



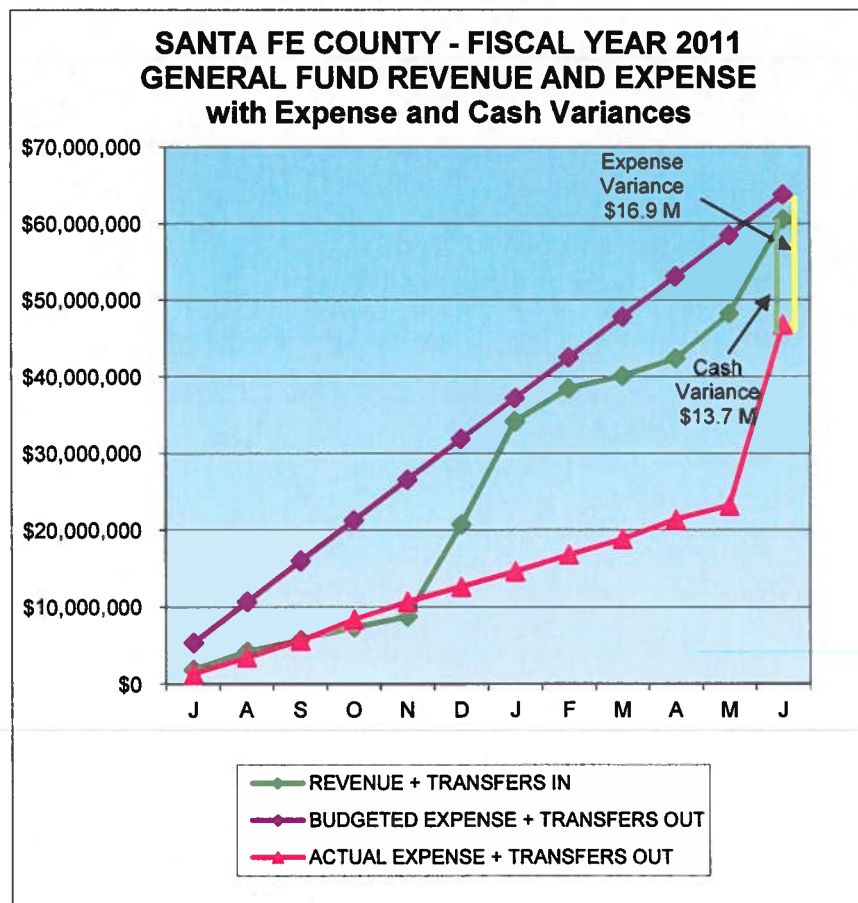
SANTA FE COUNTY
FISCAL YEAR 2012 BUDGET

FUND LEVEL SUMMARIES
CASH POSITION

DERIVATION OF CASH POSITION

Revenues and expenses generate two budget variances. The typical expense variance equals *budgeted* expense less *actual* expense. The expense variance in the General Fund in Fiscal Year 2011 was \$16.9M. Santa Fe County spent \$1.1M less than budgeted for salaries and benefits, and \$15.8M less than budgeted for services, materials and capital in Fiscal Year 2011. Of the \$12.0M, \$5M was set aside as a recessionary contingency to offset any emergency capital expenses needed or catastrophic declines in revenue collections which, fortunately, did not happen. Additionally \$1.3M of the \$2.5M budgeted for the Judicial Complex construction but was not expended because of delays caused by the environmental clean-up, efforts on the site. A total of \$3.8M in outstanding encumbrances will roll over into a "prior year budget" in FY 2012.

The other variance is a cash variance which is *actual* revenue less *actual* expense (including expenses resulting from prior year encumbrances carried forward to the new fiscal year). A positive cash variance adds to the cash balance for the fund. Likewise a negative cash variance reduces the cash balance for the fund. If budgeted revenue does not materialize and expenses exceed actual revenue a negative variance will occur. This scenario did occur in the General Fund in FY 2009 and FY 2010. Tracking the cash variance on a monthly basis gives insight as to cash flow. In December and January, property taxes are collected, bringing year to date revenues and expenses in line and providing cash for investments. In May and June, a 'second half' property collection also provides a boost to revenues. The overall cash position of a fund is the July 1 cash position plus the year-to-date calculated cash variance.

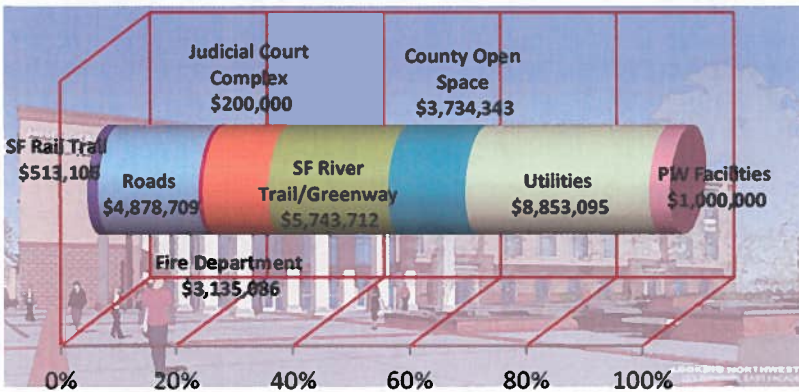


SANTA FE COUNTY
FISCAL YEAR 2012 BUDGET



FUND LEVEL SUMMARIES
CASH POSITION
BUDGETED CASH

FY 2012 CASH UTILIZATION FOR CAPITAL PROJECTS



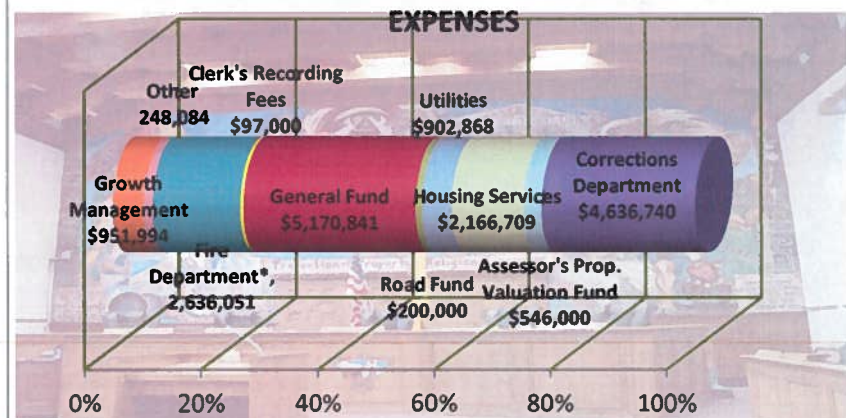
public works projects, \$6.5M is for community services projects (parks and open space, and \$1.3M for utilities projects. Some smaller amounts were budgeted from cash carried over from grants or other funds which are used for capital projects.

The majority of the cash in Santa Fe County's budget is carryover money for capital projects from bond proceeds or from cash accumulated in the capital outlay GRT fund. Approximately \$20.2M in budgeted cash for FY 2012 is for bond funded projects and \$7.9M in budgeted cash is for capital outlay gross receipts tax funded projects. Of the bond proceeds \$5.9M is for public works projects (including solid waste projects), \$3.5M is for community services projects (parks and recreation and open space), \$3.1M for Fire Department projects, \$0.2M for the Judicial Court Complex and \$7.5M for Utilities projects. Of the capital outlay GRT \$0.1M is for

The General Fund is budgeted with approximately \$5.2M in cash, an increase in budgeted cash of about \$0.7M from FY 2011. This increase was the result of adding certain one-time expenses to the FY 2012 budget specifically increases for the asset renewal and replacement schedule.

Beginning in FY 2009 and continuing through the FY 2012 budget the County has been struggling to combat the "great recession" by a variety of cost cutting measures. The hope of the County's governing body and management has been to reduce budgets in a manner that will result in a minimal impact to staff. As of the FY 2012 budget, this hope has been realized but not without an impact to the cash reserves. The cash reserves have historically been allowed to accumulate in order to sustain County operations through economic downturns. In FY 2011 these "rainy day" funds were tapped. In FY 2012 the amount of cash reserves used significantly decreased. Further, much of the cash used for operating is for non-recurring expenditures such as asset renewal and replacement and contracts for one-time services. Still, realizing that cash reserves will eventually deplete, during FY 2012 the Board of County Commissioners will be reviewing program priorities and potentially re-defining its vision of "core government" which will be used as a road map for the FY 2013 budget.

FY 2012 CASH UTILIZATION FOR OPERATING EXPENSES



* Fire Department expenses include funding for one-time purchases of apparatus, equipment and \$2 million for Fire Station improvements and land acquisition.