



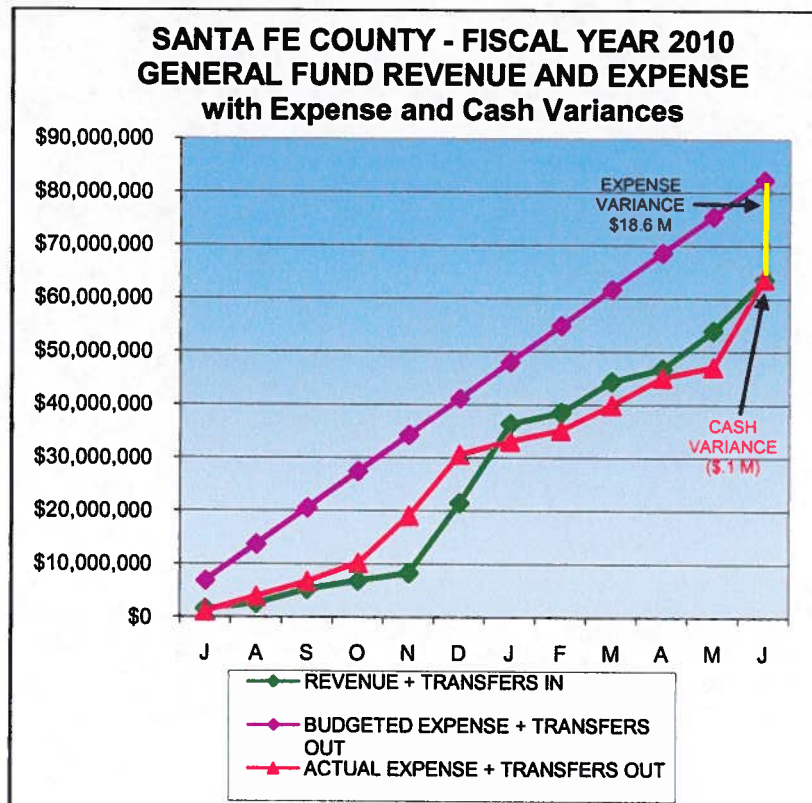
SECTION IV FUND LEVEL SUMMARIES

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 2010 was \$18.7M. Santa Fe County spent \$0.8M less than budgeted for salaries and benefits, and \$17.9M less than budgeted for services, materials and capital in Fiscal Year 2010. Of the \$17.9M, \$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 \$4.2M was a bond reimbursement for water rights purchased in FY 2009 from the general fund cash reserves, \$2.0M was budgeted for water rights but not expended, \$2.9M was budgeted for the Judicial Complex construction but was not expended because of delays caused by the environmental clean-up efforts on the site, \$2.1M was encumbered and will be expended in FY 2011, and the balance can be attributed to cost savings efforts.

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 both 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.





SECTION IV

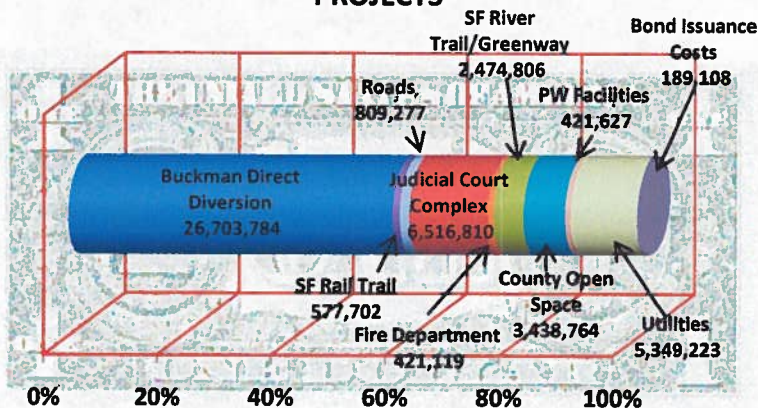
FUND LEVEL SUMMARIES

CASH POSITION

BUDGETED CASH

The majority of the cash in Santa Fe County's budget is carryover money for capital projects from prior bond proceeds. Approximately \$37.2M in budgeted cash for FY 2011 is for Bond Funded Projects. \$4.1M is for Public Works projects (including solid waste projects), \$2.0M is for community services projects (parks and recreation and open space), \$6.5M is for the Judicial Court Complex, \$0.4M for Fire Department projects, and \$24.0M for Utilities projects, \$22.0M of which is for the Buckman Direct Diversion project.

FY 2011 CASH UTILIZATION FOR CAPITAL PROJECTS



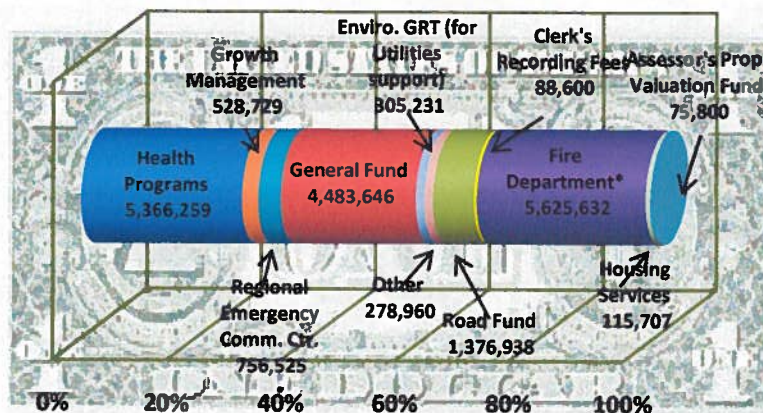
Aside from bond proceeds, cash accumulated in other funds is also used to fund capital projects. In FY 2011 a total of \$9.7M in cash from accumulated capital outlay gross receipts taxes and special appropriations will fund roads, open space, and utilities projects.

The General Fund is budgeted with approximately \$4.5M in cash, a decrease in budgeted cash of about \$5.5M from FY 2010. This reduction was realized because of a number of factors including a \$1.8M reduction in capital purchases and set-asides, a \$2.6M reduction in operating transfers out mostly for jail debt service which is being funded from the correctional

gross receipts tax in FY 2011, a \$0.8M reduction in debt service for the 2008 Series GRT bond, and \$0.4M reduction in the Judicial Complex project which is funded from the cash accumulated from the 1/16 cent gross receipts tax.

Beginning in FY 2009 and continuing through FY 2010 and into FY 2011 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 2011 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 are being tapped. Realizing that cash reserves will eventually deplete, during FY 2011 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 2012 budget.

FY 2011 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.