

Memorandum

To: Santa Fe Board of County Commissioners

From: Teresa C. Martinez, Finance Director

Via: Katherine Miller, County Manager

Date: August 30, 2011

Re: *Financial report for the month ending 07/31/2011*

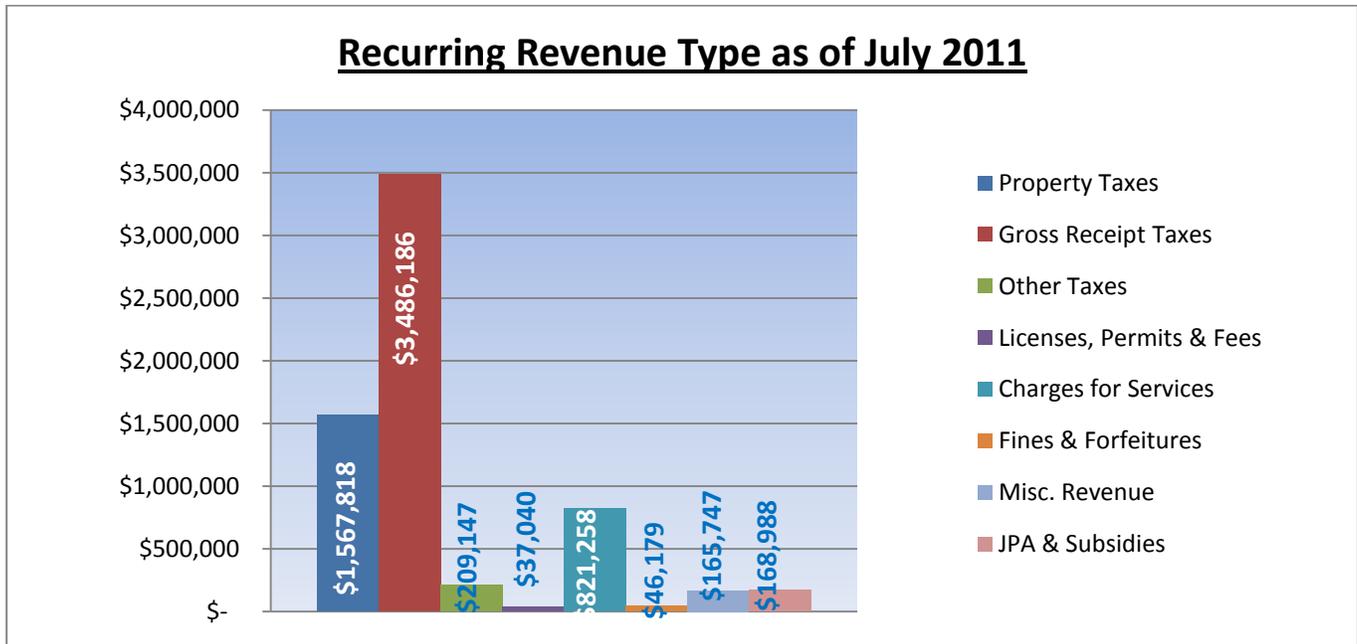
ISSUE:

Enclosed is a report summarizing the financial activities of the County through the month ending July 31, 2011.

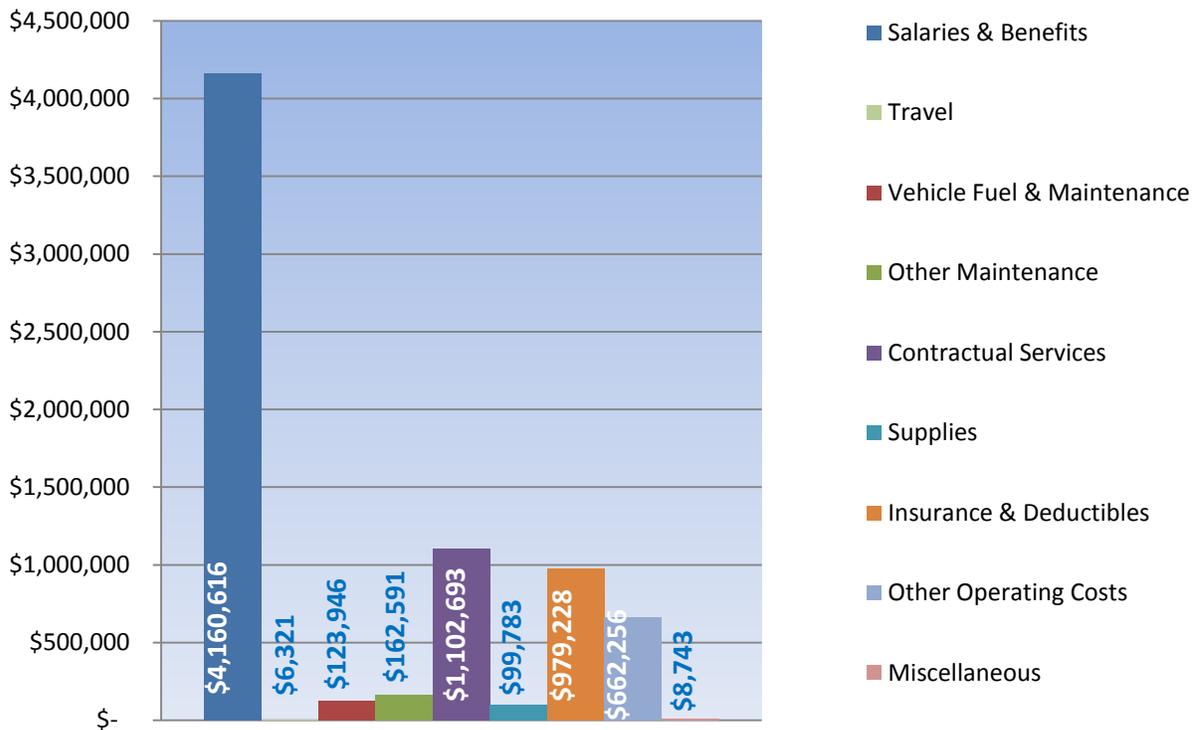
BACKGROUND:

This is the first attempt at comparing revenues and expenditures on a recurring versus non-recurring basis. The monthly report will still highlight major revenue sources and provide detail relative to the County's major funds. Below are several charts that 1) identify the recurring revenue sources, 2) the recurring expenditures and 3) a comparison of the two side by side.

RECURRING VERSUS NON-RECURRING



Recurring Expenditure as of 07/31/2011



Recurring Revenues versus Recurring Expenditures

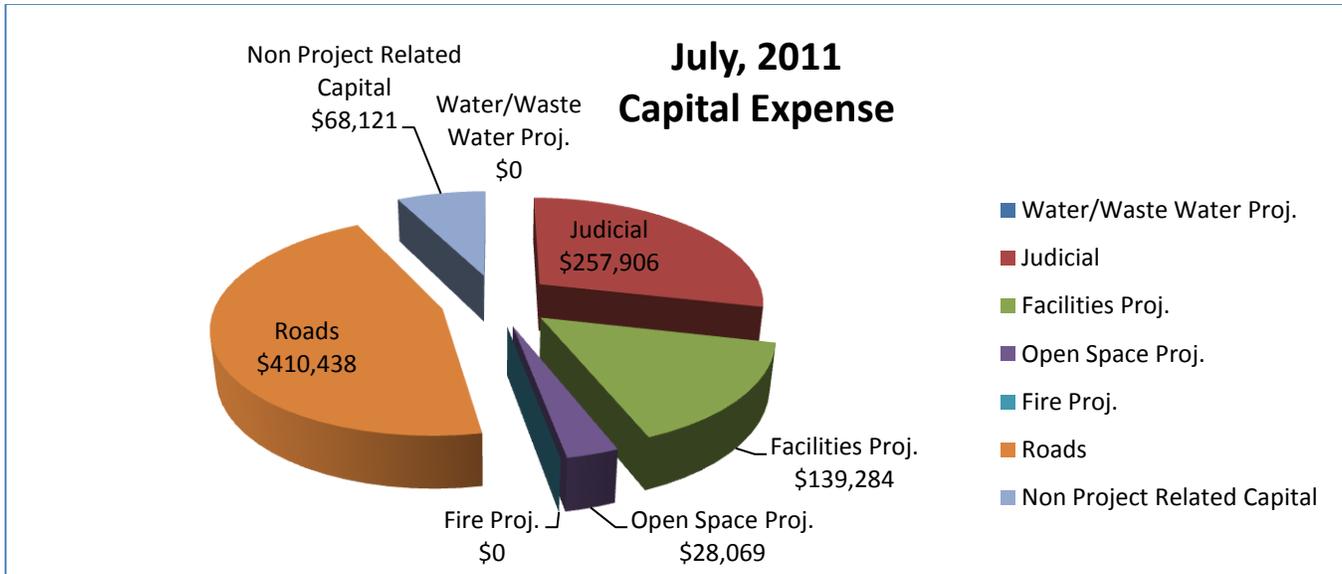


As noted in the above chart, for the month of July, the expenditures of \$7.3 million exceeded the revenues of \$6.5 million by \$800,000. It is important to note that some revenues are cyclical in nature and are collected later in the fiscal year. For example, the property tax collections materialize at their highest levels in the December/January and May/June time periods. The FY 2012 budget has forecasted that a total of \$22.3 million and \$12.7 million will be collected respectively for the high collection periods. (The blue line noted on the chart below indicates the budgeted amounts by month). Major expenditures such as salary/benefits, maintenance and utilities are consistent from month to month regardless of the revenue collections. In order

to ensure that the budget is intact, finance staff reviews the monthly budget status expenditure reports to ensure that there are no areas of concern. Additionally, the mid-year reviews are used as a tool to control such expenditures and ensure that sufficient budget authority is met to complete the fiscal year.

NON-RECURRING EXPENDITURES

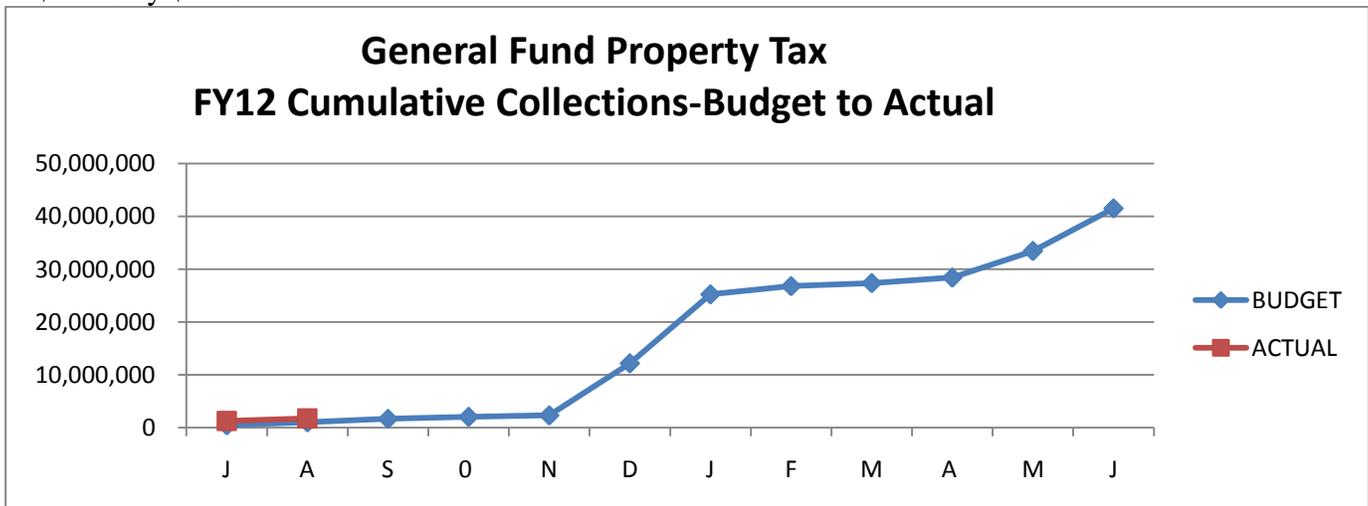
The chart below focuses on the capital expenditures incurred in the month of July 2011. The chart is broken down by project category. Non-project related expenditures reflect purchases of equipment. Capital expenditures are non-recurring expenditures funded by non-recurring sources. Such sources include bond proceeds, special appropriations and grants.



Also included for your information are the charts reflecting major revenue sources and collections July 31, 2011 and August 31, 2011.

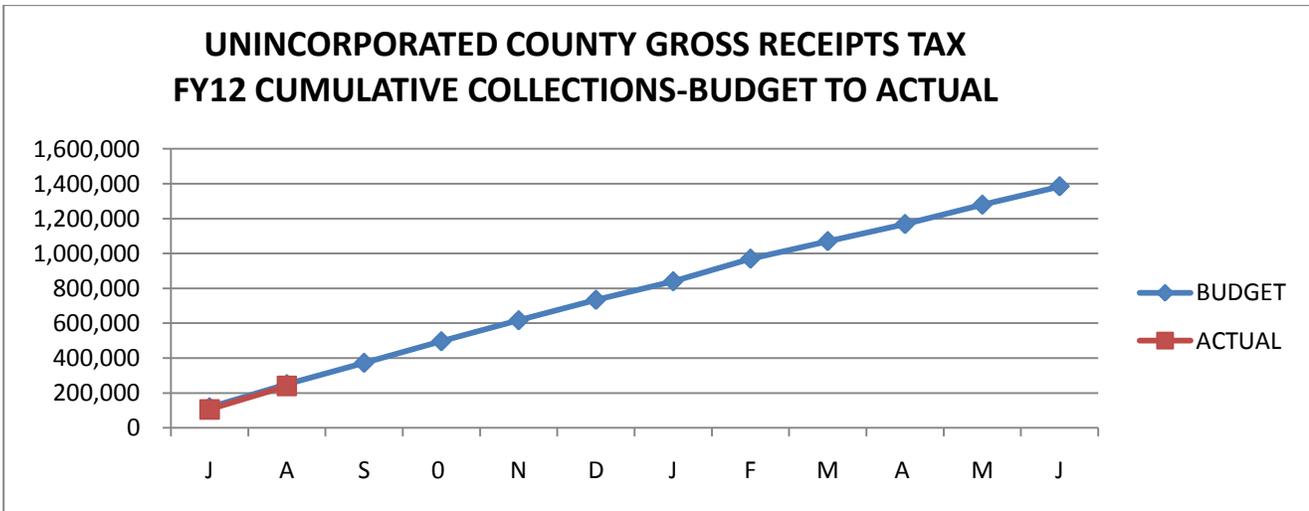
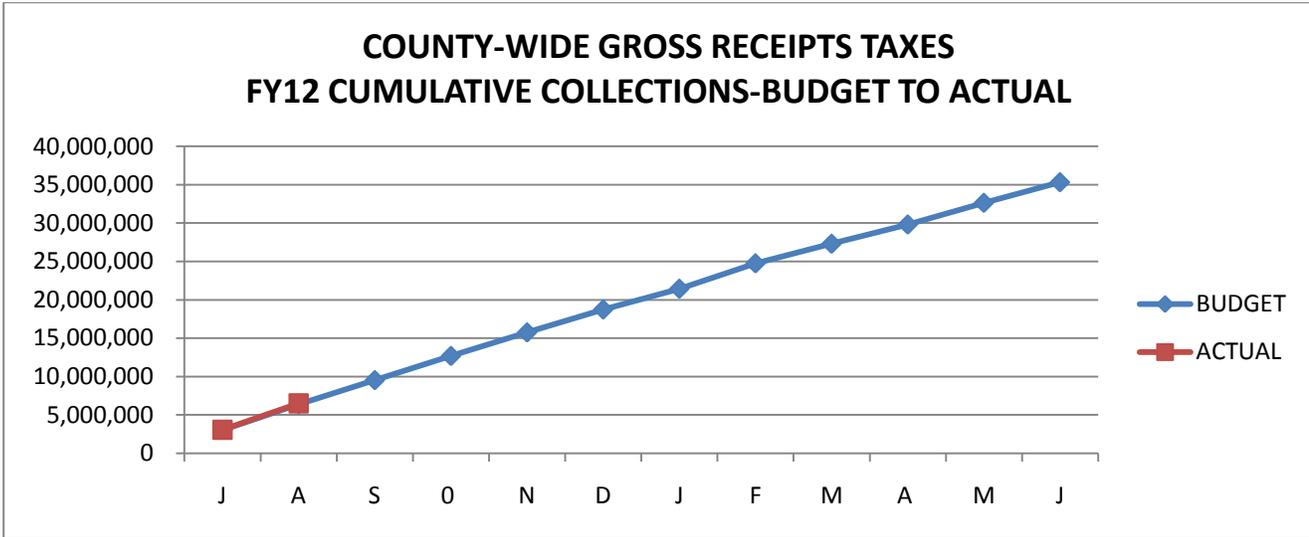
REVENUE:

Actual property tax collections of \$1.3 million through the end of July exceed the projected budget of \$461K by \$807K. The property tax collections of \$482K through the end of August fell under the budgeted amount of \$555K by \$73K.



Cumulatively, both the county-wide and the unincorporated gross receipt taxes collected through July total \$3.2M and through August total \$3.6M and are \$116K greater than the cumulative budgeted amount of \$6.6M.

Lastly, the unincorporated GRT collections fell under budget for both July and August by \$9,872. In FY 2012, the unincorporated GRT's were forecasted with a 13% downturn and we are hopeful that the forecasted downturn is sufficient. There are still small amounts of money, mainly penalty and interest, relative to delinquent collections for the sunsetted Fire Excise Tax totaling \$5,700.



UPDATE ON FY 2012 BUDGET CUTS:

The budget cuts made by both management and the BCC have continued as of the last financial report to the Board. These cuts included the frozen positions, smart buying concept, restructured satellite offices, etc. The FY 2012 budget contemplated a fairly flat revenue (versus the reduced revenue in each of the past two years) based upon FY 2011 performance and other indicators that the local economy has leveled out. Some small cuts were made to the FY 2012 operational budgets of programs funded entirely or supported by the general fund or budgets that are reliant upon gross receipt taxes as the primary revenue source. These small

budget reductions referred to as “sanding” the budget, was across-the-board and yielded a reduction of \$330K.

SUMMARY:

The challenges of the last three years have not disappeared but are loosening their hold. However, this does not mean that we will become complacent. We will continue to work collaboratively with the community, other local governments and staff to address the ever changing needs of Santa Fe County and its residents and we will continue to seek innovative ways to conduct the business of government as cost effectively and productively as possible.

Lastly, during this fiscal year the County will be developing and implementing a priority-driven, results-accountable budgeting methodology for future fiscal years beginning with FY 2013. This will be a huge undertaking and will require the cooperation and support of the public, governing body, management and staff. Through this process the County will determine which programs and functions are the most important to the citizens of Santa Fe County and will allocate funds in order to achieve those priority results.