AMOUNT</u>	<u>Funds Provided to Subrecipients</u>	<u>Noncash Assistance</u>
U.S. Department of Housing and Urban Development				
Special Revenue Funds				
Community Development Grants				
Community Development Block Grants	14.267	\$ 431,212	-	-
Continuum of Care	14.267	-	-	-
Continuum of Care	14.267	-	-	-
Continuum of Care	14.267	-	-	-
Continuum of Care	14.267	-	-	-
Shelter Plus	14.238	94,168	-	-
Shelter Plus	14.238	34,630	-	-
U.S. Department of Justice				
Special Revenue Grants				
Law Enforcement Grants				
Juvenile Accountability Block Grant	16.523	101,667	-	-
Edward Byrne Memorial Justice	16.738	13,585	-	-
Edward Byrne Memorial Justice	16.738	19,631	-	-
U.S. Department of Transportation				
Enterprise Fund - Airport				
Airport Improvement Grants				
Airport Improvement	20.106	745,062	-	-
Special Revenue Fund				
Transportation Grants				
Intersection Improvement Project	20.205	70,831	-	-
Highway Planning and Construction	20.205	2,148,656	-	-
Highway Planning and Construction	20.205	250,000	-	-
Section 112	20.205	186,987	-	-
Section 5303	20.205	81,070	-	-
Ridefinders 15/16	20.507	71,773	-	-
Section 5307	20.507	1,603,608	-	-
Section 5309	20.521	-	-	-
Section 5309	20.521	-	-	-
Section 5309	20.521	-	-	-
Section 5309	20.521	37,261	-	-
Hazardous Materials Training and Planning	20.703	5,164	-	-

CITY OF SANTA FE, NEW MEXICO
 NOTES TO SUPPLEMENTAL SCHEDULE OF
 EXPENDITURES OF FEDERAL AWARDS
 06/30/2017

U.S. Department of Health and Human Services

Special Revenue Funds

Senior Citizens Grants

Title III B	93.044	53,144	-	-
Title III C-1	93.045	104,862	-	-
Title III C-2	93.045	27,151	-	-
NSIP	93.053	177,376	-	-
Title III E	93.052	56,616	-	-

Corporation for National and Community Service

Special Revenue Funds

Senior Citizens Grants

Foster Grandparent Program	94.011	24,832	-	-
Retired Senior Volunteer Program	94.002	30,595	-	-
Retired Senior Volunteer Program	94.002	2,760	-	-

U.S. Department of Interior

Special Revenue Funds

Title XVI Water Reclamation and Reuse	15.504	14,069	-	-
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U.S. Department of Homeland Security

Special Revenue Funds

Emergency Management Grants

Emergency Management Performance	97.042	84,376	-	-
Emergency Management Performance	97.067	984	-	-

		<u>6,452,070</u>	<u>-</u>	<u>-</u>
TOTAL		<u>\$ 6,452,070</u>	<u>-</u>	<u>-</u>

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**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***

Wayne Johnson, New Mexico State Auditor
The Office of Management and Budget
The Mayor and Members of City Council
City of Santa Fe

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information and the budgetary comparison of the general fund of the City of Santa Fe, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the City of Santa Fe's basic financial statements, and have issued our report thereon dated May 24, 2018. Our report qualifies certain opinions on such financial statements because of the matters described in the "Basis for Qualification on Governmental Activities, Business-Type Activities, Major Enterprise Funds, and Aggregate Remaining Fund Information" paragraph on our report starting on page 1.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Santa Fe's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Santa Fe's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Santa Fe's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses. Refer to finding numbers 2017-001, 2017-002, and 2017-003.



Wayne Johnson, New Mexico State Auditor
The Office of Management and Budget
The Mayor and Members of City Council
City of Santa Fe

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies. Refer to finding number 2017-004.

Compliance and Other Matters

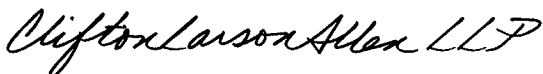
As part of obtaining reasonable assurance about whether the City of Santa Fe's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2017-007, 2017-008, 2017-009, 2017-010, 2017-011, 2017-012, 2016-004, and 2016-006.

City of Santa Fe's Response to Findings

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. The City of Santa Fe's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Albuquerque, New Mexico
May 24, 2018



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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

Wayne Johnson, New Mexico State Auditor
The Office of Management and Budget
The Mayor and Members of City Council
City of Santa Fe
Santa Fe, New Mexico

Report on Compliance for Each Major Federal Program

We have audited City of Santa Fe's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of City of Santa Fe's major federal programs for the year ended June 30, 2017. City of Santa Fe's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Santa Fe's major federal programs based on our audit of the types of compliance requirements referred to above. 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Santa Fe's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City of Santa Fe's compliance.

Wayne Johnson, New Mexico State Auditor
The Office of Management and Budget
The Mayor and Members of City Council
City of Santa Fe

Opinion on Each Major Federal Program

In our opinion, the City of Santa Fe complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2017-005 and 2017-006. Our opinion on each major federal program is not modified with respect to these matters.

The City of Santa Fe's response to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City of Santa Fe's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the City of Santa Fe is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Santa Fe's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Santa Fe's internal control over compliance.

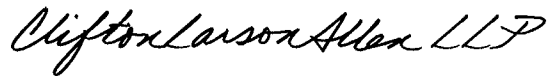
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2017-005 and 2017-006, which we consider to be significant deficiencies.

Wayne Johnson, New Mexico State Auditor
The Office of Management and Budget
The Mayor and Members of City Council
City of Santa Fe

The City of Santa Fe's response to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City of Santa Fe's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



CliftonLarsonAllen LLP

Albuquerque, New Mexico
May 24, 2018

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**CITY OF SANTA FE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2017**

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditor’s report issued: Qualified

Internal control over financial reporting:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? yes none reported
- Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? yes no
- Significant deficiencies identified that are not considered to be material weakness(es)? yes none reported

Type of auditor’s report issued on compliance for major program: Unmodified

Any audit findings, disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? yes no

Identification of Major Federal Programs:

CFDA Numbers	Name of Federal Program
20.205	Highway Planning & Construction Program Cluster

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? yes no

**CITY OF SANTA FE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2017**

Section II – Financial Statement Findings

2017-001 Internal Control Over Financial Close and Reporting Process (Material Weakness)

Condition: This City lacks an effective internal control structure over the financial close and reporting process to allow for timely and accurate financial reporting. During our audit, we encountered numerous issues related to subsidiary and underlying records that were provided to us to substantiate account balances in the City's trial balance and financial statements.

- a. We received multiple versions of the trial balance, City-prepared schedules, and adjustments related to these schedules.
- b. Closing entries were provided to us that didn't balance by fund of that had blatant typographical errors.
- c. Cash: The Schedule of Investment and Deposits (Schedule) provided for cash testwork did not agree to the trial balance prepared and provided by the City. The City omitted \$20 million dollars of pooled cash related to other entities for whom the City is the Fiscal Agent. Outstanding Checks and Deposits in Transit did not agree to respective reconciliations provided. Balances identified on returned confirmations and the Schedule did not agree and created the need for additional modification. The City did not provide a reconciliation or statement for one of the credit card accounts related to the Genoveva Chavez Community Center.
- d. Debt:
 - i. Numerous audit and client entries were necessary after the final trial balance was received in order for the City-prepared debt rollforward to agree to the trial balance. Entries were provided to CLA through March 15, 2018.
 - ii. The schedule lacked accurate "reductions" amount for environmental services revenue bonds.
 - iii. The schedule's ending balance crossed funds; therefore, the schedule did not agree to the appropriate line item on the trial balance.
 - iv. An updated debt schedule was provided to CLA on March 14, 2018 and required additional auditor modifications:
 1. Correction of amount of bond proceeds for 2016B Bond (correction of \$280K)
 - v. The City does not have a rollforward schedule of premiums/discounts and related debt activity to accurately record transactions in the City's general ledger.
- e. The City had not been adequately reconciling deposits owed to customers for events scheduled to the general ledger. The City had to estimate the amount of deposits that should be in the account for the June 30, 2017 balance. The City did not have an adequate process for tracking the customer/event deposits for the convention center.

CITY OF SANTA FE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2017

Section II – Financial Statement Findings (Continued)

**2017-001 Internal Control Over Financial Close and Reporting Process (Material Weakness)
(Continued)**

Condition (Continued):

- f. After audit inquiries were made about activity and balance in the Deferred Rev-Liquor License, an \$86K entry was recorded to adjust the liability balance and recognize earned revenue. This closing entry was recorded 6 months after year end.
- g. Unearned revenue balances in the General Fund and Economic Development Fund did not change, year-over-year. The balance in this account should reflect funds received but not yet eligible for revenue recognition. The City was unable to provide supporting schedules for the account balances or explanations about the activity within the account. Therefore, CLA was unable to perform testwork over the balances to determine if revenue should have been recorded.
- h. The City's process for determining completeness of financial statements disclosures did not identify GASB 77 – Tax Abatement Disclosures. Responses to our inquiries of City personnel during the planning and conduct of the audit fieldwork stated the City would not have any GASB 77 disclosures. The City does get PILOT, which is required to be disclosed under GASB 77 for our NM State Auditor compliance. The City does have this disclosure and submitted to the NM State Auditor, as required, but the initial draft of the financial statements provided to CLA did not include this disclosure.
- i. The City has multiple liability balances for Guarantees owed to a developer after the developer completes the projects. The City does not maintain adequate subsidiary information to determine if these amounts are legitimate obligations of the City. The City was unable to provide further explanation or support for a sample of agreements we selected that were more than 30 years old.
- j. During our testwork over cutoff for accounts payable, we identified a transaction paid August 15, 2017 for services rendered before June 30, 2017 that was not included in the City's account payable detail. The City recorded the proposed audit entry to accounts payable in the amount of \$93,611.
- k. The City was unable to determine the necessary entries to record adjustments to its net pension liability, deferred inflows and outflows of resources, and pension expense. CLA prepared proposed adjusting journal entries, which the City accepted and recorded.
- l. Based on reconciliations performed by consultants hired by the City, the City identified instances where the beginning net position required restatements because in prior years the City did not appropriately recognize gross receipts tax revenue from the NM Taxation and Revenue Department or Franchise Fee revenue from PNM. The impact of both of these restatements was an increase in beginning net position of approximately \$1.9 million.

Criteria: NMAC 2.20.5.8 requires entities to ensure that all reporting of financial information be timely, complete, and accurate. To ensure the adequacy of financial reporting, account balances should reviewed and reconciled on a regular basis.

CITY OF SANTA FE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2017

Section II – Financial Statement Findings (Continued)

**2017-001 Internal Control Over Financial Close and Reporting Process (Material Weakness)
(Continued)**

Cause: Lack of adequate processes and procedures in place to properly review and reconcile account balances.

Effect: The City's financial statements contained material misstatements which required adjustments, including an adjustment to the opening net position.

Recommendation: We recommend the City implement strong internal controls, reconciliations, and review process of all accounting relating transactions. Additionally, the City needs to ensure the Accounting and Reporting Department is staffed with individuals who fully understand the CAFR and accounting process.

Management Response:

- a. The City concurs with this finding. The Finance Department will conduct a thorough analysis of this year's CAFR and audit processes, document all the issues that arose, and develop systems that minimize the potential for the recurrence of these issues. The City will also implement an earlier year-end close process to ensure all transactions are reviewed and recorded timely. The Finance Director and the Financial Planning and Reporting Officer oversee the implementation of these tasks to ensure they are implemented in preparation for the FY2018 audit.
- b. The City concurs with this finding. For internal control purposes, three staff members are involved in the preparation, review, and posting of each journal entry. Finance staff are currently investigating tools to improve the journal entry process so that any errors are detected and corrected prior to posting. As the overseer of General Ledger integrity, the Controller will be responsible for implementing this corrective action.
- c. The City concurs with this finding. For the FY2018 audit, prior to releasing any schedule to the auditors, staff charged with schedule preparation will be trained on how to prepare them. Each schedule will then be reviewed for accuracy and completeness by a senior member of the Financial Planning and Reporting Division. All back-up used to verify the accuracy and completeness of the schedule shall be attached to the schedule for the auditors. The Financial Planning and Reporting Officer is responsible for this corrective action.
- d. The City concurs with this finding. Currently staff is moving from using an Excel spreadsheet method of tracking outstanding debt to implementing the debt management software, Sympro, which will enable staff to accurately track the City's debt portfolio. The creation of a Controller position will better ensure that the general ledger is reconciled to the outstanding debt using Sympro, and that each entry is properly recorded. Additional training on debt issuance and refunding will be made available to staff since accounting for debt can be very complex and has specific rules. Corrective actions are in process and should be accomplished by the end of FY2018. The Financial Planning and Reporting Officer is responsible for this corrective action.

CITY OF SANTA FE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2017

Section II – Financial Statement Findings (Continued)

**2017-001 Internal Control Over Financial Close and Reporting Process (Material Weakness)
(Continued)**

Management Response (Continued):

- e. The City concurs with this finding. Finance staff will work with Convention Center staff to fully reconcile and determine an accurate amount. The Convention Center has purchased software to help track deposits and refunds. The Senior Financial Analyst will be responsible for tracking progress and reconciliation by the end of FY2018.
- f. The City concurs with this finding. The City's practice has been to recognize deferred liquor license revenue at the beginning of the fiscal year; however, the extended absence of the staff member who usually records this entry resulted in a delay in processing it. The creation of the Controller position to focus on maintaining the general ledger will address this issue and better ensure that journal entries are processed timely. In addition, with the implementation of a month-end close process, missing entries such as this will be detected and corrected as part of the closing process.
- g. The City concurs with this finding. The City has implemented steps to perform timely reconciliations of deferred revenue balances. The Senior Financial Analyst will be responsible for ensuring the reconciliation is completed by the end of FY2018.
- h. The City concurs with this finding. Finance staff will review the draft CAFR for all required disclosures prior to releasing it to the audit firm. The Financial Planning and Reporting Officer will be responsible for overseeing this process.
- i. The City concurs with this finding. The Senior Financial Analyst will work with the Planning & Land Use Department staff to determine the status of projects in order to make all necessary adjustments. Finance Department staff will also ask Planning & Land Use staff for a yearly close-out on all projects. These processes will be implemented in preparation for the FY2018 audit.
- j. The City concurs with this finding. Transactions which occur for payment/reimbursement prior to the end of the fiscal year at June 30 are processed and recorded during the new fiscal year. The accounts payable staff have improved their processes in FY2018 to stringently complete transactions in a timely manner to better ensure the elimination of any previous delays that may have existed in prior years. The Finance Department will continue to train and assist departments in submitting invoices on a timely basis.
- k. The City concurs with this finding. The City will prepare the GASB #68 reconciliation for the FY2018 audit. The Senior Financial Analyst will be responsible for providing this reconciliation to the auditors.
- l. The City concurs with this finding. The City of Santa Fe records GRT Revenue when received. At fiscal year-end, Finance staff will accrue anticipated GRT payments corresponding to the months of May and June, create a schedule of GRT Revenue for the year, and reconcile the revenues to the financial statements. Regarding PNM Franchise Fees, the City will accrue earned income on the Government-Wide Financial statements and not on the Governmental funds. The Controller will be responsible for the implementation of these corrective actions at the close of FY2018.

**CITY OF SANTA FE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2017**

Section II – Financial Statement Findings (Continued)

2017-002 Controls and Reporting of Capital Assets (Material Weakness and Basis for Modified Opinion)

Condition: During our audit testing of capital assets, we noted the following:

- a. The City lacks the appropriate documentation to substantiate costs allocated to a specific project. Additionally, the City could not provide adequate documentation for us to test the close out process for completed projects and reclassification of CIP to depreciable assets. As a result, CLA could not adequately test construction in process (CIP).
- b. We selected 29 assets from the City's inventory asset listing to perform a physical observation. Of those:
 - i. 1 could not be located to allow us to perform an observation.
 - ii. 1 was selected, but could not be located because it was "auctioned" in 2010 but was not removed from the capital asset account.
 - iii. 1 capital asset had no identifying tag.
 - iv. 5 vehicles on the asset listing that were selected didn't have the correct asset identifiers:
 - a) 3 of which the VIN number on the vehicle did not match the asset listing;
 - b) 3 of which the license plate number did not match the asset listing;
 - c) 1 which the fixed asset number was not on the vehicle.
- c. The City could not substantiate if the City has appropriately reviewed capital assets and assessed for impairment. Management of the City would not sign the management representation letter unless we removed those representations related to impairment of capital assets.

Criteria: In accordance with GASBS No. 34, paragraph 18, all capital assets should be reported at their historical cost, but GASB Statement No. 42 Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries requires governments to assess its capital assets to determine if its service utility has declined significantly or unexpectedly. Additionally, the New Mexico State Audit Rule, 2.2.2.10 W Capital asset inventory requires entities to maintain an updated capital asset listing based on assets the entity owns.

Cause: Regarding CIP, we were informed part of the challenge pertains to the fact that a project is not assigned its own financial analyst. Rather, all activity flows through one person to reconcile. This does not allow for the appropriate time necessary to adequately reconcile project activity. Challenges with other aspects of the capital asset process pertain to inadequate training and supervision of personnel who account for capital asset activity.

Effect: Capital asset balances may be misstated.

Recommendation: We recommend the City implement strong internal controls, reconciliations, and review process of all accounting relating transactions. Additionally, the City needs to ensure the Accounting and Reporting Department is staffed with individuals that fully understand the capital asset tracking and reconciliation process, specifically as it pertains to CIP.

**CITY OF SANTA FE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2017**

Section II – Financial Statement Findings (Continued)

2017-002 Controls and Reporting of Capital Assets (Material Weakness and Basis for Modified Opinion) (Continued)

Management Response:

- a. The City concurs with this finding. Because the City's current financial software does not have project accounting functionality, construction in process had been tracked manually. With the implementation of the City's new ERP system on January 1, 2019, project accounting will be available. Staff is currently developing project accounting procedures for the ERP to annually allow for a proper CIP close-out process. This Financial Planning and Reporting Officer will be responsible for completing the manual close-out process for FY2018 and the ERP close-out for FY2019.
- b. The City concurs with this finding. City staff encountered scheduling problems with the right staff members to show the assets to the audit team. In addition, because some of the assets selected are underground (i.e., water meters), it was challenging for staff to determine the precise location of them. Finance staff will work with other departments to ensure that assets selected by the audit firm are made available for verification. Finance staff will also review the process for receiving detailed asset information from other departments, such as underground location or a VIN, to better ensure the accuracy of information on the City's capital asset listing. Lastly, Finance staff will review auctioned and disposal lists in order to ensure that assets no longer owned by the City are properly identified.
- c. The City concurs with this finding. The City is in communication with the audit firm and other cities to develop a process for assessing capital asset impairments in compliance with GASB #42. The Financial Planning and Reporting Officer and the Finance Director will be responsible for the execution of this process in preparation for the FY2018 audit.

2017-003 Accounts Receivable (Material Weakness)

Condition: During audit testing of accounts receivable, we noted the following:

- a. Utilities:
 - i. Miscellaneous Utilities accounts receivable requires manual reconciliation between the subsidiary ledger, as a result of the transfer of data from previous subsidiary ledger
 - ii. There is an unexplainable variance of \$65K between the reconciliation of UCIS subsidiary ledger and general ledger for solid waste, waste water, water storm water, water deposits, and finance charges.
 - iii. There are unapplied credits in customer balances that are not "attached" to the specific outstanding balance. This makes it appear as though a customer has a balance for a specific AR (solid waste, water, waste water, etc.); however, the customer does not have a balance because there is an unapplied credit.
 - iv. An erroneous entry in the amount of \$1,055,918 for a customer was duplicated in the general ledger and created an overstatement of revenue.

**CITY OF SANTA FE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2017**

Section II – Financial Statement Findings (Continued)

2017-003 Accounts Receivable (Material Weakness) (Continued)

Condition (Continued):

b. False Alarm:

- i. The allowance for uncollectible accounts was not updated until audit inquiry was made.
- ii. The City lacks adequate underlying detail to support year-end balance. This was identified in a 2014 internal audit report, along with several other internal control matters related to the False Alarm billings. The City does not have a subsidiary ledger with identified customer accounts and associated balances that agrees to the general ledger.

c. Interest:

- i. The initial trial balance provided to CLA for audit testing included credit balances for interest receivable. After we made audit inquiries, the City recorded journal entries to correct interest revenue and receivable which were included with the updated trial balance provided on December 27, 2017.

Criteria: NMAC 2.20.5.8 requires entities to ensure that all reporting of financial information be timely, complete, and accurate. To ensure the adequacy of financial reporting, account balances should be reviewed and reconciled on a regular basis. This would include a reconciliation of subsidiary accounts receivable ledgers to ensure they agree to the general ledger and evaluation of accounts receivable to assess for collectability and record necessary allowance adjustments.

Cause: Lack of adequate processes and procedures in place to properly review and reconcile account balances.

Effect: The City's financial statements contained material misstatements which required adjustments, including an adjustment to the opening net position.

Recommendation: We recommend the City implement strong internal controls, reconciliations, and review process of all accounting relating transactions. Additionally, the City needs to ensure the Accounting and Reporting Department is staffed with individuals who fully understand the CAFR and accounting process.

Management Response: The City concurs with this finding. Finance staff are working with an outside contractor to correct conversion balances. In addition, Finance staff are working with Police Department staff and an outside contractor to clear up the aging report on false alarms. Finance staff will also verify and reconcile the receivables reported in the Trial Balance. The Senior Financial Analyst will be responsible for implementing these internal control, reconciliation, and review processes by the end of FY2018.

**CITY OF SANTA FE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2017**

Section II – Financial Statement Findings (Continued)

2017-004 Internal Controls over Information Technology (Significant Deficiency)

Condition: During our audit over the City's information technology controls and structure, we noted the following:

- a. The City is lacking major elements on a formal change management process. Specifically elements were noted lacking in regards to the City's change management:
 - i. Change Management does not include application changes and changes are not tracked in a central location.
 - ii. Changes are not tested prior to implementation into the production environment.
 - iii. Patches are not documented through the change management process and are not tested prior to implementation.
 - iv. Segregation of duties has not been established for changes and backup training has not been provided should an employee be unavailable.
- b. The organization developed a disaster recovery plan. However, since the creation of the plan, there have been changes to the IT environment, vendors, and personnel that makes the plan outdated. The plan has not been tested.
- c. The organization utilizes software that has reached its end-of-life and is no longer receiving support from the vendor.
- d. The City has not implemented an IDS/IPS solution to monitor security.
- e. Access change requests are not formally documented and a formal process has not been established detailing the process to make changes to user permissions.

During our review and testing of user account request process, we noted four out of ten user account request forms could not be located. We noted six out of ten user account request with no documented approval of access.

- f. User access requirements can change as a result of several factors including transfers, terminations, promotions, reorganization, and department or City growth. Audits of user accounts and their access level are not performed on a regular basis for Active Directory and critical applications. The City is checking for inactive users on the Active Directory but not the access levels.

During our review and testing of terminations removal process, we noted four out of ten terminated employee still had an active account on the City's environment.

**CITY OF SANTA FE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2017**

Section II – Financial Statement Findings (Continued)

2017-004 Internal Controls over Information Technology (Significant Deficiency) (Continued)

Criteria: In accordance with ISACA's Control Objectives for Information and related Technology (COBIT) 4.1, framework (DS4, Ensure Continuous Service), a Disaster Recovery Plan needs to be developed and tested to reduce the impact of a major disruption on key business functions and processes. ISACA's Control Objectives for Information and related Technology (COBIT) 4.1, Framework DS5 (Ensure System Security) provides that the need to maintain integrity of information and protect IT assets requires a security management process. This process includes establishing and maintaining vendor relationship and vendor management. Additionally, the City needs to maintain integrity of information and protect IT assets requires a security management process. This process includes measures to remove access for terminated users.

Cause: Lack of adequate management oversight related to information technology controls and functions.

Effect:

- a. The risk of unauthorized programs being introduced into the production environment increases. Unauthorized programs include programs that have not been approved by the user community, may perform illegitimate functions, have not been properly tested, etc.
- b. Employees are not educated on business continuity and recovery procedures in the event of a disaster.
- c. There is an increased risk to the security of the organization. The software will no longer receive security patches / updates that close known holes for hackers to get into their system.
- d. Not performing formal security monitoring can increase the risk of a successful attack or breach against the City. Monitoring would increase the likelihood that the City would receive an alert to prevent and possibly stop an attack as it occurs.
- e. Without appropriate documentation of user access request and approval of the request, unauthorized access may be granted to authorized or unauthorized users within the City's environment. This increases the chance of a segregation of duties issue.
- f. Not performing a regular, standardized user account audit increases the risk that the company may not identify all old and unused user accounts, users with improper access to the system, and/or unauthorized system users.

Recommendation:

- a. Management should outline a more formalized policy for change management and what documents are to be retained as evidence that known controls are performed. Once all procedures are completed, the supporting evidence should be retained for proper accountability.

**CITY OF SANTA FE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2017**

Section II – Financial Statement Findings (Continued)

2017-004 Internal Controls over Information Technology (Significant Deficiency) (Continued)

Recommendation (Continued):

The City should track all changes in a centralized location so all relevant parties can be kept current on project status. Available documentation should reference all involved parties, such as requester, project lead, testing team, and approving manager, as well as a timeline including requested effective date, planned start and end dates, actual work start and end dates, and review dates. Additionally, all changes should be tested before being moved into production by an employee independent of the development team.

The City should only provide inquiry-only access to programmers and only provide privileged access if there is a production problem which needs to be addressed.

- b. The City should review and update its disaster recovery/business continuity plan so that it can be referenced in the event of a disaster situation and reflects the current operating environment. The plan should be tested in its entirety on a periodic basis. At a minimum restore testing and/or table top testing should be performed annually.
- c. The City should only utilize devices that are still being supported to ensure that patches are applied and vulnerabilities are mitigated.
- d. The City should implement some form of network security monitoring. Network activity including unsuccessful attempts to gain access (during and after business hours) to the switches, firewall, routers, telecommunications systems, IDS, IPS and other networking hardware should be logged and monitored for issues related to security. In addition, network performance should be monitored on a continuous basis to detect degradation, interruption of service or other issues impacting availability.
- e. The City should document all change requests in a form or ticket to ensure an audit trail is created to show the access that was requested and approval of the access. The City then can review the access request for appropriateness and proper segregation of duties.
- f. The City should conduct a formal review of all user accounts and their access level every year. The review process should be documented, and sign-off should be obtained from business units completing the review. The review should ensure that all user accounts are assigned to current employees by comparing a system account listing to a current employee list from Human Resources. In addition, a review of access levels should be performed by comparing the user's current access rights listed on the system to those listed on their access form, and by confirming the user's access rights with their departmental manager.

**CITY OF SANTA FE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2017**

Section II – Financial Statement Findings (Continued)

2017-004 Internal Controls over Information Technology (Significant Deficiency) (Continued)

Management Response:

- a.i. The City concurs with this finding. To begin the process of implementing an ITT Change Management system, ITT has instituted a department level information security policy addressing ITT Change Management. Currently all ITT Operational changes that occur in the Santa Fe domain are required to pass through the ITT Change Control Board, which consists of the ITT Management staff reviewing and approving all changes that happen in the City of Santa Fe IT operational environment. ITT is in the process of creating an ITT procedure to correlate with the ITT Change Management Security Policy which will manage the documented centralization of change information. The completion date is expected to be June 30, 2018.

- a.ii. The City concurs with this finding. Current testing is done via the operational environment, tested during off hours, and rolled back, if necessary, if changes do not provide the desired outcome for operations. The ITT Change Control Board approves or denies any testing or necessary patch installments as a form of controlling how the IT operating environment is affected. A short-term solution has been identified by creating an ITT procedure to correlate with the Change Management ITT Security Policy; this includes testing and application patch tracking, which is expected to be completed by June 30, 2018. A long-term solution will be utilizing the ERP environment slated for FY2019 to test, manage, and implement permanent changes in a technically advanced and controlled environment.

- a.iii. The City concurs with this finding. Current testing is done via the operational environment, tested during off hours, and rolled back, if necessary, if changes do not provide the desired outcome for operations. The ITT Change Control Board approves or denies any testing or necessary patch installments as a form of controlling how the IT operating environment is affected. A short-term solution has been identified by creating an ITT procedure to correlate with the Change Management ITT Security Policy; this includes testing and application patch tracking, which is expected to be completed by June 30, 2018. A long-term solution will be utilizing the ERP environment slated for FY2019 to test, manage, and implement permanent changes in a technically advanced and controlled environment.

- a.iv. The City concurs with this finding. Due to the relatively small size of the ITT Department, segregation of duties can be challenging. To mitigate risk, however, the ITT Director has mandated that all positions within IT have a backup administrator. This directive will provide insight into the primary administrator duties on a regular basis, especially during functional changes to current operational systems. Backup administrators have been assigned to step in to fill the role of the primary systems administrator and are verified during the ITT Change Control Board. The primary and secondary administrator is present during any functional change(s) to the operational environment.

**CITY OF SANTA FE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2017**

Section II – Financial Statement Findings (Continued)

2017-004 Internal Controls over Information Technology (Significant Deficiency) (Continued)

Management Response (Continued):

- b. The City concurs with this finding. An ITT information security policy has been established as a baseline for the current operating infrastructure to ensure the necessary backups are available if a disaster were to occur. A long-term solution is currently in the process of being addressed with a redundant disaster recovery site to be fully deployed and operational in the spring of 2019, coupled with an updated disaster recovery policy and procedure. Once the new disaster recovery site is established, testing backup exercises will be much more streamlined and feasible on a regular basis, but more importantly, it will offer a redundant hot site if a system catastrophe were to occur.

- c. The City concurs with this finding. The City has identified the need to address high-risk antiquated applications to include the Financial, Human Resources, and Land Use systems via the City's forthcoming ERP initiative. In addition, the City is addressing pro-active measures for a security patch management program and instituting an active vulnerability assessment system to monitor status of all of the City's workstation/server endpoints. The City's ERP initiative is scheduled to go live on January 1, 2019; the vulnerability assessment system is expected to be fully operational by July 31, 2018.

- d. The City concurs with this finding. The ITT Department has deployed an Intrusion Detection / Prevention policy to lay the groundwork for establishing technical measures to monitor egress and ingress network activity. ITT currently monitors systems/networks that monitor network utilization, bandwidth, up/downtime, and impacts. However, the department is looking at expanding the network monitoring efforts to include information security events. ITT is forging a partnership with the Multi-State Information Sharing and Analysis Center (MSISAC) to implement an IDS/IPS monitoring solution which is set to take effect August 2018. This solution will be monitored by the MSISAC Incident Response Center with close coordination with City of Santa Fe ITT management.

- e. The City concurs with this finding. An ITT Computer Access Control Security Policy has been established to provide general guidance on how Computer Access Control will be effectively managed according to industry best practices. ITT is in the process of creating a formal procedure to correlate with the ITT Computer Access Control Security Policy to further refine operational steps in properly setting up computer access control roles and responsibilities. Once created, ITT will coordinate this procedure with all City departments on how Computer Access Security affects their respective area or operation. This is expected to be completed by July 31, 2018.

In addition, ITT is planning on two long-term solutions: a) Information Technology System Management Tool (help desk system) to document changes throughout the software life-cycle of an application; and, b) institute a more controlled application environment in that of a new ERP system, where system roles and responsibilities (Segregation of Duties) will be defined, providing an effective way to manage users in near real-time for access setup, intra-departmental transfers, and terminations. (See also Item #a.iv.)

**CITY OF SANTA FE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2017**

Section II – Financial Statement Findings (Continued)

2017-004 Internal Controls over Information Technology (Significant Deficiency) (Continued)

Management Response (Continued):

- f. The City concurs with this finding. An updated interim hiring and termination process with Human Resources and ITT was established in November 2017, offering greater efficiencies in the creation, transfers, and termination of accounts in a secure and timely manner. There are currently three significant ITT activities that underway to further solidify industry best practices addressing access control: a) ITT is in the process of modernizing the current Active Directory and Domain, offering the opportunity to address both antiquated systems and data which will bring the City's environment up to a more technological version of Active Directory, address needed security feature sets offered by the newest version of Active Directory, and refine the legitimate user base authorized to operate within the City of Santa Fe domain; b) Implementation of a new helpdesk troubling system that has workflow built in to address new, intra-department transfers and terminations in a timely manner; and, c) Implementation of the ERP human capital system which will offer a technology solution instead of a paper process. The target completion date for the new Active Directory is October 2018. The new helpdesk system implementation is targeted for February 2019 to coincide with the 2019 implementation of the ERP.

CITY OF SANTA FE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2017

Section III – Findings and Questioned Costs – Major Federal Programs

2017-005 Cash Management (Significant Deficiency in Internal Controls and Other Matter)

Federal Agency: US Department of Transportation
Federal Program Name: Highway Planning and Construction Cluster
Federal Award Number: Pass through NM Department of Transportation # HSIP Contract #D14914, St. Francis Underpass Contract #D15004/1, and River Trail Contract #D14994
Award Year: 2015
Questioned Costs: None

Condition: During our audit, we noted 6 out of 8 reimbursement requests lacked evidence of a review and approval by someone independent of the preparer.

Context: Sample from full population.

Criteria: Per §200.303 Internal Controls, the non-Federal entity must: (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

Cause: Lack of established internal controls and processes over cash management to ensure compliance with applicable compliance requirements.

Effect: Potential for noncompliance with the applicable requirements.

Recommendation: We recommend implementing adequate controls to ensure an independent review of all reimbursement requests including evidence of that review.

Management Response: The City concurs with this finding. Finance staff will work with grant Program Managers to review the grant administration and reporting policies and procedures to ensure compliance with the grantor guidelines. The Financial Planning and Reporting Officer will be responsible for ensuring the review and update of the grant reporting policies and procedures manual is completed no later than June 30, 2018.

2017-006 Allowable Costs – General and Payroll Disbursements (Significant Deficiency in Internal Controls and Other Matter)

Federal Agency: US Department of Transportation
Federal Program Name: Highway Planning and Construction Cluster
Federal Award Number/Award Year: Passed through NM Department of Transportation #D14792/2015
Questioned Costs: \$1,203 pertaining to general disbursements, only

CITY OF SANTA FE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2017

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

2017-006 Allowable Costs – General and Payroll Disbursements (Significant Deficiency in Internal Controls and Other Matter) (Continued)

Condition: During our audit, we noted the following:

- 3 out of 15 general disbursements were for benefits department assessments which, in nature, are indirect costs charged to the grant as these are charges for administration of the City's employee benefits system. However, the City does not have an approved indirect cost plan with the NMDOT.
- 2 out of 13 payroll transactions tested had 100% of wages charged to the grant rather than an allocation rate of 80% for 1 out of 3 employees. Amount overcharged for each payroll was approximately \$563.
- 1 out of 13 payroll transactions tested had amounts charged to the grant that were either not supported by the allocation rate or by timesheets provided to us. Amount undercharged for the payroll was approximately \$317.
- 2 out of 13 payroll transactions tested had an approximate \$19 each difference between our calculation of the pay, based on pay rates and hours worked, and the actual pay.
- 13 out of 13 payroll transactions related to fringe benefits and taxes were unable to be supported with documentation.
- The City does not document its process of its after-the-fact review to compare the time charged to the grant.

Criteria: Per §200.403 Factors affecting allowability of costs, Except where otherwise authorized by statute, costs must meet the following general criteria in order to be allowable under Federal awards: (b) Conform to any limitations or exclusions set forth in these principles or in the Federal award as to types or amount of cost items.

Per §200.430 Compensation-personal services, charges to Federal awards for salaries and wages must be based on records that comply with the established accounting policies and procedures of the non-Federal entity; be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated; and reasonably reflect the total activity for which the employee is compensated by the non-Federal entity.

Cause: Lack of established procedure and adequate oversight.

Effect: Potential for noncompliance with applicable requirements.

Recommendation: We recommend implementing adequate controls to ensure costs charged to the grant are allowable costs/activities of the grant and properly allocated. Additionally, we recommend management to update the internal policy to include an after-the-fact review to compare the time charged to the grant.

Management Response: The City concurs with this finding. Finance staff will work with grant Program Managers to ensure the appropriateness of expenditures paid from grant funds. Program Managers and the Senior Financial Analyst will review expenditure reports prepared by Finance staff to ensure compliance with approved grant budgets prior to submitting them to grantors. The Financial Planning and Reporting Officer will ensure these processes are in place no later than June 30, 2018.

**CITY OF SANTA FE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2017**

Section IV – Other

2017-007 Late Submission of Audit Report (Compliance and Other Matters)

Condition: The City's audit report for the year ended June 30, 2017 was not submitted as of the due date of December 15, 2017 because the City did not perform a timely reconciliation of its financial records, nor did the City prepare accurate financial statements.

Criteria: Audit reports not received on or before the due date are considered to be in non-compliance with the requirements of Section 2.2.2.9.A of the State Audit Rule.

Cause: The City was still reconciling its trial balance through April 2018. We received necessary entries for audit and financial statement drafting in April 2018 that delayed our ability to perform audit testwork. Additionally, multiple versions of the City prepared CAFR were provided because of errors we identified throughout our review that required correction.

Effect: The City's financial audit was not submitted by the statutory deadline.

Recommendation: We recommend the City maintain its records adequately, implement strong internal controls, implement a reconciliation and review process, and staff the accounting and reporting divisions with individuals knowledgeable with CAFR production.

Management Response: The City concurs with this finding. The Finance Department was attempting to work through a series of unusual and irregular circumstances, significantly impacting its ability to perform a timely reconciliation of its financial records. The City has already implemented timelines and measures to ensure timeliness of its financial records reconciliation for FY2018. The Finance Director, Financial Planning and Reporting Officer, and Senior Financial Analyst will be responsible for ensuring deadlines are met and that the FY2018 audit is submitted to the Office of the State Auditor on or before its December 15, 2018 deadline.

2017-008 PERA – Census Data Testing (Compliance and Other Matters)

Condition: For 1 out of 16 samples tested, the City did not have an employee complete the "Application for PERA Membership" form when hired.

Criteria: In accordance with the Public Employees Retirement Act (Chapter 10, Article 11, NMSA 1978), all employees must complete the enrollment form to document participation in the plan.

Cause: Lack of adequate oversight of this process.

Effect: Employee contributions may not accurate.

Recommendation: We recommend the City maintain required payroll records.

CITY OF SANTA FE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2017

Section IV – Other (Continued)

2017-008 PERA – Census Data Testing (Compliance and Other Matters) (Continued)

Management Response: The City concurs with this finding. Prior to being made aware of this finding, the Human Resources Department had already initiated process improvements to ensure that all newly-hired employees, whether classified, term, exempt or temporary, had all the required on-boarding documents in their personnel file. This included, but was not limited to, PERA enrollment forms. The most basic process improvement was the initiation of an on-boarding checklist for required documents, including the PERA enrollment form for all classified, term and exempt employees as well as the “Employee Exclusion of PERA Membership Form” for seasonal or temporary employees. The use of the Employee Exclusion of PERA Membership Form assists the Human Resources Department in coordination with the City’s PERA Liaison to identify temporary employees who become eligible for PERA benefits because they have extended employment beyond six (6) consecutive months (the PERA eligibility period pursuant to the City’s Personnel Rules).

Additionally, ITT staff have assisted Human Resources by developing a query from our E-1 system that is run no less than each pay period to identify temporary employees who have actually continued to work beyond six (6) months. All Human Resources staff will be extra vigilant in following our on-boarding processes and, even in the routine review of an Official Personnel File (OPF), will notify appropriate staff should a required document appear to be missing.

The Human Resources Administrator and staff will be responsible for obtaining and filing all applicable on-boarding documents and maintaining each employee’s OPF.

2017-009 Lack of Adequate Cash Collection Procedures for Parking Garage (Compliance and Other Matters)

Condition: On two occasions, we were not required to pay for parking upon exiting the City-operated parking garage, Santa Fe Community Convention Center Municipal Garage, during standard business hours.

Criteria: As identified on the City’s website pertaining to parking garages, this garage is open from 6:30 am to 1 am and costs \$1 for the first hour, \$2 for the second hour and each hour after, with a \$12 maximum.

Cause: In one instance, the attendant let us go through because he was closing up for his shift, not requiring us to show our validated parking ticket. In the other instance, at 3:05 pm, the parking booth was closed with a sign that said, “Booth Closed, Thank You” and the arm was open for cars to go through without paying.

Effect: The City is missing out on this parking revenue that is it rightly owed.

Recommendation: We recommend the City remind employees of the responsibilities related to the parking garage and ensure they are collecting all applicable parking revenues.

CITY OF SANTA FE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2017

Section IV – Other (Continued)

2017-009 Lack of Adequate Cash Collection Procedures for Parking Garage (Compliance and Other Matters) (Continued)

Management Response: The City concurs with this finding. The City's Parking Division is developing a Request for Proposal (RFP) to replace its current Revenue Control System to help ensure parking revenues are not forfeited. The RFP will be issued prior to the end of FY2018, with an implementation date no later than December 31, 2018.

2017-010 Cash Management Operations (Compliance and Other Matters)

Condition: During our review of bank reconciliations and the utility cash register reconciliation processes, we noted the following:

- a. The November 2016 bank reconciliation of the Wells Fargo Common Account Bank Statement was not performed in a timely manner, but rather was reconciled two months later on January 27, 2017.
- b. Subsequent to year end, but during our audit procedures, the City identified, and self-reported, that checks were discovered in the desk of purchasing officer that totaled approximately \$35k from July 2017, August 2017, and September 2017. By the time the City reported this to us in October, the City deposited the checks to its bank account.
- c. Lack of adequate documentation to support the need to use to City's procedure pertaining to "over/short" transactions with cashier transactions/reconciliations.

Criteria: The City has internal policies that require cash reconciliations to be performed on a monthly basis. Accounting supervisors provide reports to the financial analyst to prepare the monthly reconciliations. In accordance with NMSA 6-10-3, cash receipts are required to be deposited by the next business day. When reconciling cash drawers, the City should follow standard account practices which include adequate documentation of the need to use over/short accounting adjustments when reconciling a cash drawer.

Cause: During the year, there was a change in management structure that didn't allow for the appropriate level of oversight for standard cash operations. Additionally, during the fiscal year, the City did not have an established procedure pertaining to the required process to follow when cashiers have to use the "over/short" functionality for reconciling cash drawers. The City has since implemented a procedure that is followed, which started in FY18.

Effect: The City could be susceptible to mishandling of cash receipts or cash balances could be misstated throughout the year.

**CITY OF SANTA FE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2017**

Section IV – Other (Continued)

2017-010 Cash Management Operations (Compliance and Other Matters) (Continued)

Recommendation: We recommend the City implement strong internal controls, reconciliations, and review process of cash operations and related transactions. Additionally, the City needs to ensure the Accounting and Reporting Department is staffed with individuals that fully understand the CAFR and accounting process.

Management Response:

- a. The City concurs with this finding. Staff turnover and the training of a newly-hired employee resulted in a temporary delay in the reconciliation of the Wells Fargo Common account. Two Finance staff members have since been trained to perform the reconciliation and in the future, bank reconciliations will be the responsibility of the Controller.
- b. The City concurs with this finding. The Cash Handling Policy which was established and implemented in January 2018 by the Treasury Division of the Finance Department, provides guidance and processes for handling payment transactions at revenue intake sites for the City of Santa Fe.
- c. The City concurs with this finding. The Cash Handling Policy which was established and implemented in January 2018 by the Treasury Division of the Finance Department, provides guidance and processes for handling payment transactions at revenue intake sites for the City of Santa Fe.

2017-011 Untimely Completion of Lodger's Tax Audit (Compliance and Other Matters)

Condition: The City is currently behind on its lodger's tax audits. The most recent report available on the City's website is for June 30, 2015.

Criteria: In accordance with NMSA 3-38-13, lodger's tax audits are required for governments that receive more than \$250,000 in lodger's tax revenue.

Cause: Lack of adequate supervision over this function.

Effect: The City is not in compliance with this statute.

Recommendation: We are aware the City is in the contract process to get up-to-date on this requirement.

Management Response: The City concurs with this finding. The City has contracted with an external audit firm to perform the Lodger's Tax audit. This will bring the City up to date for prior years that stand unaudited. The Treasury Division oversees the audit for Lodger's Tax; it is expected to be completed in the second quarter of FY2019.

**CITY OF SANTA FE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2017**

Section IV – Other (Continued)

2017-012 Lack of Adherence to City’s Purchasing Manual (Compliance and Other Matters)

Condition: During our testwork over contracts and compliance with the procurement code and City’s Purchasing Manual, we identified 1 out of 16 contracts tested that didn’t follow the procedures outlined in the City’s Purchasing Manual because the City did not contact a minimum of 3 vendors to the service solicited.

Criteria: The City did not contact a minimum of 3 vendors as required per 24.4.2. The contract also violated 24.4.7 as the contract awarded was for \$50,000 plus out-of-pocket expenses.

Cause: Lack of adequate review of the City’s Purchasing Manual.

Effect: Noncompliance with the City’s internal policy.

Recommendation: We recommend the City educate key personnel on the City’s Purchasing Manual to ensure all aspects of the manual are followed.

Management Response: The City concurs with this finding. During FY 2018, the City adopted a new, streamlined procurement manual and policy based on the State of New Mexico’s procurement code and purchasing policy. The Finance Director and Interim Purchasing Officer will oversee the rollout of the manual and update staff on the new requirements and thresholds contained within it. The rollout will be completed and fully implemented by June 30, 2018.

2016-004 Lack of Documented Review of Payroll Timesheet (Compliance and Other Matters)

Condition: During our testing of payroll timesheets, 1 out of 22 timesheets testing did not have evidence of approval by the employee’s supervisor.

Criteria: City policy and a strong system of internal controls requires an established review process of employee timesheets and documentation of such approvals.

Cause: Lack of adequate review of employee timesheet.

Effect: Timesheet may contain erroneous entries.

Recommendation: We recommend the City review its policy and remind employees of the timesheet completion and review process.

Management Response: The City concurs with this finding. The Kronos timekeeping was implemented during the fiscal year and during the period in which employees were being trained and learning the system a particular feature in the Kronos timekeeping has not been implemented. This feature will allow the City to not produce a paycheck for the employee until the time card has been approved by both the employee and supervisor. The Deputy City Manager is the responsible party and this Kronos timekeeping feature will be implemented on the first pay period of fiscal year 2019.

**CITY OF SANTA FE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2017**

Section IV – Other (Continued)

2006-006 Budgetary Noncompliance (Compliance and Other Matters)

Condition: During our testwork over budgetary compliance for the year ended June 30, 2017, we noted the following budget overages for the City:

Total expenditures:

Reporting Unit	Budgetary Level of Control	Final Budget	Actual Amount	Overage Amount
Impact Fee Project	Fund	\$ -0-	\$ 59	\$ 59
Historic Preservation Grant	Fund	-0-	6,536	6,536
Plaza Use	Fund	25,000	28,448	3,448
Municipal Recreation Complex	Fund	2,200,793	2,202,160	2,367
Parking	Fund	5,683,603	5,854,693	171,090
Railyard	Fund	1,473,712	1,501,515	27,803
Santa Fe Convention Center	Fund	3,805,698	4,780,976	975,278

Criteria: City funds are to be budgeted by the local governing body and submitted to the State of New Mexico Department of Finance and Administration – Local Government Division for approval. Once adopted, any claims or warrants in excess of approved budget are in violation of New Mexico Statute 6-6-6, 1978. In addition, NMAC 2.2.2.10 (R) (1) requires an audit finding if actual expenditures exceed budget expenditures at the legal level of budgetary control.

Cause: Necessary budget adjustments were not completed during the year.

Effect: Non-compliance with statutes regarding budgetary control.

Recommendation: We recommend the City regularly review expenditures to ensure there is the appropriate amount of budget in the respective fund.

Management Response: The City concurs with this finding. Finance staff have begun the process of preparing monthly financial status reports for distribution to all City Departments and quarterly financial status reports for the Governing Body as a means to identify potential budget issues throughout the year and develop appropriate solutions. At fiscal year-end, however, unanticipated expenditures or transfers may arise for which the need for budget availability was not previously identified. Because of State-imposed year-end deadlines (July 31) and the timing of the July Council and City committee meeting schedules, budgetary compliance issues may result. The Financial Planning and Reporting Officer will review this finding and draft a procedure to address this long-standing finding for fiscal year end 2018.

**CITY OF SANTA FE
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2017**

Finding #	Status
FS2006-006 Budgetary Compliance	Repeated as finding #2006-006
NM FS 2016-001 Actuarial Study of Medical and Prescription Drug Claims-Self Insurance Program	Resolved
NM FS 2016-002 False Alarm Allowance for Uncollectible Accounts	Repeated as finding #2017-003
NM FS 2016-003 Cash Disbursements-Internal Controls	Resolved
NM FS 2016-004 Payroll Disbursements-Internal Controls	Repeated as finding #2016-004
NM FS 2016-005 Timeliness of Grants Reimbursements Requests	Resolved

STATE OF NEW MEXICO
City of Santa Fe
Exit Conference
For the Year Ended June 30, 2017

OTHER DISCLOSURES

Exit Conference

The contents of this report were discussed on May 24, 2018. The following individuals were in attendance.

City of Santa Fe

Alan Webber, Mayor
Roman "Tiger" Abeyta, City Council, Finance Chair
Clark de Schweintz, Esq., Audit Committee Chair
Carolyn Gonzales, Audit Committee
Erik Litzenberg, Interim City Manager
Kent DeYoung, Interim Finance Director
Teresita Garcia, Assistant Finance Director
Bradley Fluetsch, CFA, Financial Planning and Reporting Officer
Emily Pisula, CPA, Financial Analyst

CliftonLarsonAllen, LLP

Georgie Ortiz
Laura Beltran-Schmitz

*City of
Santa Fe*



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