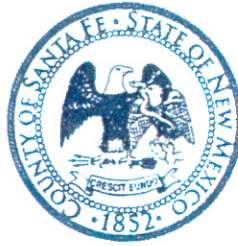


Henry P. Roybal
Commissioner, District 1

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: May 29, 2018

To: Santa Fe County Board of County Commissioners

From: Stephanie Schardin Clarke, Finance Director 

Via: Katherine Miller, County Manager

RE: Financial Report for the Month Ending April 30, 2018

ISSUE

The following report summarizes the financial activities of Santa Fe County (SFC) through the end of April 2018, Fiscal Year 2018 (July 1, 2017 through April 30, 2018).

BACKGROUND

This report presents unaudited revenue and expenditure results across all funds, including details on the general fund, gross receipts tax revenues, and property tax revenues. Revenues and expenditures are presented exclusive of transfers. Overall, recurring revenues are up \$7.3 million, or 6.5%, over the previous fiscal year due primarily to growth in charges for services (self-insurance) and tax collections. Recurring expenditures increased \$3.7 million, or 4.4%, due to salaries and benefits.

RECURRING REVENUES

Through April 30th of Fiscal Year 2018, revenue collections across all SFC funds totaled \$120.1 million. Total revenue is comprised of taxes, fees, fines, grants, joint powers agreement receipts, subsidies and miscellaneous revenue sources. Total revenue collected through April 30, 2018 exceeded Fiscal Year 2017 for the same period by \$7.3 million, a 6.5% increase.

See the table below for detailed comparison of year-over-year revenue results.

	FY17 YTD	FY18 YTD	Difference	Percent Change
SFC Property Tax Revenue	\$ 44,216,078	\$ 47,363,605	\$ 3,147,527	7.1%
Gross Receipts Tax	45,877,134	47,819,599	1,942,465	4.2%
Charges for Services	13,271,573	16,557,846	3,286,273	24.8%
Other Taxes Collected	3,004,108	3,053,614	49,506	1.6%
Intergovernmental and Subsidies	3,041,205	2,803,613	(237,592)	-7.8%
Misc. Revenue	2,484,914	1,453,833	(1,031,081)	-41.5%
Licenses, Permits & Fees	590,960	795,747	204,787	34.7%
Fines & Forfeitures	303,830	265,056	(38,774)	-12.8%
Total Recurring Revenue	\$ 112,789,802	\$ 120,112,913	\$ 7,323,111	6.5%

Year to date revenues reported for Fiscal Years 2017 and 2018 have been restated slightly compared to previous Finance Division reports due to data accumulation errors in the previous data collection method. Total revenue for Fiscal Year 2017 was reduced by \$168,276 as a result of the restatement of \$177,878 in charges for services. For Fiscal Year 2018, charges for services and interagency and subsidies revenues were reduced by \$1.8 million and \$191,634, respectively, while miscellaneous revenue was increased by \$509,693 resulting in a reduction to total revenue for Fiscal Year 2018 of \$1.5 million.

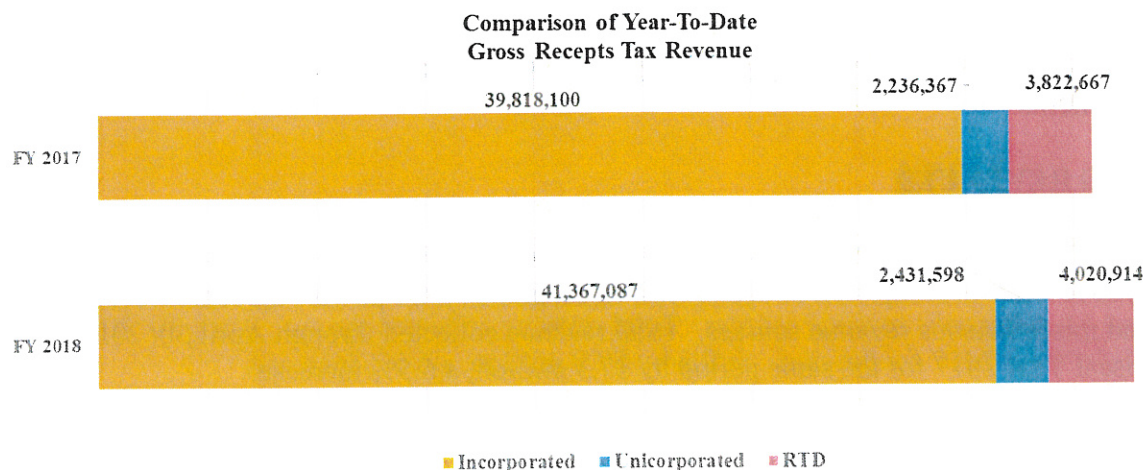
Gross Receipts Tax:

Gross receipts tax collections totaled \$47.8 million through April 30th of Fiscal Year 2018, an increase of \$1.9 million (4.2 %) over the previous fiscal year. In Fiscal Year 2018, Santa Fe County enacted and began to realize a new gross receipts tax increment in the period ending March 31, 2018.

Total gross receipts tax includes 13 increments, 10 of which are imposed in the incorporated area, including both city and county, and three of which are imposed only in the unincorporated area.

Fiscal year-to-date collections include \$4.0 million collected as a “pass through” for the Regional Transit District (RTD).

The following chart presents year-over-year comparison of gross receipts tax collections for the incorporated area of SFC, the unincorporated area of SFC, and the RTD pass-through increment.

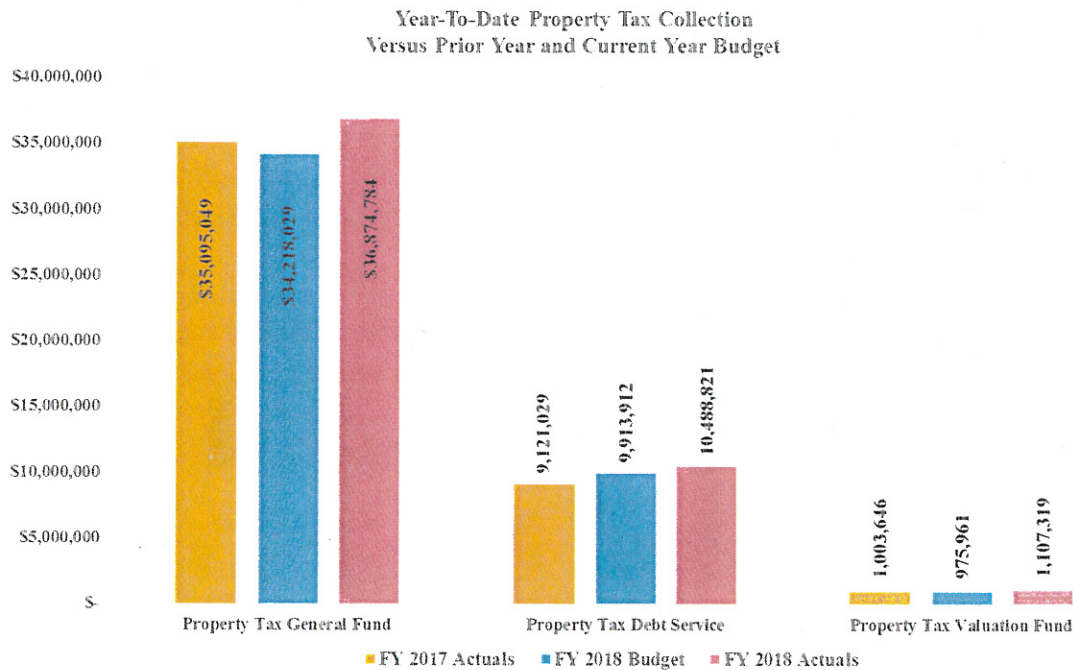


Property Tax:

Through April 30th of Fiscal Year 2018, property tax revenue collections were \$47.4 million (excluding the Property Valuation Fund), \$3.1 million higher than the same period in the previous fiscal year, an increase of 7.1%.

Collection of property taxes is currently \$3.2 million above budget for Fiscal Year 2018. The largest months of property tax collections occur during the months of January, June, and December, which correlate with tax due dates.

Revenue received from property tax goes to the general fund, to pay debt service on General Obligation Bonds, and to the property valuation fund. The following chart presents a year-over-year comparison of these components, as well as comparison to budgeted amounts for Fiscal Year 2018.



Other Revenues:

Charges for Services totaled \$16.6 million through April 30th of Fiscal Year 2018, up \$3.3 million, or 24.8%, over the same period last year. This increase is the result of SFC's self insurance charges.

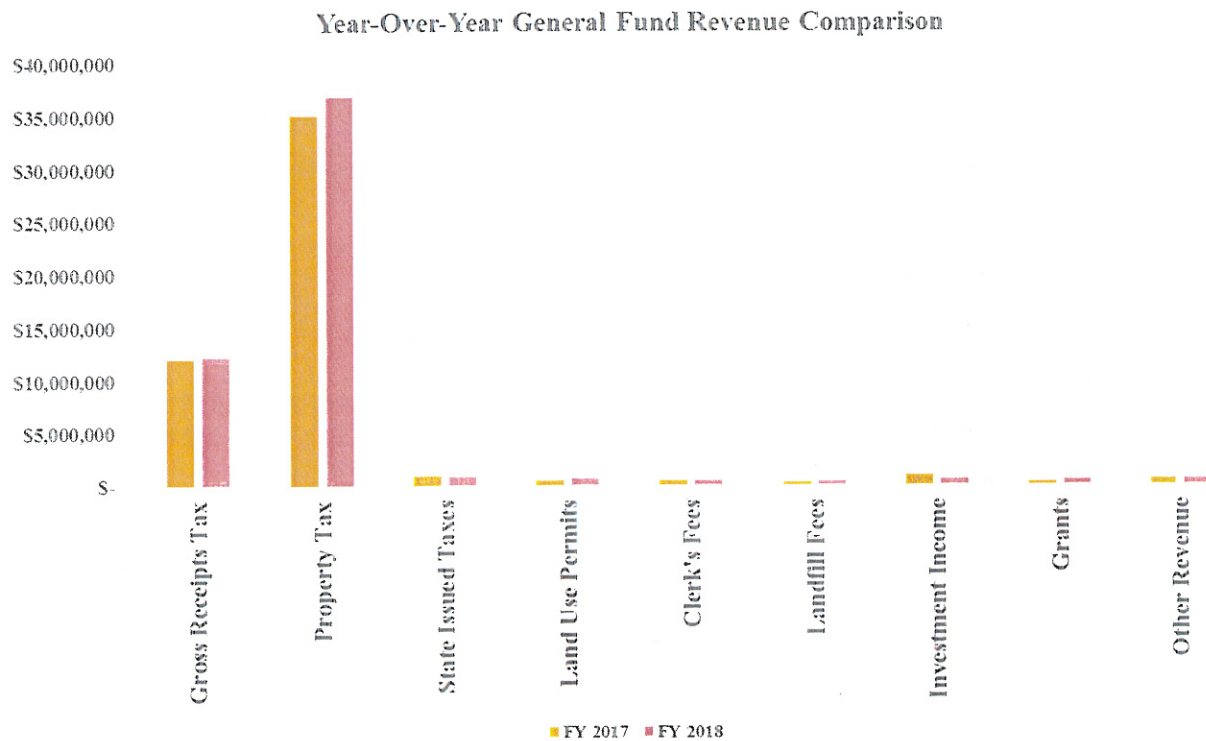
Miscellaneous revenue decreased by \$1.0 million, or 41.5%, over the same period of the prior fiscal year. This decrease is due to a delay in reconciling a portion of investment earnings revenue, attributable up to the period ending April 30, 2018. Once the reconciliation is completed, this large decrease in miscellaneous revenue is expected to abate.

The General Obligation Bond sale proceeds of \$22.2 million received by SFC in September 2017 are excluded from this revenue presentation due to the non-recurring nature of that revenue.

GENERAL FUND REVENUES

Of the \$120.1 million total revenues collected through April 30th of Fiscal Year 2018, \$53.1 million was general fund revenue. General fund revenue through April 30th of Fiscal Year 2018 was \$1.9 million above the amount collected in the same period of Fiscal Year 2017. The largest increase for the reporting period ending April 30th, 2018 over the same period in Fiscal Year 2017, was property tax, up \$1.8 million.

The graph below presents a comparison of Fiscal Year 2018 and Fiscal Year 2017 year-to-date general fund revenue collections.



RECURRING EXPENDITURES

Total recurring expenditures through April 30th of Fiscal Year 2018 were \$89.0 million, an increase of \$3.7 million, or 4.4%, compared to the same period of the previous fiscal year.

The following table presents total recurring expenditures by expense category.

	FY17 YTD	FY18 YTD	Difference	Percent Change
Salaries & Benefits	\$ 52,637,397	\$ 58,426,625	\$ 5,789,228	11.0%
Services	10,489,017	10,162,177	(326,840)	-3.1%
Other Operating Costs	8,618,061	7,818,123	(799,938)	-9.3%
Insurance & Deductibles	4,510,088	4,158,949	(351,139)	-7.8%
Healthcare Assistance Programs	3,199,977	2,709,768	(490,209)	-15.3%
Supplies	1,978,775	2,091,142	112,367	5.7%
Maintenance	2,113,327	1,772,375	(340,952)	-16.1%
Vehicle Fuel & Maintenance	1,254,620	1,310,049	55,429	4.4%
Public Safety Expenses	288,906	311,327	22,421	7.8%
Travel	193,632	266,604	72,972	37.7%
Total Recurring Expenses	\$ 85,283,800	\$ 89,027,139	\$ 3,743,339	4.4%

The year to date expenditures for Fiscal Years 2017 and 2018 were restated slightly compared to previous Finance Division reports due to data accumulation errors in the previous data collection method. Total expenditures for Fiscal Year 2017 were reduced by \$2.7 million as a result of the reduction in salaries and benefits (\$1.5 million), travel (\$103,590), maintenance (\$767,796), and services (\$222,758). The Fiscal Year 2018 salaries and benefits and insurance and deductibles were increased by \$555,776 and \$1.1 million, respectively; while other operating costs were decreased by \$821,818 resulting in an increase to total expenditures for Fiscal Year 2018 of \$800,236.

Salary and benefit expenses totaled \$58.4 million through April 30th of Fiscal Year 2018, an increase of \$5.8 million (11.0%) over the previous fiscal year. This primarily reflects new positions that were added midway through Fiscal Year 2018 and an increase in insurance claims and administrative fees of \$2.7 million. As the County continues with its self insurance plan, calendar year 2018 represents the County's first fully mature claim year that includes payments for medical services provided to employees in calendar year 2017 being paid in calendar year 2018.

Expenditures on services were \$10.2 million through April 30th of Fiscal Year 2018, a decrease of \$0.3 million (-3.1%).

Other operating costs totaled \$7.8 million through April 30th of Fiscal Year 2018, a decrease of \$0.8 million over Fiscal Year 2017 (-9.3%).

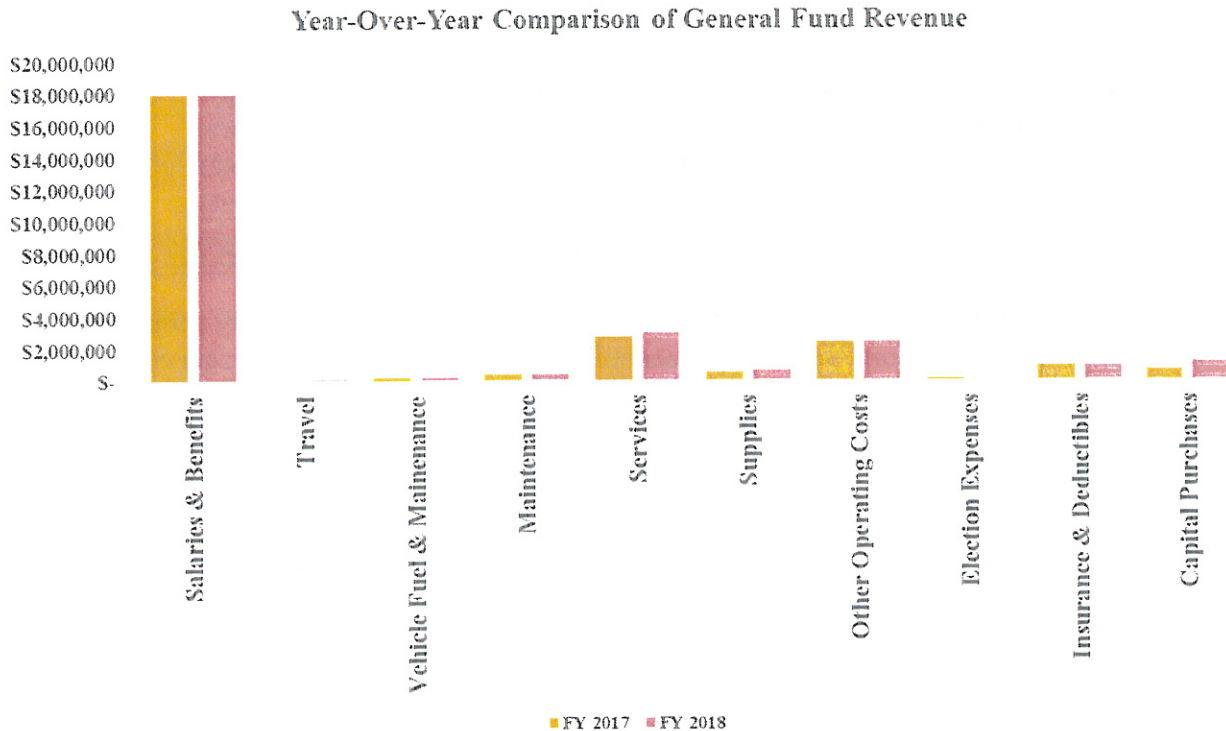
Insurance and deductibles costs decreased \$0.4 million through April 30, 2018 of Fiscal Year 2018, a 7.8% decrease from Fiscal Year 2017.

Reported expenditures exclude the following non-recurring costs: election expenses of \$23,911, capital purchases of \$16.6 million, subsidies through the down payment assistance program of \$90,000, and debt service on bonds totaling \$17.3 million.

GENERAL FUND EXPENDITURES

Of the \$89.0 million total expenditures through April 30th of Fiscal Year 2018, \$26.8 million were from the general fund. In comparison to Fiscal Year 2017, general fund expenditures grew by \$0.8 million or 3.3%. General fund expenditures for services increased by \$0.2 million, capital purchases increased by \$0.4 million, and salaries and benefits were flat.

The following chart compares year-to-date general fund expenditures in Fiscal Years 2018 and 2017.



OTHER FINANCIAL INFORMATION

Finance Division staff has noted that hold harmless distribution payments are falling short of what was projected, and believes this may be due to a large statewide vendor that may be incorrectly reporting its food and/or medical deductions to the New Mexico Taxation and Revenue Department (TRD). Staff has made several attempts to contact the TRD to resolve this issue, but it has been difficult thus far to get a response.

The Finance Division is preparing for interim budget approval by the Board of County Commissioners at the May 29, 2018 meeting.

The Division has implemented for the first time the process of closing accounting periods on a monthly (versus annual) basis. Fiscal Year 2018 is currently closed through October 2018, and additional months are currently being closed roughly every two weeks. This process of monthly closes will ensure a smoother year-end close and greater preparation for our annual external audit.

The Finance Division is working to document its procedures and business processes to provide for smoother staff transitions and to enhance internal controls. Year-end and monthly closing procedures are being developed currently with input from all involved staff of Finance and Purchasing.

