

**GROW SANTA FE
COMMUNITY
COLLEGE
FOUNDATION**

**(A COMPONENT UNIT OF
SANTA FE
COMMUNITY COLLEGE)**

FINANCIAL STATEMENTS

JUNE 30, 2009

TABLE OF CONTENTS

GROW SANTA FE COMMUNITY COLLEGE FOUNDATION

(A COMPONENT UNIT OF SANTA FE COMMUNITY COLLEGE)

OFFICIAL ROSTER

INDEPENDENT AUDITORS' REPORT1

MANAGEMENT'S DISCUSSION AND ANALYSIS3

FINANCIAL STATEMENTS

Balance Sheets7

Statements of Revenues, Expenses and Changes
in Net Assets8

Statements of Cash Flows9

Notes to Financial Statements10

SUPPLEMENTARY DATA

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*17

Schedule of Findings and Responses19

Exit Conference20

**GROW SANTA FE COMMUNITY
COLLEGE FOUNDATION
(A COMPONENT UNIT OF SANTA FE COMMUNITY COLLEGE)**

Official Roster

June 30, 2009

Board of Directors

Heidi Tilton	President
Larry Cheek	Vice President
Carole Brito	Secretary
Jeff Case	Treasurer
Randy Grissom	Member
Alan Austin	Member
Richard Abeles	Member
Robert Glick	Member

Administrative Personnel

Jean Marquardt	Executive Director
----------------	--------------------

Independent Auditors' Report

T 505-830-6200
F 505-830-6282

Board of Directors
The GROW Santa Fe Community College Foundation and
Mr. Hector Balderas
New Mexico State Auditor

We have audited the accompanying basic financial statements of GROW Santa Fe Community College Foundation (Foundation), (a component unit of Santa Fe Community College) as of and for the years ended June 30, 2009 and 2008 as listed in the table of contents. These financial statements are the responsibility of GROW Santa Fe Community College Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of GROW Santa Fe Community College Foundation, as of June 30, 2009 and 2008 and the changes in its financial position and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 14, 2009, on our consideration of GROW Santa Fe Community College Foundation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters.

Board of Directors
The GROW Santa Fe Community College Foundation and
Mr. Hector Balderas
New Mexico State Auditor

The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 3 through 6 is not a required part of the basic financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Moss Adams LLP

Albuquerque, New Mexico
November 14, 2009

**GROW SANTA FE COMMUNITY COLLEGE FOUNDATION
(A COMPONENT UNIT OF SANTA FE COMMUNITY COLLEGE)
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2009**

As a component unit of the Santa Fe Community College (SFCC), GROW Santa Fe Community College (GROW) has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis - for State and Local Governments*.

Overview of the Financial Statements

GROW's annual report consists of the Management's Discussion and Analysis (MD&A), which provides a broad narrative overview of its financial activities for the fiscal years ended June 30, 2009, 2008, and 2007, and the following, which comprise the basic financial statements:

1. Balance Sheet
2. Statement of Revenues, Expenses and Changes in Net Assets
3. Statement of Cash Flows
4. Notes to Financial Statements

The financial statements give an overall picture of the GROW's financial situation and should be read in conjunction with the MD&A.

The balance sheet of GROW provides both long-term and short-term information about the GROW's overall financial status. The Statement of Revenues, Expenses and Changes in Net Assets provides information about the operating revenues and expenses and the nonoperating revenues of the GROW. The Statement of Cash Flows provides information about the sources and uses of cash by the GROW. The notes to financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements.

GROW SANTA FE COMMUNITY COLLEGE FOUNDATION
(A COMPONENT UNIT OF SANTA FE COMMUNITY COLLEGE)
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2009

Condensed Financial Information

	2009	2008	2007
Current Assets	\$ 5,108,600	5,246,263	1,189,951
Long-Term Assets	470,311	470,311	459,986
Total Assets	<u>\$ 5,578,911</u>	<u>5,716,574</u>	<u>1,649,937</u>
Current Liabilities	<u>\$ 431,050</u>	<u>458,681</u>	<u>242,186</u>
Net Assets			
Unrestricted	694,390	829,136	601,094
Restricted expendable	1,722,865	1,785,533	588,689
Restricted unexpendable	<u>2,730,606</u>	<u>2,643,224</u>	<u>217,968</u>
Total net assets	<u>5,147,861</u>	<u>5,257,893</u>	<u>1,407,751</u>
Total liabilities and net assets	<u>\$ 5,578,911</u>	<u>5,716,574</u>	<u>1,649,937</u>
Operating Revenue			
Donations and transfer in from Education Foundation of Santa Fe	\$ 305,534	389,491	230,190
Nongift revenue	<u>279,684</u>	<u>323,232</u>	<u>295,816</u>
Total operating revenue	<u>585,218</u>	<u>712,723</u>	<u>526,006</u>
Operating Expenses			
General and administrative	433,020	451,134	256,023
Distributions to College	<u>297,114</u>	<u>270,400</u>	<u>286,962</u>
Total operating expenses	<u>730,134</u>	<u>721,534</u>	<u>542,985</u>
Operating loss	<u>(144,916)</u>	<u>(8,811)</u>	<u>(16,979)</u>
Nonoperating Revenue			
Transfer in from Education Foundation of Santa Fe	-	3,546,296	3,164
Investment (loss) income, net	(52,488)	48,886	41,048
Contributions to permanent endowment	<u>87,382</u>	<u>263,771</u>	<u>165,161</u>
	<u>34,894</u>	<u>3,858,953</u>	<u>209,373</u>
Change in net assets	(110,032)	3,850,142	192,394
Net assets, beginning of year	<u>5,257,893</u>	<u>1,407,751</u>	<u>1,215,357</u>
Net assets, end of year	<u>\$ 5,147,861</u>	<u>5,257,893</u>	<u>1,407,751</u>

**GROW SANTA FE COMMUNITY COLLEGE FOUNDATION
(A COMPONENT UNIT OF SANTA FE COMMUNITY COLLEGE)
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2009**

Financial Analysis

The balance sheet discloses information on assets, liabilities and net assets. GROW's total assets at June 30, 2009 of \$5,578,911 exceeded total liabilities of \$431,050, yielding total net assets of \$5,147,861. The total net assets showed a decrease of approximately 2.1% for the 2009 fiscal year. Factors contributing to these decreases were primarily due to decreased contributions to the GROW's endowment and decreases in investment income. GROW's total assets at June 30, 2008 of \$5,716,574 exceeded total liabilities of \$458,681 yielding total net assets of \$5,257,893. Total net assets showed an increase of 273% for the 2008 fiscal year. Factors contributing to these increases were primarily due to increased transfers in from the Education Foundation of Santa Fe. Liabilities went from \$458,681 at June 30, 2008 to \$431,050 at June 30, 2009. Liabilities went from \$242,186 at June 30, 2007 to \$458,681 at June 30, 2008.

At June 30, 2009, the major portion of GROW's assets is its investments (82%) followed cash (9.0%), art collections (8.0%), and receivable (1%). The net increase in fair value of investments for fiscal year 2009 amounted to \$504,061, which was less than the previous year's net increase of \$3,082,157. 2009 year investment income was \$(52,498) and 2008 year investment income was \$48,886. There were no additional transfers in from the Education Foundation of Santa Fe for the year ended June 30, 2009 and the \$3,737,426 transferred in at June 30, 2008.

Total operating revenues of \$587,718 were recorded at June 30, 2009. Nonoperating revenues were \$(52,498). Total revenues decreased 86% from the prior year, largely due to the increase in transfers in from the Education Foundation of Santa Fe in 2008. Total operating revenues of \$712,723 were recorded at June 30, 2008. Nonoperating revenues were \$3,858,953 at June 30, 2008. Total revenues increased 585% from the year 2007 due primarily to transfers in from the Education Foundation of Santa Fe.

Total operating expenses for fiscal year 2009 were \$732,634, which represented a 2.0% increase in spending from the prior year. These increases were primarily general and administrative expenses and scholarship programs. Total operating expenses for fiscal year 2008 were \$721,534, which represents a 33% increase in spending from 2007. The increases in operating expenses in 2008 were primarily due to increasing general and administrative expenses as well as bond promotion costs.

**GROW SANTA FE COMMUNITY COLLEGE FOUNDATION
(A COMPONENT UNIT OF SANTA FE COMMUNITY COLLEGE)
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2009**

Budgetary Highlights

None. GROW does not have legally adopted budgets and therefore does not include budget information herein.

Capital Assets and Debt Administration

None. GROW does not have capital assets or debt.

Factors Impacting Future Periods

None.

Contacting GROW's Financial Management

If you have questions about this report or need additional information, contact GROW Santa Fe Community College Foundation at 6401 Richards Avenue, Santa Fe, New Mexico 87508-4887.

GROW SANTA FE COMMUNITY COLLEGE FOUNDATION
(A COMPONENT UNIT OF SANTA FE COMMUNITY COLLEGE)
BALANCE SHEETS
June 30, 2009 and 2008

ASSETS

	2009	2008
Current Assets		
Cash and cash equivalents	\$ 504,560	564,988
Receivables, net	40,207	621,503
Investments	4,563,833	4,059,772
	<hr/>	<hr/>
Total current assets	5,108,600	5,246,263
Other Assets		
Artwork collections	470,311	470,311
	<hr/>	<hr/>
Total assets	\$ 5,578,911	5,716,574
	<hr/> <hr/>	<hr/> <hr/>

LIABILITIES AND NET ASSETS

Current Liabilities		
Due to Santa Fe Community College	\$ 431,050	458,681
	<hr/>	<hr/>
Contingencies		
Net Assets		
Unrestricted	694,390	829,136
Restricted, expendable	1,722,865	1,785,533
Restricted, unexpendable	2,730,606	2,643,224
	<hr/>	<hr/>
Total net assets	5,147,861	5,257,893
	<hr/>	<hr/>
Total liabilities and net assets	\$ 5,578,911	5,716,574
	<hr/> <hr/>	<hr/> <hr/>

See Notes to Financial Statements.

GROW SANTA FE COMMUNITY COLLEGE FOUNDATION
(A COMPONENT UNIT OF SANTA FE COMMUNITY COLLEGE)
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
Years Ended June 30, 2009 and 2008

	2009	2008
Operating Revenues		
Donations	\$ 308,034	198,361
Transfer in from Education Foundation of Santa Fe	-	191,130
Nongift revenue	279,684	323,232
Total operating revenues	<u>587,718</u>	<u>712,723</u>
Operating Expenses		
General and administrative expenses	433,020	451,134
Distributions to Santa Fe Community College	299,614	270,400
Total operating expenses	<u>732,634</u>	<u>721,534</u>
Operating (loss)	<u>(144,916)</u>	<u>(8,811)</u>
Nonoperating revenues		
Investment (loss) income, net	(52,498)	48,886
Transfer in from Education Foundation of Santa Fe	-	1,384,811
Total nonoperating revenues	<u>(52,498)</u>	<u>1,433,697</u>
(Loss) income before contributions to permanent endowments	<u>(197,414)</u>	<u>1,424,886</u>
Contributions to permanent endowments		
Transfer in from Education Foundation of Santa Fe	-	2,161,485
Donations	87,382	263,771
	<u>87,382</u>	<u>2,425,256</u>
Change in net assets	(110,032)	3,850,142
Net assets, beginning of year	<u>5,257,893</u>	<u>1,407,751</u>
Net assets, end of year	<u><u>\$ 5,147,861</u></u>	<u><u>5,257,893</u></u>

See Notes to Financial Statements.

GROW SANTA FE COMMUNITY COLLEGE FOUNDATION
(A COMPONENT UNIT OF SANTA FE COMMUNITY COLLEGE)
STATEMENTS OF CASH FLOWS
Years Ended June 30, 2009 and 2008

	2009	2008
Cash Flows From Operating Activities		
Cash received from donors	\$ 305,354	94,300
Cash received from the Education Foundation of Santa Fe	-	191,130
Cash paid to beneficiaries and vendors	(393,332)	(95,488)
Net cash used (provided) by operating activities	<u>(87,978)</u>	<u>189,942</u>
Cash Flows from Noncapital Financing Activities		
Cash received from donors for permanent endowments	87,382	263,771
Cash received from the Education Foundation of Santa Fe	600,000	3,546,296
Net cash provided by noncapital financing activities	<u>687,382</u>	<u>3,810,067</u>
Cash Flows From Investing Activities		
Purchase of investments	(4,748,868)	(4,375,087)
Redemption of investments	4,089,036	1,350,000
Net cash used by investing activities	<u>(659,832)</u>	<u>(3,025,087)</u>
Net (decrease) increase in cash and cash equivalents	(60,428)	974,922
Cash and cash equivalents at beginning of year	<u>564,988</u>	<u>211,211</u>
Cash and cash equivalents at end of year	<u><u>\$ 504,560</u></u>	<u><u>564,988</u></u>
Cash Flows From Operating Activities		
Operating loss	\$ (144,916)	(8,811)
Adjustments to reconcile operating loss to net cash used by operating activities		
Donation of artwork	-	(10,325)
Realized and unrealized losses (gains) on investments	124,776	(8,184)
Receivables (operating only)	(40,207)	767
Due to Santa Fe Community College	(27,631)	216,495
Net cash used by operating activities	<u><u>\$ (87,978)</u></u>	<u><u>189,942</u></u>

See Notes to Financial Statements.

**GROW SANTA FE COMMUNITY COLLEGE FOUNDATION
(A COMPONENT UNIT OF SANTA FE COMMUNITY COLLEGE)
NOTES TO FINANCIAL STATEMENTS
June 30, 2009**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Activities. GROW Santa Fe Community College Foundation (GROW) is formed to encourage, solicit, receive, and administer gifts and bequests of real and personal property and funds for scientific, educational, public service, and charitable purposes for the advancement and benefit of Santa Fe Community College and its objectives and, to that end (a) to take and to hold, either absolutely or in trust for any limitations and conditions imposed by law or the instrument under which received; (b) to sell, lease, convey, and dispose of any such property, to invest and re-invest any proceeds and other funds, and to deal with and expend the principal and income for any purpose herein authorized; (c) to act as trustee; and (d) in general, to exercise any, all, and every power, including trust powers, which a nonprofit organized under the laws of New Mexico for the foregoing purposes can be authorized to exercise.

Under the Memorandum of Agreement with the College, the College will (1) assign staff to service the administrative needs of GROW; (2) provide liability insurance for GROW's officers and Board members; (3) provide suitable office and meeting space; (4) pay the cost of reasonable utilities, maintenance and repairs, property insurance, and any other reasonable physical facility support services; (5) provide certain reasonable administration support services; and (6) provide, at no cost to GROW, reasonable information technology processing and support, including acquisition of appropriate hardware and software.

GROW is a nonprofit organization as described in Section 501(c)(3) and 509(a)(3) of the Internal Revenue Code and is exempt from federal and state income taxes.

GROW meets the criteria under GASB No. 39 to qualify as a component unit of the Santa Fe Community College. GROW financial statements are discretely presented in the Santa Fe Community College audit report. GROW has no component units.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation. As a component unit of the Santa Fe Community College, GROW prepared its financial statements in accordance with the accounting disclosure and reporting requirements under Governmental Accounting Standards Board (GASB) pronouncements, as GROW meets the criteria of a governmental entity. GROW has no component units, related organizations, joint ventures, or jointly governed organizations. GROW's financial statements are reported using a flow of economic resources measurement focus and the full accrual basis of accounting. Accordingly, revenues are recognized when they are earned and expenses are recognized as soon as the liability is incurred.

GROW SANTA FE COMMUNITY COLLEGE FOUNDATION
(A COMPONENT UNIT OF SANTA FE COMMUNITY COLLEGE)
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

GROW has the option to apply all Financial Accounting Standards Board (FASB) pronouncements issued after November 30, 1989, unless FASB conflicts with GASB. GROW has elected not to apply FASB pronouncements issued after the applicable date.

Cash and Cash Equivalents. GROW considers all highly liquid investments with a maturity of less than three months when purchased to be cash equivalents. At year end, GROW considers the amounts invested in the master repurchase agreement with Wells Fargo Bank of be cash equivalents.

Allowance for Doubtful Accounts. GROW uses the direct write-off method in recognizing uncollectible pledges receivable. Under this method, pledges are charged to operations when they are deemed by management to be uncollectible.

Investments. The investments policy allows GROW to invest its portfolio in equities, fixed-income, alternative investments, and other investment strategies to maintain sufficient liquidity to meet projected (or budgeted) distribution requirements. Alternative investments at June 30, 2009 carried in GROW's financial statements include hedge funds.

Collections. GROW maintains works of art and similar assets that are (a) held for public exhibition, and education in furtherance of public service rather than financial gain, (b) protected, kept unencumbered, cared for, and preserved, and (c) subject to an organizational policy that requires the proceeds of items that are sold to be used to acquire other items for collections.

Operating Revenues. Operating revenues include activities that have the characteristics of exchange transactions such as unrestricted donations. Revenue on contracts and grants are recognized to the extent that the underlying exchange transaction has occurred.

Nonoperating Revenues. Nonoperating revenues include activities that have the characteristics of nonexchange transactions, such as gifts and contributions and other revenue sources that are defined as nonoperating revenues by GASB Statement No. 9 *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting* and GASB Statement No. 34, such as investment income. Gifts and contributions are recognized when all applicable eligibility requirements have been met.

GROW SANTA FE COMMUNITY COLLEGE FOUNDATION
(A COMPONENT UNIT OF SANTA FE COMMUNITY COLLEGE)
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

Contributions of donated noncash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation are recorded as general and administrative expenses in the accompanying financial statements.

Contributed Facilities and Services. Contributed Facilities and Services represent the estimated fair rental value of office space and general corporate services provided. Contributed facilities are provided on a month-to-month basis. Contributed services are recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Contributed services are recorded as in-kind expense, and are included with the general and administrative expenses in the accompanying financial statements.

Estimates. The preparation of financial statements in conformity with generally accepted accounting principles requires the use of management's estimates.

Income Taxes. Income taxes are not provided for in the financial statements since GROW is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and similar state provisions. The Organization is not classified as a private foundation.

Net Assets. Unrestricted net assets represent resources whose use is not limited or restricted by donors. Unrestricted net assets have arisen from exchange transactions and receipt of unrestricted contributions. Restricted net assets represent those operating funds on which external restrictions have been imposed that limit the purposes for which such funds can be used. Restricted expendable net assets are resources that the GROW is legally or contractually obligated to spend in accordance with imposed restrictions by third parties, such as donors. When an expense is incurred that can be paid using either restricted or unrestricted resources, GROW's policy is to first apply the expense towards restricted resources, and then towards unrestricted resources.

Reclassifications. Certain reclassifications were made to 2008 information to conform to 2009 presentation.

**GROW SANTA FE COMMUNITY COLLEGE FOUNDATION
(A COMPONENT UNIT OF SANTA FE COMMUNITY COLLEGE)
NOTES TO FINANCIAL STATEMENTS
June 30, 2009**

NOTE 2. CASH AND INVESTMENTS

As of June 30, 2009, GROW's deposits were exposed to custodial credit risk as follows:

Insured	\$ 40,000
Uninsured and collateralized with securities held in the financial institution's name	464,560
Uninsured and uncollateralized	-
Cash and cash equivalents per financial statements	<u>\$ 504,560</u>

At June 30, 2009, GROW had an overnight yield repurchase agreement in the amount of \$464,559 with a one-day maturity. GROW's policy does not require pledged collateral from its Bank.

A summary of GROW's bank balances at June 30, 2009 follows:

Description	Bank	Balance per Bank
Operating account – overnight repurchase agreement	Wells Fargo Bank	\$ 464,560
Operating account – checking	Wells Fargo Bank	40,000
Total amount deposited in bank		504,560
FDIC coverage		(40,000)
Total uninsured funds – overnight repurchase agreement		<u>\$ 464,560</u>

A summary of investments at June 30, 2009 and 2008 follows:

	2009		2008	
	Cost	Fair Value	Cost	Fair Value
Certificates of deposit	\$ -	-	380,000	383,364
Individual Bonds	-	-	200,000	197,367
Money Market Mutual Funds	1,115,683	1,115,683	3,479,041	3,479,041
Equities Mutual Fund	609,163	520,203	-	-
Bond Mutual Fund	1,013,763	1,065,037	-	-
Hedge Funds	1,950,000	1,862,910	-	-
	<u>\$ 4,688,609</u>	<u>4,563,833</u>	<u>4,059,041</u>	<u>4,059,772</u>

GROW SANTA FE COMMUNITY COLLEGE FOUNDATION
(A COMPONENT UNIT OF SANTA FE COMMUNITY COLLEGE)
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 2. CASH AND INVESTMENTS (CONTINUED)

Components of investment return (loss):	2009	2008
Interest and dividend income	\$ 67,456	57,052
Net realized (losses) gains	4,822	(7,153)
Net unrealized (losses) gains	<u>(124,776)</u>	<u>(1,013)</u>
Total	<u>\$ (52,498)</u>	48,886

Custodial Credit Risk. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, GROW will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party.

A summary of the Investments held by GROW at June 30, 2009 and GROW's exposure to custodial credit risk is as follows:

Custodial Credit Risk

<u>Investment Type</u>	<u>Custodian</u>	<u>Fair Value</u>
Money Market Mutual Funds	Fidelity Investments	\$ 1,115,683
Equities Mutual Fund	Pershing Investments	520,203
Bond Mutual Fund	Fidelity Investments	<u>1,065,037</u>
		<u>2,700,923</u>
Alternative Investments		
Hedge Funds	Caledonian	646,355
Hedge Funds	Goldman Sachs	<u>1,216,555</u>
		<u>1,862,910</u>
		<u>\$ 4,563,833</u>

Concentration of Credit Risk – Investments. Concentration risk is the risk of loss attributed to the magnitude of GROW's investment in a single issuer. Investments in any one issuer that represents 5% or more of total investments are considered to be exposed to concentrated credit risk and are required to be disclosed. Investments issued and explicitly guaranteed by the U. S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this requirement. There were no investments in a single issuer that represents 5% or more of total investments at June 30, 2009 and 2008.

GROW SANTA FE COMMUNITY COLLEGE FOUNDATION
(A COMPONENT UNIT OF SANTA FE COMMUNITY COLLEGE)
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 2. CASH AND INVESTMENTS (CONTINUED)

Interest Rate Risk - Investments. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Currently, GROW does not have a policy to limit its exposure to interest rate risk. There were no investments held by GROW exposed to interest rate risk as of June 30, 2009 and 2008.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. GROW does not have a policy on investment credit risk.

NOTE 3. DETAIL OF DEPOSIT AND INVESTMENT ACCOUNTS

Name of Bank/Broker	Account Type	Balance per Bank Statement	Reconciled Balance per Books
Deposit Accounts			
Wells Fargo	Deposit Account	\$ 40,000	40,000
Wells Fargo	Repurchase Agreement	464,560	464,560
		<u>\$ 504,560</u>	<u>504,560</u>
Investment Accounts			
1 st Santa Fe Wealth Advisors	Equities Mutual Fund	\$ 520,203	520,203
1 st Santa Fe Wealth Advisors	Bond Mutual Fund	1,065,037	1,065,037
1 st Santa Fe Wealth Advisors	Hedge Funds	1,862,910	1,862,910
1 st Santa Fe Wealth Advisors	Money Market Funds	1,115,683	1,115,683
	Total	<u>\$ 4,563,833</u>	<u>4,563,833</u>

GROW SANTA FE COMMUNITY COLLEGE FOUNDATION
(A COMPONENT UNIT OF SANTA FE COMMUNITY COLLEGE)
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 4. NONGIFT REVENUE

GROW has recorded the estimated value of contributed goods and services received from various sources as nongift revenue and expense. GROW has received nongift revenue of \$279,684 and \$323,232 from the College for years ended June 30, 2009 and 2008, respectively. The following is a summary of the classification of nongift revenue.

	2009	2008
Art and equipment	\$ 54,455	54,102
Salaries and benefits	133,246	169,774
Contract services	32,327	5,906
Bookkeeping and financial aid services	42,078	54,345
Facilities use	3,246	5,764
Supplies and other expenses	<u>14,332</u>	<u>33,341</u>
Total	<u>\$ 279,684</u>	<u>323,232</u>

NOTE 5. SETTLEMENT AGREEMENT

The Settlement Agreement, signed on June 6, 2005 with the Foundation for the Santa Fe Community College (subsequently renamed as The Education Foundation of Santa Fe) (Education Foundation), required the Education Foundation to transfer certain assets to GROW. At June 30, 2009 and 2008, the Education Foundation had transferred cumulative assets with a fair market value of \$4,337,426 and \$3,737,426, respectively, to GROW. At June 30, 2009, there were no remaining funds to be transferred to GROW from the Education Foundation.

**Report on Internal Control Over Financial Reporting
and On Compliance and Other Matters Based on an
Audit of Financial Statements Performed in Accordance
With *Government Auditing Standards***

Board of Directors
The GROW Santa Fe Community College Foundation and
Mr. Hector Balderas
New Mexico State Auditor

We have audited the basic financial statements of the GROW Santa Fe Community College Foundation (Foundation), a component unit of the Santa Fe Community College, as of and for the year ended June 30, 2009 and have issued our report thereon dated November 14, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

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

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

Board of Directors
The GROW Santa Fe Community College Foundation and
Mr. Hector Balderas
New Mexico State Auditor

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Foundation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board of Directors, Management, the State Auditor and is not intended to be, and should not be used by anyone other than these specified parties.

Moss Adams LLP

Albuquerque, New Mexico
November 14, 2009

**GROW SANTA FE COMMUNITY COLLEGE FOUNDATION
(A COMPONENT UNIT OF SANTA FE COMMUNITY COLLEGE)
SCHEDULE OF FINDINGS AND RESPONSES
June 30, 2009**

Prior Year Findings

None

Current Year Findings

None

**GROW SANTA FE COMMUNITY COLLEGE FOUNDATION
(A COMPONENT UNIT OF SANTA FE COMMUNITY COLLEGE)
EXIT CONFERENCE
Year Ended June 30, 2009**

The contents of this report were discussed in an exit conference held on November 11, 2009.

Representing GROW Santa Fe Community College Foundation:

Ms. Heidi Tilton, President
Ms. Jean Marquardt, Executive Director
Dr. Sheila Ortego, President, Santa Fe Community College
Gilda Espinoza, Associate Vice President for Finance and Administration

Representing Moss Adams LLP

Scott Eliason, Partner
Therese M. Sears, Supervisor

The financial statements were prepared with the assistance of Moss Adams LLP from the books and records of the GROW Santa Fe Community College Foundation.