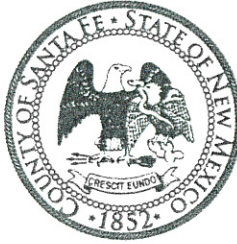


Henry P. Roybal
Commissioner, District 1

Anna Hansen
Commissioner, District 2

Robert A. Anaya
Commissioner, District 3



Anna T. Hamilton
Commissioner, District 4

Ed Moreno
Commissioner, District 5

Katherine Miller
County Manager

MEMORANDUM

DATE: October 31, 2017

To: Santa Fe Board of County Commissioners

From: Erika Lovato, Budget Administrator
Tony Flores, Deputy County Manager

Via: Katherine Miller, County Manager

RE: **Financial Report for the Quarter Ending September 30, 2017**

ISSUE

The following is a report summarizing the financial activities of the Santa Fe County for the first quarter of the fiscal year 2018 (July1-September 30).

BACKGROUND

The information presented in this report represents revenues and expenditures across all funds and specifics on general fund and property tax. On June 27, 2017, the Board of County Commissioners (BCC) approved the County's fiscal year 2018 Budget. Revenues and expenditures are presented exclusive of transfers and are unaudited figures.

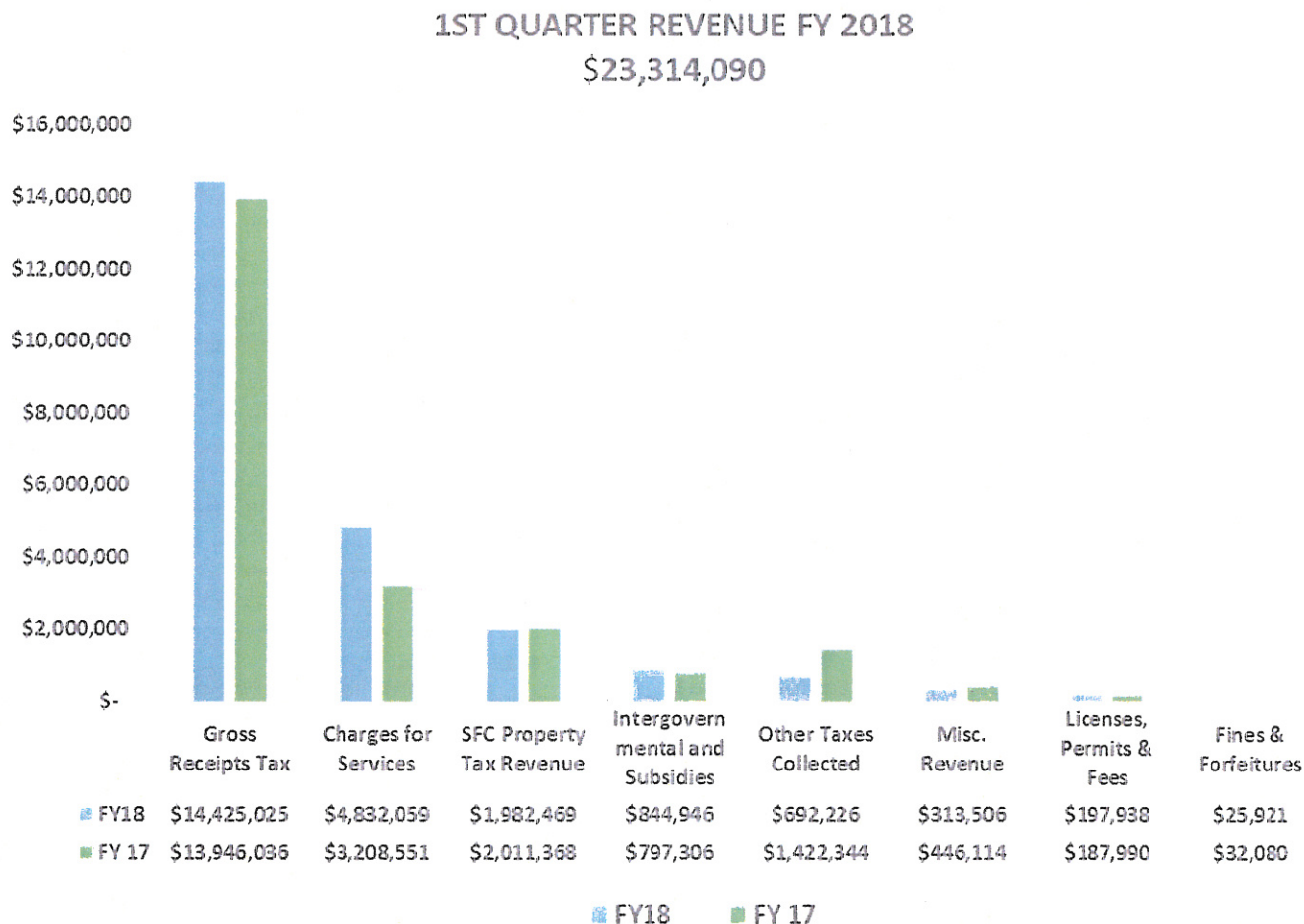
ALL FUNDS REVENUE AND EXPENDITURES

ALL FUNDS- REVENUE

The first quarter of fiscal year 2018 shows total revenue collected across all Santa Fe County funds totalling \$23,314,090. Total Revenue is comprised of taxes, fees, fines, grants, JPA, subsidies and misc revenue sources. The total revenue collected in this first quarter of 2018 exceeded fiscal year 2017 for the same quarter by \$1.2M, which equates to a 5.7% increase in collected revenues. One

area that showed a decrease in revenues was the “other tax” category, this is due to the equalization tax being paid during the first quarter in 2017 and for FY 2018 this was paid in the second quarter. During this first quarter there was a bond sale that was approved by voters in November 2016. The total proceeds from the bond sale was \$23,174,325, this amount is not included in the total revenue amount due to it’s non recurring nature.

The graph below contains the category listing along with the total revenues for both FY18 vs FY17.



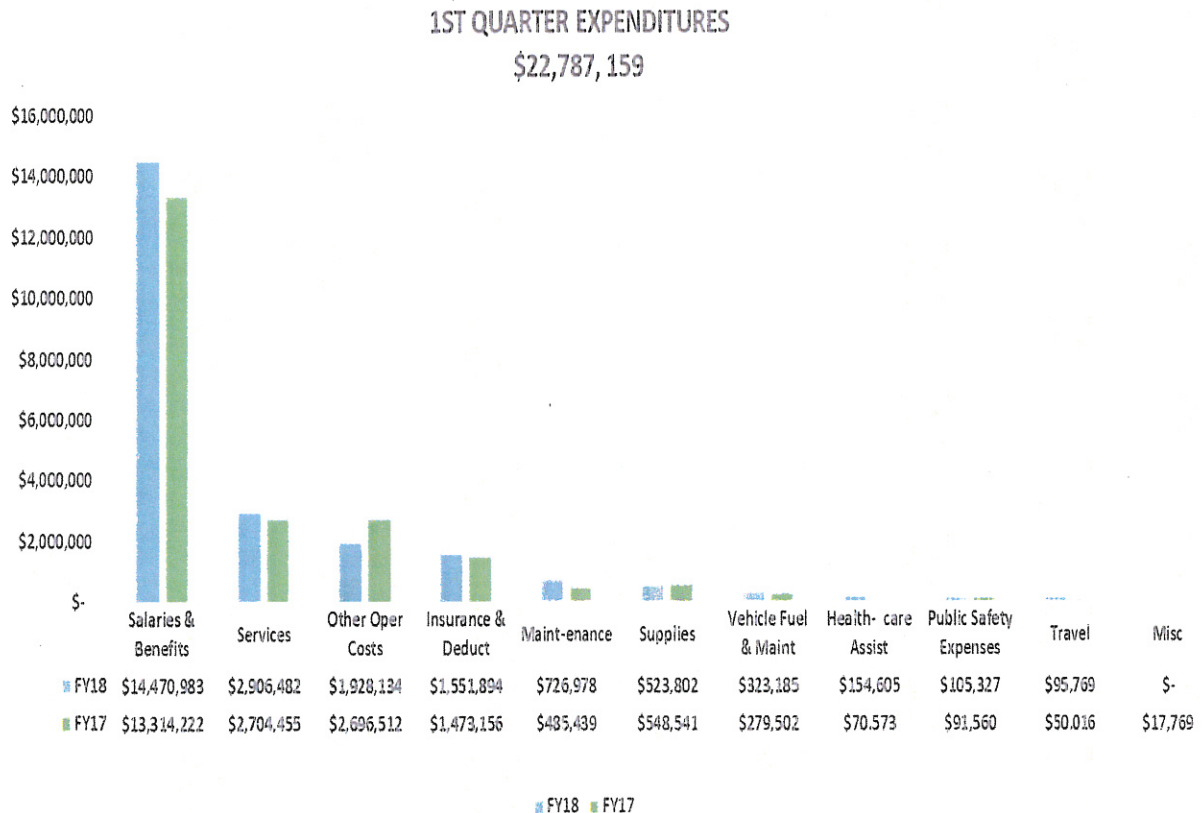
ALL FUNDS- EXPENDITURES

Santa Fe County expenditures for the first quarter of fiscal year 2018 totalled \$37,300,252. Non Recurring costs in the total include

- Election expenses \$22 K
- Capital purchases \$2.57 M
- Subsidies \$20 K (down payment assistance)
- Debt Service \$11.89 M.

With those expense categories removed, total recurring disbursements in FY18 were \$22,787,159. Expenditures increased overall by \$1.05 M which equates to a 4.85% increase. There were some areas which showed less expenditures such as operational costs and supplies, but the main contributor to the increase over FY 17 is the 1.1 M increase in payroll. This difference is due to the fact that two payroll period expenses for FY 17 were expensed in FY 16 which reduced the amount expensed for the first quarter of FY 2017. This method is called split batch and occurs when the workweek falls in the prior fiscal year.

The following graph illustrates total recurring expenditures by expense category for FY18 vs FY17.

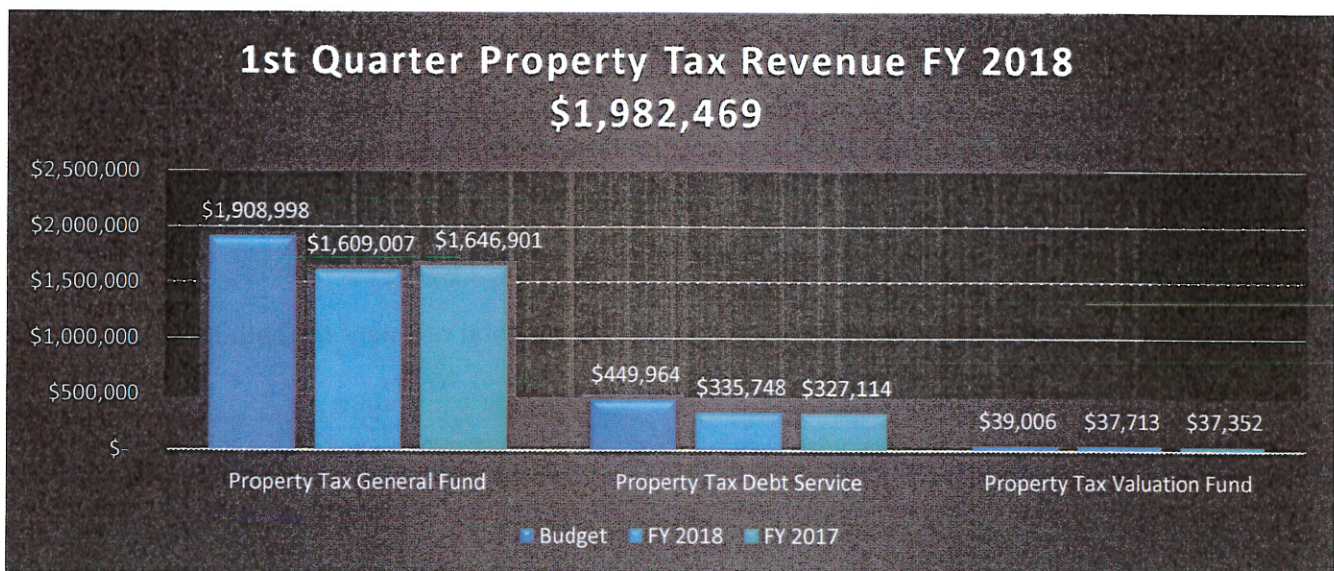


PROPERTY TAX AND GROSS RECEIPTS TAX

PROPERTY TAX- GENERAL FUND AND DEBT SERVICE

Property tax revenue received for the first quarter of FY18 totaled \$1.98M (this includes current property tax, past due tax, penalties and interest). There are three components to the revenue received from property tax; 1. general fund property tax, 2. Debt service property tax and 3. a 1% property valuation fee. The first quarter revenue is equal to 28K less than the same period in FY2017. Collection of property taxes is currently at 97.3691%, which is lower than last year which was at 98.7197%. The largest months of property tax collections occur in during the months of January, June, and December which correlates with the release date of property tax bills and their respective due dates.

The following chart reflects the property taxes collected in the general fund, debt service and property valuation fund . The chart includes FY18 budget and actual collections with the FY17 actuals included for comparison.



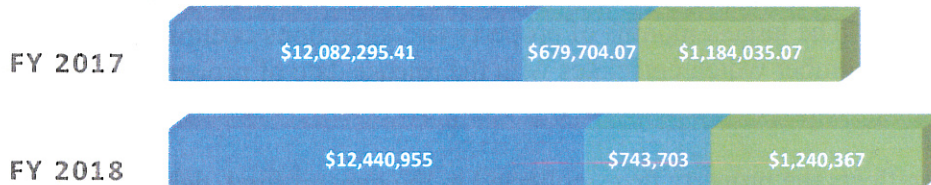
GROSS RECEIPTS TAX REVENUE - ALL FUNDS

Total Gross Receipts Tax includes 12 increments, 9 of which are imposed in the incorporated area which includes both city and county and three are imposed in the unincorporated area (just Santa Fe County). For the first quarter of FY 2018, a total of 14.4M was collected in gross receipts tax (GRT). The Regional Transit GRT increment is collected however, it is a “pass-through” to the Regional Transit Authority. Incorporated and unincorporated GRT recognized a 422K increase over FY 2017. According to the NM Taxation and Revenue Department GRT sales reports, there was a small increase in sales (1.3%) over last year for the same period.

The following chart represents Gross Receipts Tax Collections for the incorporated, unincorporated and the Regional Transit increment (pass-through).

GROSS RECEIPTS TAX REVENUE 1ST QUARTER FY2018 \$14,425,026

■ Incorporated ■ Unincorporated ■ RTD

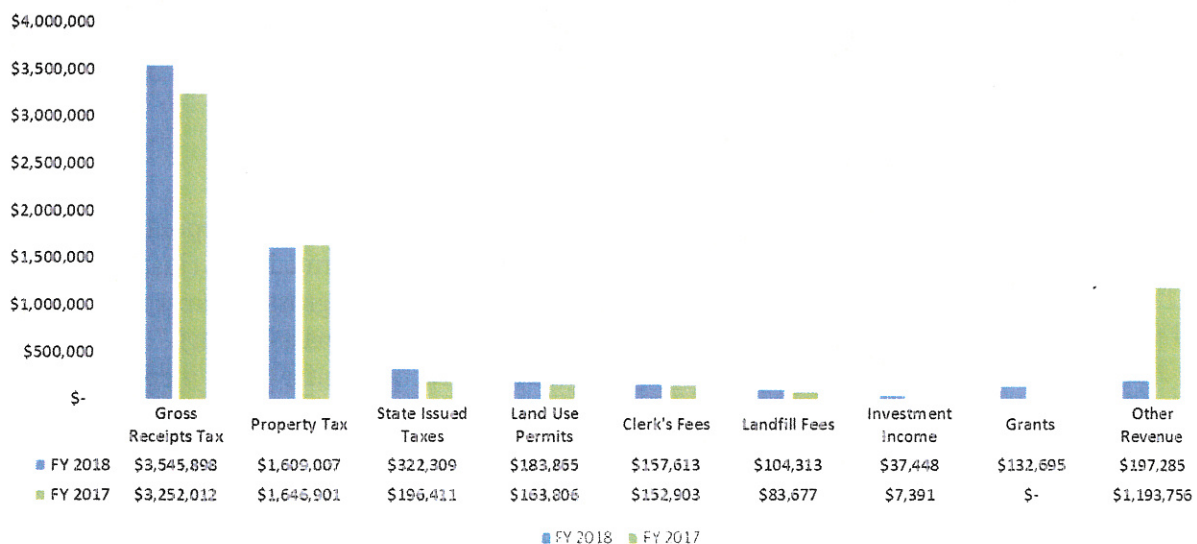


GENERAL FUND REVENUE AND EXPENDITURES

The information and graph below summarizes all revenue received in the Santa Fe county general fund in the first quarter of FY18. In the general fund, the county collected a total of \$6,290,433. This figure is inclusive of taxes, fees, grants, as well as the incoming operating transfers. The first quarter amount is \$406K less was collected in FY2017 due to the equalization payment from Taxation and Revenue being made in the first quarter last fiscal year and the second quarter for FY 2018.

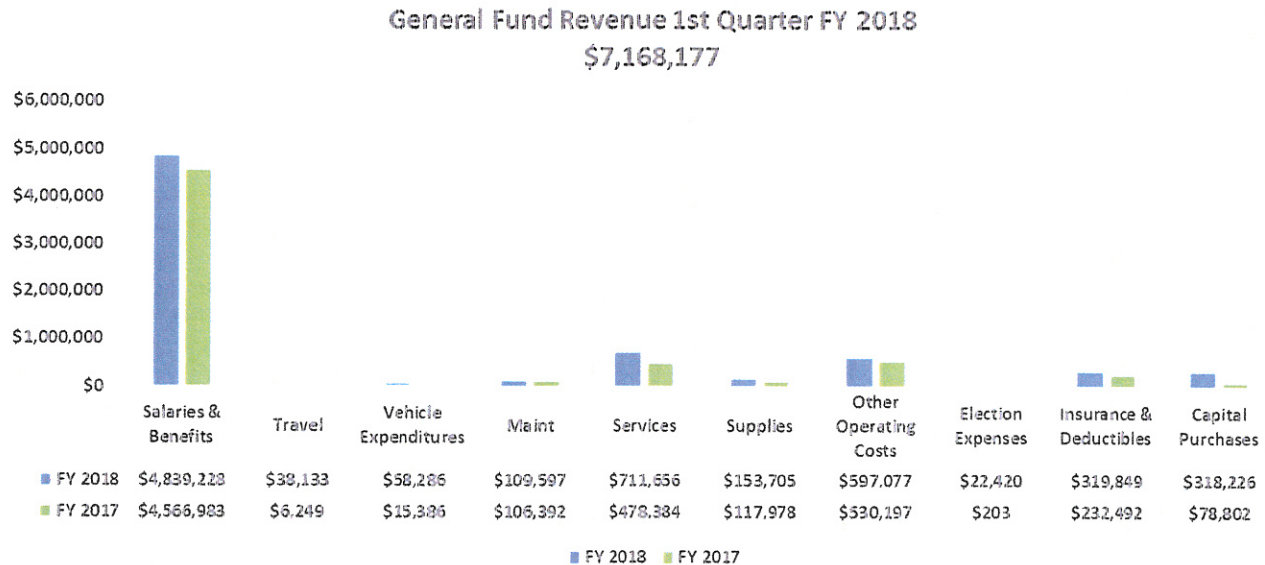
The graph below contains the category listing along with the total revenues for both FY18 and FY17 for the first quarter of FY 2018.

General Fund Revenue 1st Quarter FY 2018 \$6,290,433



GENERAL FUND EXPENDITURES

The following chart reflects general fund expenditures for the first quarter of FY 2018. general fund expenditures totaled \$7,168,177. In comparison to FY17, expenditures in FY18 grew by \$1.04M or 16.88% (FY17 \$6,133,066 vs. FY18 \$7,168,177). The primary categories that increased expenditures have grown year over year were; Salaries and Benefits \$272K, Services \$233K, and Capital Purchases \$239K.



SUMMARY

Overall revenues and expenditures are both showing a slight increase over actuals from fiscal year 2017 (5.7% and 4.85% respectively). Property tax is coming in slightly underbudget and will be monitored monthly. Mill rates have been released and tax bills are being generated for the current property tax cycle. Exenditures showed slightly higher due to the timing of payroll distributions from the prior fiscal year, all other expenditures are showing an overall flat distribution over fy 2017.

Currently finance staff is working with our external auditor to complete the annual audit and test work will be conducted the week of October 30, 2017. The FY 2017 audit and CAFR will be completed and submitted to the State Auditor by the deadline of December 1, 2017.

