



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

FINANCIAL STATEMENTS

JUNE 30, 2011

MOSS ADAMS_{LLP}

Certified Public Accountants | Business Consultants

Acumen. Agility. Answers.

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(A COMPONENT UNIT OF SANTA FE COMMUNITY COLLEGE)

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

Official Roster

June 30, 2011

Board of Directors

Larry Cheek	President
Heidi Tilton	Vice President
Jeff Case	Treasurer
Randy Grissom	Secretary
Richard A. Abeles	Member
Rachel Belash	Member
Gay Dillingham	Member
Robert Glick	Member
Rosemary Palazzi Mulcahy	Member
Tom Schwab	Member
Baryalai K. Shalizi	Member
Nancy Witter	Member

Administrative Personnel

Deborah Boldt	Executive Director
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Report of Independent Auditors

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, 2011 and 2010 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 audits provide 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, 2011 and 2010 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, 2011, 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 4 through 7 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.

Mess Adams LLP

Albuquerque, New Mexico
November 14, 2011

**GROW SANTA FE COMMUNITY COLLEGE FOUNDATION
(A COMPONENT UNIT OF SANTA FE COMMUNITY COLLEGE)
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2011**

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, 2011, 2010, and 2009, 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 non-operating revenues of GROW. The Statement of Cash Flows provides information about the sources and uses of cash by 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, 2011**

Condensed Financial Information

	2011	2010	2009
Current Assets	\$ 6,107,409	5,282,458	5,108,600
Long-Term Assets	<u>470,311</u>	<u>470,311</u>	<u>470,311</u>
Total Assets	<u>\$ 6,577,720</u>	<u>5,752,769</u>	<u>5,578,911</u>
Current Liabilities	<u>\$ 484,492</u>	<u>446,420</u>	<u>431,050</u>
Net Assets			
Unrestricted	1,041,642	775,598	694,390
Restricted expendable	2,230,307	1,769,584	1,722,865
Restricted unexpendable	<u>2,821,279</u>	<u>2,761,167</u>	<u>2,730,606</u>
Total net assets	<u>6,093,228</u>	<u>5,306,349</u>	<u>5,147,861</u>
Total liabilities and net assets	<u>\$ 6,577,720</u>	<u>5,752,769</u>	<u>5,578,911</u>
Operating Revenue			
Donations	\$ 786,314	217,057	389,491
Nongift revenue	<u>203,240</u>	<u>393,030</u>	<u>279,684</u>
Total operating revenue	<u>989,554</u>	<u>610,087</u>	<u>587,718</u>
Operating Expenses			
General and administrative	257,917	397,854	433,020
Distributions to College	<u>431,765</u>	<u>415,826</u>	<u>299,614</u>
Total operating expenses	<u>689,682</u>	<u>813,680</u>	<u>732,634</u>
Operating Income (Loss)	<u>299,872</u>	<u>(203,593)</u>	<u>(144,916)</u>
Non-operating Revenue			
Investment (loss) income, net	426,895	331,520	(52,488)
Contributions to permanent endowment	<u>60,112</u>	<u>30,561</u>	<u>87,382</u>
	<u>487,007</u>	<u>362,081</u>	<u>34,894</u>
Change in net assets	786,879	158,488	(110,032)
Net assets, beginning of year	<u>5,306,349</u>	<u>5,147,861</u>	<u>5,257,893</u>
Net assets, end of year	<u>\$ 6,093,228</u>	<u>5,306,349</u>	<u>5,147,861</u>

**GROW SANTA FE COMMUNITY COLLEGE FOUNDATION
(A COMPONENT UNIT OF SANTA FE COMMUNITY COLLEGE)
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2011**

Financial Analysis

The balance sheet discloses information on assets, liabilities and net assets. GROW's total assets at June 30, 2011 of \$6,577,720 exceeded total liabilities of \$484,492, yielding total net assets of \$6,093,228. The total net assets showed an increase of approximately 15% for the 2011 fiscal year. The primary factor contributing to this net increase is an increase in donations and investment income. GROW's total assets at June 30, 2010 of \$5,752,769 exceeded total liabilities of \$446,420 yielding total net assets of \$5,306,349. Total net assets showed an increase of 3% for the 2010 fiscal year. Factors contributing to these increases were primarily due to increases in investment income. Liabilities increased from \$446,420 at June 30, 2010 to \$484,492 at June 30, 2011. Liabilities went from \$431,050 at June 30, 2009 to \$446,420 at June 30, 2010.

At June 30, 2011, the major portion of GROW's assets is its investments (71%) followed by cash (22%) and art collections (7%). The net increase in fair value of investments for fiscal year 2011 amounted to \$354,722, which was greater than the previous year's net increase of \$125,592. Total investment income for 2011 was \$426,895 and 2010 total investment income was \$331,520.

Total operating revenues of \$989,554 were recorded at June 30, 2011. Nonoperating revenues were \$426,895. Total revenues increased 66% from the prior year, largely due to the increase in donations and investment income. Total operating revenues of \$610,087 were recorded at June 30, 2010. Non-operating revenues were \$331,520 at June 30, 2010.

Total operating expenses for fiscal year 2011 were \$689,682, which represented a 15% decrease in spending from the prior year. These decreases were primarily due to a decrease in general and administrative expenses. Total operating expenses for fiscal year 2010 were \$813,680, which represented a 11% increase in spending from 2009.

**GROW SANTA FE COMMUNITY COLLEGE FOUNDATION
(A COMPONENT UNIT OF SANTA FE COMMUNITY COLLEGE)
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2011**

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, 2011 and 2010**

ASSETS

	2011	2010
Current Assets		
Cash and cash equivalents	\$ 1,435,501	995,767
Receivables, net	-	2,166
Investments	<u>4,671,908</u>	<u>4,284,525</u>
Total current assets	<u>6,107,409</u>	5,282,458
Other Assets		
Artwork collections	<u>470,311</u>	<u>470,311</u>
Total assets	<u>\$ 6,577,720</u>	<u>5,752,769</u>

LIABILITIES AND NET ASSETS

Current Liabilities		
Due to Santa Fe Community College	<u>\$ 484,492</u>	<u>446,420</u>
Contingencies		
Net Assets		
Unrestricted	1,041,642	775,598
Restricted, expendable	2,230,307	1,769,584
Restricted, unexpendable	<u>2,821,279</u>	<u>2,761,167</u>
Total net assets	<u>6,093,228</u>	5,306,349
Total liabilities and net assets	<u>\$ 6,577,720</u>	<u>5,752,769</u>

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, 2011 and 2010

	2011	2010
Operating Revenues		
Donations	\$ 786,314	217,057
Nongift revenue	197,144	366,053
Other revenues	6,096	26,977
Total operating revenues	<u>989,554</u>	<u>610,087</u>
Operating Expenses		
General and administrative expenses	257,917	397,854
Distributions to Santa Fe Community College	431,765	415,826
Total operating expenses	<u>689,682</u>	<u>813,680</u>
Operating income (loss)	<u>299,872</u>	<u>(203,593)</u>
Nonoperating revenues		
Investment income, net	426,895	331,520
Total nonoperating revenues	<u>426,895</u>	<u>331,520</u>
Income before contributions to permanent endowments	<u>726,767</u>	<u>127,927</u>
Contributions to permanent endowments		
Donations	60,112	30,561
	<u>60,112</u>	<u>30,561</u>
Change in net assets	786,879	158,488
Net assets, beginning of year	<u>5,306,349</u>	<u>5,147,861</u>
Net assets, end of year	<u><u>\$ 6,093,228</u></u>	<u><u>5,306,349</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, 2011 and 2010

	2011	2010
Cash Flows From Operating Activities		
Cash received from donors	\$ 792,410	282,075
Cash paid to beneficiaries and vendors	<u>(452,300)</u>	<u>(432,257)</u>
Net cash provided (used) by operating activities	<u>340,110</u>	<u>(150,182)</u>
Cash Flows from Noncapital Financing Activities		
Cash received from donors for permanent endowments	<u>60,112</u>	30,561
Net cash provided by noncapital financing activities	<u>60,112</u>	<u>30,561</u>
Cash Flows From Investing Activities		
Purchase of investments	<u>(808,849)</u>	(55,694)
Redemption of investments	382,167	460,594
Interest and dividend income	66,331	59,918
Gain on investments	<u>399,863</u>	<u>146,010</u>
Net cash provided by investing activities	<u>39,512</u>	<u>610,828</u>
Net increase in cash and cash equivalents	439,734	491,207
Cash and cash equivalents at beginning of year	<u>995,767</u>	504,560
Cash and cash equivalents at end of year	<u>\$ 1,435,501</u>	<u>995,767</u>
Cash Flows From Operating Activities		
Operating income (loss)	\$ 299,872	(203,593)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Receivables	2,166	38,041
Due to Santa Fe Community College	<u>38,072</u>	<u>15,370</u>
Net cash provided (used) by operating activities	<u>\$ 340,110</u>	<u>(150,182)</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, 2011**

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 509(a)(1) 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, 2011**

**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.

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, 2011 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.

Classification of Revenues. GROW has classified its revenues as either operating or nonoperating according to the following criteria:

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, 2011**

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

When both restricted and unrestricted resources are available for use, generally it is GROW's policy to use the restricted resources first.

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

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.

**GROW SANTA FE COMMUNITY COLLEGE FOUNDATION
(A COMPONENT UNIT OF SANTA FE COMMUNITY COLLEGE)
NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

NOTE 2. CASH AND INVESTMENTS

As of June 30, 2011, GROW's deposits were exposed to custodial credit risk as follows:

Insured	\$ 1,435,501
Uninsured and collateralized with securities held in the financial institution's name	-
Uninsured and uncollateralized	-
Total bank balance	<u>\$ 1,435,501</u>

A summary of GROW's bank balances at June 30, 2011 follows:

Description	Bank	Balance per Bank
Operating account – checking	Wells Fargo Bank	\$ 495,983
Restricted account – checking	Wells Fargo Bank	<u>939,509</u>
Total amount deposited in bank		1,435,501
FDIC coverage		<u>(1,435,501)</u>
Total uninsured funds		<u>\$ -</u>

A summary of investments at June 30, 2011 and 2010 follows:

	<u>2011</u>		<u>2010</u>	
	Cost	Fair Value	Cost	Fair Value
Money Market Mutual Funds	\$ 446,603	446,603	377,233	377,233
Equities Mutual Fund	1,161,809	1,385,983	727,719	776,954
Bond Mutual Fund	1,625,523	1,741,485	1,289,136	1,315,466
Hedge Funds	<u>1,040,884</u>	<u>1,097,837</u>	1,835,060	1,814,872
	<u>\$ 4,274,819</u>	<u>4,671,908</u>	4,229,148	4,284,525

**GROW SANTA FE COMMUNITY COLLEGE FOUNDATION
(A COMPONENT UNIT OF SANTA FE COMMUNITY COLLEGE)
NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

NOTE 2. CASH AND INVESTMENTS (CONTINUED)

Components of investment return:	2011	2010
Interest and dividend income	\$ 66,331	59,918
Net realized gains	5,842	146,010
Net unrealized gains	<u>354,722</u>	<u>125,592</u>
Total	<u>\$ 426,895</u>	<u>331,520</u>

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, 2011 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	\$ 446,603
Equities Mutual Fund	Fidelity Investments	714,126
Equities Mutual Fund	Pershing Investments	671,857
Bond Mutual Fund	Fidelity Investments	<u>1,741,485</u>
		<u>3,574,071</u>
Alternative Investments		
Hedge Funds	Caledonian	557,275
Hedge Funds	Goldman Sachs	<u>540,562</u>
		<u>1,097,837</u>
		<u>\$ 4,671,908</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, 2011 and 2010.

**GROW SANTA FE COMMUNITY COLLEGE FOUNDATION
(A COMPONENT UNIT OF SANTA FE COMMUNITY COLLEGE)
NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

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, 2011 and 2010.

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	\$ 495,983	495,983
Wells Fargo	Restricted Deposit Account	<u>939,518</u>	<u>939,518</u>
		<u>\$ 1,435,501</u>	<u>1,435,501</u>
Investment Accounts			
1st Santa Fe Wealth Advisors	Equities Mutual Fund	\$ 1,385,983	1,385,983
1st Santa Fe Wealth Advisors	Bond Mutual Fund	1,741,485	1,741,485
1st Santa Fe Wealth Advisors	Hedge Funds	1,097,837	1,097,837
1st Santa Fe Wealth Advisors	Money Market Funds	<u>446,603</u>	<u>446,603</u>
	Total	<u>\$ 4,671,908</u>	<u>4,671,908</u>

**GROW SANTA FE COMMUNITY COLLEGE FOUNDATION
(A COMPONENT UNIT OF SANTA FE COMMUNITY COLLEGE)
NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

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 \$197,144 and \$366,053 from the College for years ended June 30, 2011 and 2010, respectively. The following is a summary of the classification of nongift revenue.

	2011	2010
Art and equipment	\$ -	118,568
Salaries and benefits	85,437	176,555
Bookkeeping and financial aid services	61,962	61,962
Facilities use	3,246	3,246
Supplies and other expenses	<u>46,499</u>	<u>5,722</u>
Total	<u>\$ 197,144</u>	<u>366,053</u>

**Report of Independent Auditors 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, 2011 and have issued our report thereon dated November 14, 2011. 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

Management of the Foundation is responsible for establishing and maintaining effective internal controls 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 *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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Foundation's financial statements will not be prevented, or detected and corrected on a timely basis.

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

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, 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.

Mess Adams LLP

Albuquerque, New Mexico
November 14, 2011

**GROW SANTA FE COMMUNITY COLLEGE FOUNDATION
(A COMPONENT UNIT OF SANTA FE COMMUNITY COLLEGE)
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
June 30, 2011**

2010-01	Bank Reconciliations Not Reviewed	Resolved
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**GROW SANTA FE COMMUNITY COLLEGE FOUNDATION
(A COMPONENT UNIT OF SANTA FE COMMUNITY COLLEGE)
SCHEDULE OF FINDINGS AND RESPONSES
June 30, 2011**

Current Year Findings

None

**GROW SANTA FE COMMUNITY COLLEGE FOUNDATION
(A COMPONENT UNIT OF SANTA FE COMMUNITY COLLEGE)
EXIT CONFERENCE
Year Ended June 30, 2011**

The contents of this report were discussed in an exit conference held on November 9, 2011.

Representing GROW Santa Fe Community College Foundation:

Mr. Larry Cheek, President
Ms. Deborah Boldt, Executive Director
Ms. Betsye Ackerman, SFCC Controller
Ms. Diane McElligatt, Financial Director, Payroll & Foundation Services

Representing Moss Adams LLP:

Scott Eliason, Partner
Tom Downey, In-Charge

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.