CITY OF RIO RANCHO GENERAL FUND SUMMARY FOR THE PERIOD 7/1/2012 to 6/30/2013

	Adjusted FY2012	Increase (Decrease)	Adopted FY2013	Percentage Change
Beginning Fund Balance	8,520,281	917,690	9,437,971	10.8%
Property Tax	12,249,062	557,094	12,806,156	4.5%
Gross Receipts Tax	23,723,950	51,061	23,775,011	0.2%
Franchise Fees	3,277,638	426,950	3,704,588	13.0%
Licenses & Permits	404,362	(9,414)	394,948	-2.3%
Grants	104,400	(45,295)	59,105	-43.4%
State Shared Taxes	323,138	17,739	340,877	5.5%
General Government	1,427,876	(24,955)	1,402,921	-1.7%
Public Safety	2,031,341	183,724	2,215,065	9.0%
Cultural Enrichment	915,031	37,341	952,372	4.1%
Fines and Forfeitures	1,134,250	41,622	1,175,872	3.7%
Reimbursement Revenue	3,201,778	(165,272)	3,036,506	-5.2%
Miscellaneous Revenue	120,778	(60,378)	60,400	-50.0%
Total Recurring Revenues	48,913,604	1,010,217	49,923,821	2.1%
Non-Recurring Revenues	1,740,345	(1,218,553)	521,792	-70.0%
Total Revenues	50,653,949	(208,336)	50,445,613	-0.4%
Transfers In	81,983	(81,683)	300	-99.6%
	01,300	(01,000)	300	33.078
Total Sources	59,256,213	627,671	59,883,884	1.1%
Personal Services	40,011,786	377,305	40,389,091	0.9%
Materials & Services	12,446,123	(922,197)	11,523,926	-7.4%
Capital Outlay	251,575	(168,670)	82,905	-67.0%
Total Expenditures	52,709,484	(713,562)	51,995,922	-1.4%
•	, ,	, , ,	, ,	
Transfers Out	430,561	362,967	793,528	84.3%
Ending Fund Balance Unreserved	1,874,011	887,430	2,761,441	47.4%
Ending Fund Balance Reserved	4,392,457	(59,464)	4,332,994	-1.4%
Total Ending Fund Balance	6,266,468	827,966	7,094,434	13.2%
Total Hage	50 406 F12	477 971	50 000 004	0.8%
Total Uses	59,406,513	477,371	59,883,884	0.8%

GENERAL FUND

Revenue Detail

	FY 10 Actual	FY 11 Actual	FY 12 Actual	FY 13 Adopted	Variance FY13 - FY12 Increase (Decrease)	% Change FY13/FY12 Increase (Decrease)
Balances and Reserves						
Beginning Balance	\$ 4,148,187	\$ 5,096,265	\$ 8,520,281	\$ 9,437,971	917,690	11%
Taxes						
Property Tax	11,331,128	11,797,718	12,390,887	12,806,156	415,269	3%
Gross Receipts	22,625,238	24,282,901	25,947,724	24,296,803	(1,650,921)	-6%
Franchise Fees	2,820,085	3,077,763	3,353,922	3,704,588	350,666	10%
Total Taxes	36,776,451	39,158,382	41,692,533	40,807,547	(884,986)	-2%
Licenses and Permits	335,490	595,521	470,789	394,948	(75,841)	-16%
Intergovernmental						
Federal Grants	563,634	359,639	54,101	58,105	4,004	7%
State Grants	-	-	-	-	-	0%
County Grants	951	1,000	1,000	1,000	-	0%
State Shared Taxes	341,866	321,337	332,617	340,877	8,260	2%
Total Intergovernmental	906,451	681,976	387,718	399,982	12,264	3%
Charge for Services						
General Government	1,518,092	1,691,759	1,548,704	1,402,921	(145,783)	-9%
Public Safety	1,914,336	1,905,431	2,272,631	2,215,065	(57,566)	-3%
Cultural/Recreation	1,005,608	962,484	1,027,307	952,372	(74,935)	-7%
Total Charge for Services	4,438,036	4,559,674	4,848,642	4,570,358	(278,284)	-6%
Fines and Forfeitures	1,190,321	1,101,623	1,294,267	1,175,872	(118,395)	-9%
Miscellaneous						
Interest Income	6,325	7,818	(15,036)	20,000	35,036	-233%
Rents and Royalties	10,216	6,554	2,701	2,700	(1)	0%
Contributions/Donations	14	5	130,000	-	(130,000)	-100%
Reimbursements	2,348,263	2,873,043	3,139,901	3,036,506	(103,395)	-3%
Other Miscellaneous	174,120	650,378	114,989	37,700	(77,289)	-67%
Total Miscellaneous Revenue	2,538,938	3,537,798	3,372,555	3,096,906	(275,649)	-8%
Other Sources						
Interfund Operating Transfer	3,944,342	772,342	81,499	300	(81,199)	-100%
Total General Fund	\$ 54,278,216	\$ 55,503,581	\$ 60,668,284	\$ 59,883,884	(784,400)	-1%

GENERAL FUND

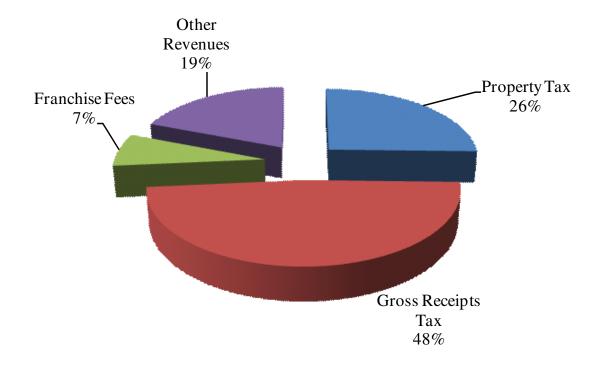
Expenditures by Object

	FY 10 Actual	FY 11 Actual	FY 12 Actual	FY 13 Adopted	Variance FY13 - FY12 Increase (Decrease)	% Change FY13/FY12 Increase (Decrease)
Operating Expenditures	Actual	Actual	Actual	Auopicu	(Decrease)	(Decrease)
Personal Services						
Wages & Salaries	\$ 27,085,807	\$ 26,582,078	\$ 27,412,062	\$ 27,793,456	\$ 381,394	1%
Fringe Benefits	11,186,308	11,192,762	11,340,639	12,595,635	1,254,996	11%
Total Personal Services	38,272,115	37,774,840	38,752,701	40,389,091	1,636,390	4%
Total Fersolial Services	36,272,113	37,774,640	36,732,701	40,369,091	1,030,390	470
Materials & Services						
Contracts and Services	2,681,114	2,415,595	2,627,732	3,523,308	895,576	34%
Programs	7,529	14,595	15,867	33,261	17,394	110%
Membership/Subscriptions	138,611	131,818	125,640	141,045	15,405	12%
Conference, Travel & Training	66,619	62,757	92,688	153,621	60,933	66%
Postage	55,392	50,723	49,574	66,193	16,619	34%
Repair & Maintenance	749,926	828,978	817,959	726,178	(91,781)	-11%
Fleet Maintenance	671,986	658,706	713,317	763,690	50,373	7%
Utilities (1)	1,898,152	2,049,963	2,237,937	2,213,187	(24,750)	-1%
Communications (2)	197,754	209,560	173,446	181,957	8,511	5%
Gasoline	724,942	828,297	1,004,898	955,532	(49,366)	-5%
Supplies	1,037,175	999,296	1,079,698	1,094,947	15,249	1%
Minor Furniture & Equipment	79,217	115,869	225,792	222,461	(3,331)	-1%
Other Costs	1,023,426	1,491,933	1,923,351	1,448,546	(474,805)	-25%
Total Material & Services	9,331,843	9,858,090	11,087,899	11,523,926	436,027	4%
Total Operating Expenditures	47,603,958	47,632,930	49,840,600	51,913,017	2,072,417	4%
Capital Outlay						
Capital Projects-Infrastructure	-	16,437	-	-	-	0%
Vehicles & Heavy Equipment	-	=	37,849	-	(37,849)	0%
Major Furniture & Equipment	6,499	38,100	135,047	82,905	(52,142)	-39%
Total Capital Outlay	6,499	54,537	172,896	82,905	(89,991)	-52%
Other Uses						
Transfers	394,723	484,545	426,522	793,528	367,006	86%
Balances & Reserves	4,234,854	4,328,092	6,873,888	7,094,435	220,547	3%
Total Other Uses	4,629,577	4,812,637	7,300,410	7,887,963	587,553	8%
Total Expenditures	\$ 52,240,034	\$ 52,500,104	\$ 57,313,906	\$ 59,883,885	\$ 2,569,979	4%

⁽¹⁾ Includes: Telephone services, Water, Wastewater, Gas & Electric services

⁽²⁾ Includes: Long Distance Telephone, Cellular Phone services & Pagers

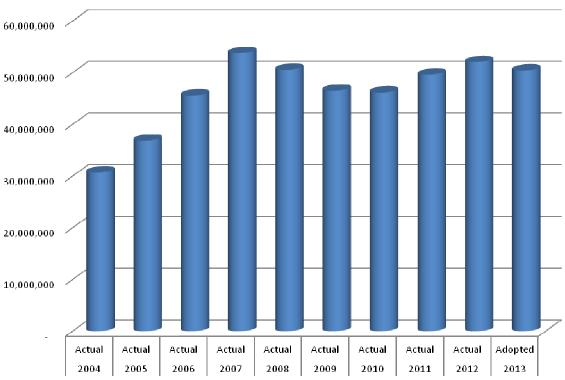
FISCAL YEAR 2013 GENERAL FUND Revenue Budget by Category



Property Tax	12,806,156
Gross Receipts Tax	24,296,803
Franchise Fees	3,704,588
Other Revenues	 9,638,066
Total Revenue	\$ 50,445,613

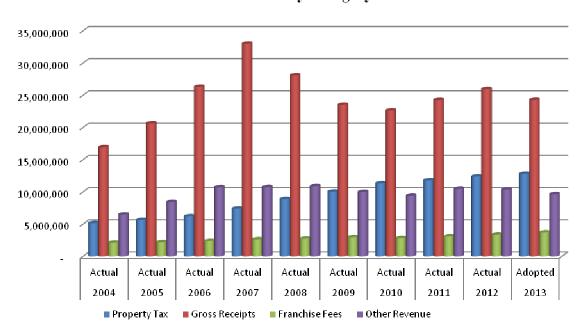
Transfer from other funds are excluded (\$300)

GENERAL FUND Total Revenues



Transfers from other funds are excluded

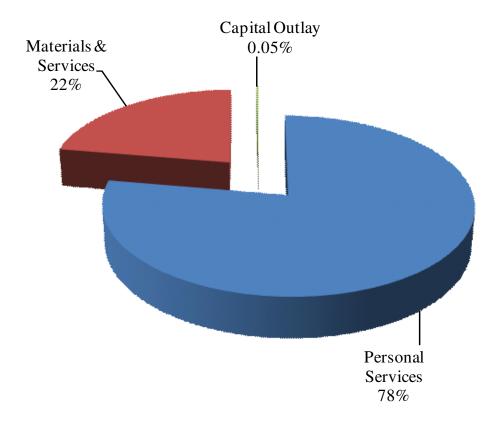
Revenues by Category



Transfers from other funds are excluded

FISCAL YEAR 2013 GENERAL FUND

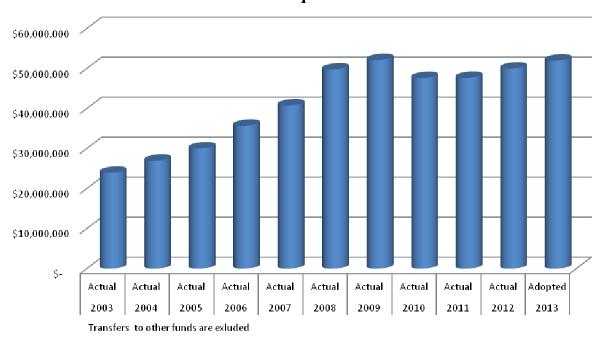
Expenditure Budget by Category



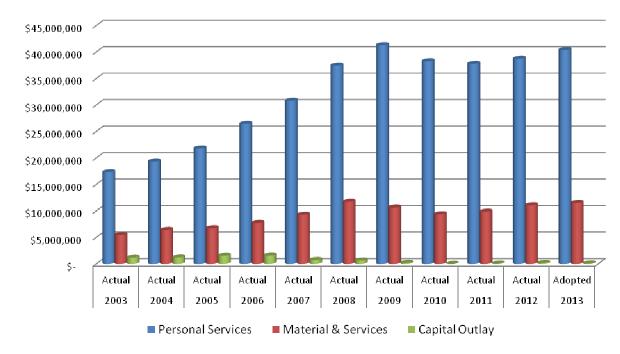
Personal Services	\$ 40,389,091
Materials & Services	\$ 11,523,926
Capital Outlay	\$ 82,905
Total Expenditures	\$ 51,995,922

Transfers are excluded (\$793,528)

GENERAL FUND Total Expenditures



Expenditures by Category



GENERAL FUND REVENUES

The General Fund provides the principal funding for local government operations. Most of the General Fund revenues come from three principle sources: gross receipts taxes (GRT), property taxes, and franchise fees. The balance comes from a variety of other sources such as licenses and permits, grants, state shared taxes, general government, public safety revenues, and transfers.

Gross Receipts Tax

Gross receipts tax (GRT) revenue is very sensitive to the performance of the local economy. During the early 1990's, the annual growth of GRT revenues was over 20 percent per year. However; in the late 1990's this growth slowed to about 5 percent per year due to the loss of retail trade to Albuquerque. Construction GRT revenues were extremely strong in FY 2006 and FY 2007 primarily related to increased construction activity and declined sharply from FY08 to 2010 with the onset of the economic recession and housing market collapse.

CITY OF RIO RANCHO, NM GROSS RECEIPT TAXES RECEIVED BY TYPE OF TRADE All Funds Last Five Fiscal Years

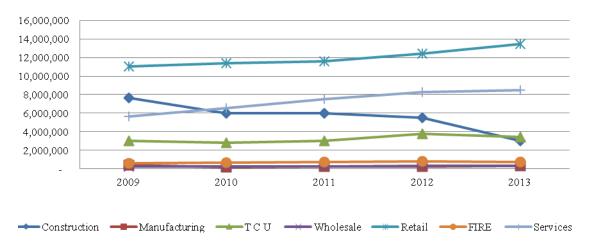
		Actu	al		Projected	10/09
	2009	2010	2011	2012	2013	Change
Construction	\$ 7,671,760	\$ 5,997,000	\$ 6,005,629	\$ 5,534,280	\$ 3,052,720	-44.84%
	25.16%	20.01%	18.90%	16.29%	9.49%	
Manufacturing	363,688	159,426	223,820	278,949	336,009	20.46%
	1.19%	0.53%	0.70%	0.82%	1.04%	
TCU	2,984,284	2,841,294	3,024,026	3,769,828	3,431,423	-8.98%
	9.79%	9.48%	9.52%	11.10%	10.67%	
Wholesale	265,360	265,964	258,838	325,053	292,021	-10.16%
	0.87%	0.89%	0.81%	0.96%	0.91%	
Retail	11,059,039	11,362,688	11,600,790	12,435,852	13,480,092	8.40%
	36.27%	37.92%	36.52%	36.61%	41.92%	
FIRE	583,226	689,255	721,610	772,179	708,033	-8.31%
	1.91%	2.30%	2.27%	2.27%	2.20%	
Services	5,637,115	6,551,880	7,498,030	8,309,053	8,500,981	2.31%
	18.49%	21.86%	23.60%	24.46%	26.44%	
Others	1,929,948	2,099,057	2,437,025	2,540,198	2,354,438	-7.31%
	6.33%	7.00%	7.67%	7.48%	7.32%	
Total	30,494,420	29,966,564	31,769,768	33,965,392	32,155,717	-5.33%
	100.00%	100.00%	100.00%	100.00%	100.00%	

 $FIRE: Financial\ institutions\ and\ real\ estate; T\ C\ U: Transportation, Communication\ and\ Utility.$

Source: State of New Mexico, Department of Taxation and Revenue; Prepared by: City of Rio Rancho Department of Finance Services

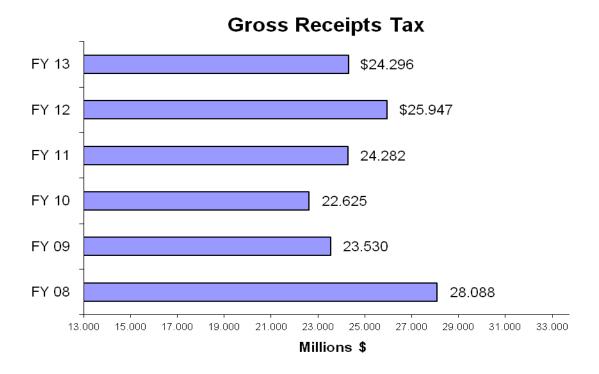
The following table is a breakdown of Gross Receipts Taxes received by type of trade.

GRT RECEIVED BY TRADE



In 2005 the State of New Mexico enacted law that removed gross receipts tax from food and medical services. In doing so, the State of New Mexico held cities harmless against gross receipts revenue loss as a result of the new legislation. The taxable retail gross receipts reported in this table include food and medical services.

The City's **Gross Receipts Tax** (**GRT**) revenues are derived from local options imposed by ordinance and state-shared distributions. The GRT is the most important revenue source for the City comprising of 45 percent of total General Fund revenues. As the chart indicates, construction activity and revenue was extremely strong in FY08.



		NE	W MEXICO	GROSS RI	ECEIPTS TAX RATE		
		N.M.G.R.T.			MUNICIPAL G.R.T.		Total
		To Rio Rancho	To State	Total	Sandoval County	Rio Rancho	G.R. Tax
7/1/1982	(1)	1.3500%	2.150%	3.5000%		0.5000%	4.0000%
7/1/1983	(2)	1.3500%	2.400%	3.7500%		0.7500%	4.5000%
7/1/1984		1.3500%	2.400%	3.7500%	0.1250%	0.7500%	4.625%
7/1/1985	(3)	1.3500%	2.400%	3.7500%	0.1250%	1.0000%	4.875%
7/1/1985	(3)	1.3500%	2.400%	3.7500%	0.1250%	1.5000%	5.375%
7/1/1990	(4)	1.3500%	3.150%	4.5000%	0.1250%	1.5000%	6.125%
1/1/1991	(5)	1.3500%	3.150%	4.5000%	0.2500%	1.5000%	6.2500%
7/1/1991	(3)	1.3500%	3.150%	4.5000%	0.2500%	1.2500%	6.0000%
1/1/1992	(6)	1.3500%	3.150%	4.5000%	0.2500%	1.4375%	6.1875%
8/1/1992	(7)	1.2250%	3.275%	4.5000%	0.2500%	1.4375%	6.1875%
1/1/2005	(8)	1.2250%	3.775%	5.0000%	0.2500%	1.4375%	6.6875%
7/1/2008	(9)	1.2250%	3.775%	5.0000%	0.2500%	1.6875%	6.9375%
7/1/2009	(10)	1.2250%	3.775%	5.0000%	0.3750%	1.6875%	7.0625%
7/1/2010	(11)	1.2250%	3.900%	5.1250%	0.3750%	1.6875%	7.1875%
1/1/2011	(12)	1.2250%	3.900%	5.1250%	0.3750%	1.9375%	7.4375%

Note: Rio Rancho incorporated as a City on September 6, 1980, but it was not "officially" incorporated for tax distribution purposes until March, 1981. On 7/1/81 the State of New Mexico lowered the state-wide gross receipts tax rate from 3.75% to 3.50%. This allowed municipalities to add 3/4% of 1% additional 1/4% increments. This 3/4% of 1% additional is known as the "Municipal Gross Receipts Tax.".

- (1) City of Rio Rancho enacted two 1/4% increments (i.e. 1/2 of 1%) on July 1, 1982.
- (2) Effective July 1, 1982, the N.M. Gross Receipts Tax was increased 3.75% from 3.5%. The City imposed an increment of V4% on July 1, 1983. Receipts of additional V4% commenced approximately September 10, 1983.
- (3) Allowable municipal rate increased to 1 1/4%, and a Special Municipal Gross Receipts Tax was authorized. The Special Municipal Gross Receipts Tax now deemed to be an imposition of a Municipal Gross Receipts Tax by Section 7-19A-3 (G) NMSA 1978. The authority to impose the Special Municipal Gross Receipts Tax of 1/4% expired on 6-30-91, except for municipalities who have is sued bonds secured by such tax, which Rio Rancho had not done.
- $(4) \hspace{1cm} \textbf{The State rate was increased to } 4.5\% \, to \, fund \, s \, alary \, increases \, for \, teachers \, and \, to \, fund \, environment \, is \, s \, ues \, .$
- (5) The County increased its rate by .125% for the Indigent Fund.
- (6) The City of Rio Rancho increased its rate by 3/16%: 1/16% for environmental, and 2/16% for infrastructure.
- (7) The State reduced the amount to cities from the N.M. Gross Receipts Tax by 1/8% effective August 1, 1992.
- (8) The State removed the taxon certain food items and medical services, and removed the .50% credit to municipalities.
- (9) The City of Rio Rancho increased its rate by 1/4% for acquisition, construction, renovation or improvement of facilities of higher public education.
- (10) Sandoval County joined with voters from Bernalillo and Valencia counties in approving a 1/8 of a cent GRT increase to help fund the Rail Runner Express and bus transit services in the area.
- (11) The State increase 1/4% to help close the state's budget deficit
- (12) The City of Rio Rancho increased its rate by 1/4%.

Property Tax

Property taxes are a large source of General Fund revenue and generated approximately \$12 million in FY 2012. Residential and non-residential properties in Rio Rancho are valued at over \$2,056 million. The City's General Fund only receives a portion of the total property tax revenues based on the residential and the non-residential mill levy reserved for local government operations. The remaining property tax revenues are apportioned to the county, the school district, and debt service funds. The City has the option to increase property taxes through the creation of

a General Obligation (GO) bonding cycle to fund high priority capital improvements projects. Residential property tax valuations had continued to increase until 2011 and non-residential property taxes are decreased due to personal initiative property depreciation. A county-wide reassessment is underway by the county assessor.

Tax Base

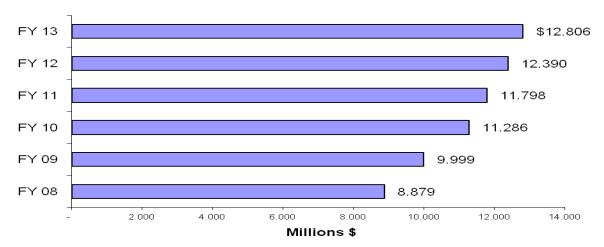
Assessed Valuation of property within the City is calculated as follows: Of the total estimated actual valuation of all taxable property in the City, 33 1/3 percent is legally subject to ad valorem taxes. After deduction of certain personal exemptions, the 2011 Assessed Valuation is \$2,056,634,824. For Sandoval and Bernalillo counties the actual value of personal property within the City (see "Assessments" below) is determined by the County Assessor. The actual value of certain corporate property within the City (see "Centrally Assessed" below) is determined by the State of New Mexico, Taxation and Revenue Department, Property Tax Division. The analysis of Assessed Valuation follows:

	RESIDENTIAL AND NON-RESIDENTIAL VALUATIONS										
		Tax Year 2007		Tax Year 2008		Tax Year 2009		Tax Year 2010		Tax Year 2011	
Rio Rancho/Sandova	ıl										
Residential	\$	1,314,202,433	\$	1,503,000,052	\$	1,626,691,648	\$	1,628,581,699	\$	1,579,390,497	
Non-Residential		526,077,885		591,127,758		541,593,261		542,026,083		469,642,498	
Total Sandoval	\$	1,840,280,318	\$	2,094,127,810	\$	2,168,284,909	\$:	2,170,607,782	\$ 2	2,049,032,995	
Rio Rancho/Bernalillo)										
Residential		-		-		-		-		-	
Non-Residential	\$	8,318,585	\$	8,561,309	\$	8,060,390	\$	8,870,478	\$	7,601,829	
Total Bernalillo	\$	8,318,585	\$	8,561,309	\$	8,060,390	\$	8,870,478	\$	7,601,829	
Total Valuation	\$	1,848,598,903	\$	2,102,689,119	\$	2,176,345,299	\$	2,179,478,260	\$	2,056,634,824	

Source: New Mexico Department of Finance and Administration; Prepared by: City of Rio Rancho Department of Finance Services

As depicted below, this revenue source continues to increase as the valuation of real property in the City increases.

Property Tax Revenues



Tax Rates

The following table summarizes the tax levy on residential property for 2000-2010.

PROPERTY TAX RATES DIRECT AND OVERLAPPING GOVERNMENTS (Residential)										
City of Rio Rancho Overlapping Rates										
	Central Debt NM									
Tax	General	Service				School	Comm.			
Year	Fund	Fund	Total	State	County	District	College	Hos pital	Total	
2002	5.983	2.000	7.983	1.123	5.713	10.750	3.008		28.577	
2003	6.227	2.074	8.301	1.520	5.759	10.758	3.011		29.349	
2004	6.300	2.067	8.367	1.028	6.940	10.760	3.019		30.114	
2005	6.286	2.067	8.353	1.234	6.384	10.756	3.038		29.765	
2006	6.138	1.826	7.964	1.291	6.271	10.704	3.027		29.257	
2007	5.914	2.060	7.974	1.221	5.800	10.624	2.992		28.611	
2008	5.847	2.060	7.907	1.250	5.368	10.899	2.990		28.414	
2009	5.944	2.067	8.011	1.150	5.809	10.635	3.046	4.250	32.901	
2010	6.113	2.060	8.173	1.530	5.952	10.694	3.158	4.250	33.757	
2011	6.518	1.645	8.163	1.362	6.659	10.773	3.237	4.250	34.444	

Rate per \$1,000 of assessed value

Source: State of New Mexico Department of Finance and Administration; Prepared by: City of Rio Rancho Department of Financial Services

History of Assessed Valuation

The following is a nine-year history of assessed valuation for the City of Rio Rancho and Sandoval County.

Tax	City of	Percentage	Sandoval	Percentage
Year	Rio Rancho	Change	County	Change
2003	858,249,709		1,506,824,794	
2004	919,484,245	7.13%	1,589,098,941	5.46%
2005	1,038,410,640	12.93%	1,796,081,781	13.03%
2006	2,094,127,810	101.67%	2,087,630,700	16.23%
2007	1,840,280,318	-12.12%	2,869,720,531	37.46%
2008	2,094,127,810	13.79%	3,244,344,944	13.05%
2009	2,168,284,909	3.54%	3,348,477,492	3.21%
2010	2,170,607,782	0.11%	3,357,248,301	0.26%
2011	\$ 2,049,032,995	-5.60%	\$ 3,222,126,760	-4.02%

Source: State of New Mexico, Taxation & Revenue Department

Prepared by: City of Rio Rancho Department of Financial Services

Major Taxpayers:

The ten largest taxpayers have a combined assessed valuation of \$138,341,813 which represents 6.75 percent of the 2010 Assessed Valuation in Sandoval County. Property taxes are current for these taxpayers. This table is useful in assessing the concentration risk of the tax base.

PRINCIPAL PROPERTY TAX PAYERS Sandoval County										
2010										
		Taxable	% of							
Taxpayer	Ass	sessed Value	Total							
200			2 1221							
PNM	\$	44,738,224	2.18%							
Intel Corporation*		25,615,490	1.25%							
Wal-Mart Stores		12,223,887	0.60%							
Broadstone High Resort LLC		10,174,752	0.50%							
Lowe's Home Centers		9,588,261	0.47%							
Sandia View LLC		9,412,457	0.46%							
Enchanted Vista Phase II		7,318,096	0.36%							
Rio Rancho Community I Inc		6,699,409	0.33%							
Presbyterian Healthcare-4100 High		6,388,090	0.31%							
Presbyterian Healthcare-4005 High		6,183,147	0.30%							
	\$	138,341,813	6.75%							

Source: Sandoval County Assessor's and Trasurer's Office; Prepared by: City of Rio Rancho Department of Financial Services

Tax Collections

General (ad valorem) taxes for all units of government are collected by the County Treasurer and distributed monthly to the various political subdivisions to which they are due.

Property taxes are due in two installments. The first half installment is due on November 10 and becomes delinquent on December 10. The second half installment is due on April 10 and becomes delinquent on May 10. Collection statistics for all political subdivisions within Rio Rancho for which each county treasurer collects taxes are as follows:

	PROPERTY TAX LEVIES AND COLLECTIONS										
	CITY OF RIO RANCHO, NM										
	Last Five Fiscal Years										
Collected within											
		the Fiscal Ye	ar of the Levy	_		Ratio of Total		Outstanding			
				_		Tax		Delinquent			
	Taxes Levied			Delinquent		Collections to	Outstanding	Taxes to			
Fiscal	for the Fiscal			Tax	Total Tax	Total Tax	Delinquent	Total Tax			
Year	Year (A)	Amount (A)	Percentage	Collection (A)	Collection	Levy	Taxes	Levy			
2006	9,679,603	9,297,367	96%	289,712	9,587,079	99%	382,236	4%			
2007	12,896,884	12,231,289	95%	422,973	12,654,262	98%	665,595	5%			
2008	14,649,411	13,790,591	94%	519,749	14,310,340	98%	858,820	6%			
2009	16,281,975	15,231,543	94%	462,192	15,693,735	96%	908,534	6%			
2010	16,316,144	15,498,538	95%	-	15,498,538	95%	817,606	5%			

Source: Sandoval County Treasurer's Office; Prepared by: City of Rio Rancho Department of Financial Services

(A) - Subject to change each day due to additions and deletions of levied and collected amounts.

Interest on Delinquent Taxes

Pursuant to Section 7-38-49, NMSA 1978, if property taxes are not paid for any reason within 30 days after the date they are due, interest on the unpaid taxes shall accrue from the 30th day after they are due until the date they are paid. Interest accrues at the rate of one percent per month or any fraction of a month.

^{*}City does not receive any property tax since they are not located within city limits

Penalty for Delinquent Taxes.

Pursuant to Section 7-38-50, NMSA 1978, if property taxes become delinquent, a penalty of one percent of the delinquent tax for each month, or any portion of a month, they remain unpaid must be imposed, but the total penalty shall not exceed five percent of the delinquent taxes. The minimum penalty imposed is \$5.00. A county can suspend application of the minimum penalty requirement for any tax year. If property taxes become delinquent because of intent to defraud by the property owner, 50 percent of the property tax due or \$50.00, whichever is greater, shall be added as a penalty.

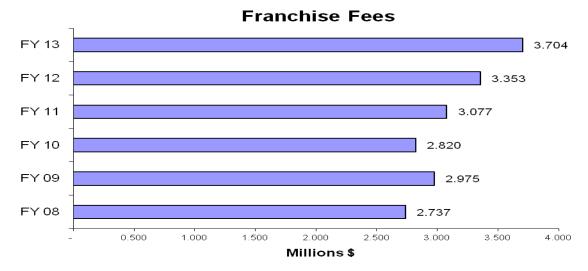
Remedies Available for Non-Payment of Taxes

Pursuant to Section 7-38-47, NMSA 1978, property taxes are the personal obligation of the person owning the property on the date in which the property was subject to valuation for property taxation purposes. A personal judgment may be rendered against the taxpayer for payment of taxes that are delinquent, together with any penalty and interest on the delinquent taxes.

Taxes on real property are a lien against the real property. Pursuant to Section 7-38-65, NMSA 1978, delinquent taxes on real property may be collected by selling the real property on which taxes are delinquent.

Franchise Fees

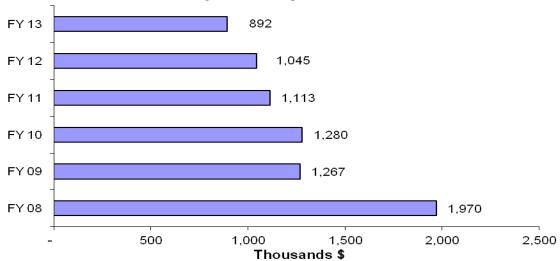
Franchise fees represent the third largest category of revenues in the General Fund, with over \$3.35 million in fees received in FY2012. These fees are assessed on providers of waste collection, cable TV, water and wastewater, electricity, natural gas, and telephone service, with PNM Electric accounting for 48.9 percent of total franchise revenues. Trends for electric, gas, and water Franchise Fees are affected by changes in weather among other factors. For FY13 franchise fees are estimated to increase by approximate 9.5 percent.



City Development Revenue

This is an important component of General Fund revenues due to the City's housing growth. As depicted in the table below, the high volume of construction activity dramatically increased revenues of FY08 and slowed dramatically through FY10.

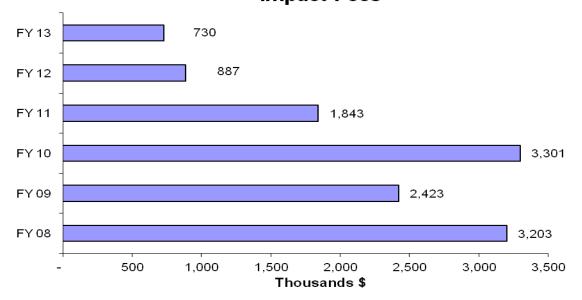




Impact Fees

Impact fees are classified as Special Funds and are an important source of funding for capital improvements. The City adopted an impact fee ordinance in 1995 in accordance with the state enabling legislation on impact fees. The legislation required that impact fees be assessed on new development for specified categories of infrastructure in order to pay the fair share of the costs of growth. The City assesses impact fees for both residential and nonresidential properties. The City is considering reducing residential impact fees by 50 percent and waiving commercial impact fees.

Impact Fees



FY 2013 GENERAL FUND SUMMARY BUDGET

By Department/Cost Center/Category

		FY 2010]	FY 2011	FY 2012	FY 2013		
Department/Division		Actual		Actual	Actual		Adopted	
City Manager								
Personal Services	\$	582,208	\$	591,388	\$ 606,072	\$	618,825	
Material and Services		279,533		219,152	203,140		209,063	
Total	\$	861,741	\$	810,540	\$ 809,212	\$	827,888	
Mayor								
Personal Services	\$	26,540	\$	27,213	\$ 27,213	\$	27,796	
Material and Services		12,127		11,311	17,033		13,194	
Total	\$	38,667	\$	38,524	\$ 44,246	\$	40,990	
Total Administration	\$	900,408	\$	849,064	\$ 853,458	\$	868,878	
Fiduciary								
Personal Services	\$	51,147	\$	38,148	\$ 59,487	\$	(890,000)	
Material and Services		1,137,615		1,741,789	2,104,870		1,797,330	
Transfers to Other Funds		394,723		484,545	426,522		793,528	
Total Fiduciary	\$	1,583,485	\$	2,264,482	\$ 2,590,879	\$	1,700,858	
City Council								
Personal Services	\$	113,996	\$	117,770	\$ 122,347	\$	123,521	
Material and Services		75,131		74,976	69,059		75,182	
Total City Council	\$	189,127	\$	192,746	\$ 191,406	\$	198,703	
City Clerk								
Personal Services	\$	215,627	\$	201,652	\$ 191,859	\$	192,911	
Material and Services		111,478		87,277	162,687		95,654	
Total City Clerk	\$	327,105	\$	288,929	\$ 354,546	\$	288,565	
Municipal Court								
Personal Services	\$	580,514	\$	586,949	\$ 616,829	\$	643,479	
Material and Services		261,400		246,830	281,837		368,740	
Capital Outlay		-		-	-		6,000	
Total Municipal Court	\$	841,914	\$	833,779	\$ 898,666	\$	1,018,219	
City Attorney								
Personal Services	\$	514,696	\$	494,601	\$ 521,373	\$	532,652	
Material and Services		41,054		56,462	44,863		105,064	
Total City Attorney	\$	555,750	\$	551,063	\$ 566,236	\$	637,716	

FY 2013 GENERAL FUND SUMMARY BUDGET

By Department/Cost Center/Category

]	FY 2010		FY 2011]	FY 2012	FY 2013		
Department/Division		Actual		Actual		Actual		Adopted	
П В									
Human Resources Personal Services	\$	490,730	\$	443,159	\$	463,877	\$	479,475	
Material and Services	Ψ	254,437	φ	283,063	ψ	333,985	Ψ	359,741	
Total Human Resources	\$	745,167	\$	726,222	\$	797,862	\$	839,216	
Financial Services									
Administration									
Personal Services	\$	434,521	\$	371,427	\$	378,108	\$	385,940	
Material and Services		45,329		46,686		40,967		51,708	
Total	\$	479,850	\$	418,113	\$	419,075	\$	437,648	
Accounting									
Personal Services	\$	487,811	\$	470,038	\$	488,910	\$	533,713	
Material and Services		85,144		77,844		83,812		89,423	
Capital Outlay		-		-		34,024		10,000	
Total	\$	572,955	\$	547,882	\$	606,746	\$	633,136	
Ambulance Billing									
Personal Services	\$	90,667	\$	154,201	\$	156,799	\$	207,349	
Material and Services		20,531		19,765		10,617		12,332	
Total	\$	111,198	\$	173,966	\$	167,416	\$	219,681	
Purchasing									
Personal Services	\$	178,962	\$	169,096	\$	163,520	\$	165,196	
Material and Services		9,077		6,591		6,443		8,385	
Total	\$	188,039	\$	175,687	\$	169,963	\$	173,581	
Motor Vehicle Division									
Personal Services	\$	224,631	\$	248,335	\$	246,179	\$	273,353	
Material and Services		3,915		6,687		5,319		6,100	
Total	\$	228,546	\$	255,022	\$	251,498	\$	279,453	
Total Financial Services	\$	1,580,588	\$	1,570,670	\$	1,614,698	\$	1,743,499	
Information Technologies									
Personal Services	\$	472,501	\$	432,299	\$	421,344	\$	448,899	
Material and Services	_	527,303	_	474,823	_	475,976		480,455	
Total Information Technologies	\$	999,804	\$	907,122	\$	897,320	\$	929,354	

FY 2013 GENERAL FUND SUMMARY BUDGET By Department/Cost Center/Category

	F	FY 2010	ŀ	FY 2011	I	FY 2012	FY 2013		
Department/Division		Actual		Actual		Actual	Adopted		
Parks, Recreation and Commun	ity Serv	ices							
Administration									
Personal Services	\$	441,723	\$	461,062	\$	468,996	\$	466,396	
Material and Services		895,086		999,949		1,032,333		1,061,693	
Capital Outlay		-		1,100		-		-	
Total	\$	1,336,809	\$	1,462,111	\$	1,501,329	\$	1,528,089	
Outdoor Aquatics									
Personal Services	\$	203,935	\$	237,396	\$	230,054	\$	236,510	
Material and Services		31,761		38,508		38,752		55,603	
Capital Outlay		-		-		-		8,000	
Total	\$	235,696	\$	275,904	\$	268,806	\$	300,113	
Rio Rancho Aquatic Center									
Personal Services	\$	595,136	\$	520,978	\$	543,742	\$	633,387	
Material and Services		225,257		249,727		284,641		310,625	
Capital Outlay		-		-		5,899		-	
Total	\$	820,393	\$	770,705	\$	834,282	\$	944,012	
Programming									
Personal Services	\$	811,254	\$	830,903	\$	814,129	\$	899,916	
Material and Services		150,905		145,589		158,675		250,232	
Total	\$	962,159	\$	976,492	\$	972,804	\$	1,150,148	
Parks & Facilities									
Personal Services	\$	1,100,930	\$	1,025,131	\$	1,034,830	\$	1,091,027	
Material and Services		251,251		277,337		315,032		393,305	
Capital Outlay		-		16,260		13,855		-	
Total	\$	1,352,181	\$	1,318,728	\$	1,363,717	\$	1,484,332	
Keep Rio Rancho Beautiful									
Personal Services	\$	102,813	\$	52,919	\$	54,312	\$	55,265	
Material and Services		8,117		9,713		14,678		18,882	
Total	\$	110,930	\$	62,632	\$	68,990	\$	74,147	
Senior Services									
Personal Services	\$	379,599	\$	368,462	\$	357,523	\$	391,195	
Material and Services		87,005		81,508		79,838		111,994	
Total	\$	466,604	\$	449,970	\$	437,361	\$	503,189	

FY 2013 GENERAL FUND SUMMARY BUDGET

By Department/Cost Center/Category

		FY 2010]	FY 2011]	FY 2012	FY 2013		
Department/Division		Actual		Actual		Actual	ı	Adopted	
Rio Transit Operations		101 700							
Personal Services	\$	124,509	\$	-	\$	-	\$	-	
Material and Services	_	23,815	_	-	_	-	_		
Total	\$	148,324	\$	-	\$	-	\$	-	
Total Parks, Rec. and Comm. Serv.	\$	5,433,096	\$	5,316,542	\$	5,447,289	\$	5,984,030	
Library & Information Services									
Personal Services	\$	1,654,275	\$	1,630,017	\$	1,629,584	\$	1,790,793	
Material and Services		241,023		235,842		272,625		234,110	
Total Library	\$	1,895,298	\$	1,865,859	\$	1,902,209	\$	2,024,903	
Development Services									
Administration									
Personal Services	\$	216,789	\$	177,568	\$	176,681	\$	180,552	
Material and Services		125,786		122,922		95,442		188,191	
Capital Outlay		, -		11,000		, -		-	
Total	\$	342,575	\$	311,490	\$	272,123	\$	368,743	
Zoning									
Personal Services	\$	303,045	\$	265,505	\$	272,723	\$	278,528	
Material and Services	Ψ	-	Ψ	1,036	Ψ	591	Ψ	2,320	
Total	\$	303,045	\$	266,541	\$	273,314	\$	280,848	
Building Inspection									
Personal Services	\$	914,259	\$	874,431	\$	664,828	\$	729,218	
Material and Services	Ψ	25,354	Ψ	29,203	Ψ	23,201	Ψ	31,231	
Total	\$	939,613	\$	903,634	\$	688,029	\$	760,449	
Dlanning									
Planning Personal Services	\$	273,574	\$	202,069	¢	273,198	¢	290,419	
Material and Services	Ф	3,401	Ф	3,227	Ф	2,603	Ф	11,380	
Total	\$	276,975	\$	205,296	\$	275,801	\$	301,799	
Davidon mant Englis iin -									
Development Engineering	φ		φ		φ	512 520	φ	504 222	
Personal Services	\$	-	\$	-	\$	513,539	\$	524,332	
Material and Services	ф.	-	Φ	-	φ	15,302	Φ	16,148	
Total	\$	-	\$	-	\$	528,841	\$	540,480	
Total Development Services	\$	1,862,208	\$	1,686,961	\$	2,038,108	\$	2,252,319	

FY 2013 GENERAL FUND SUMMARY BUDGET

By Department/Cost	Center/Category

	FY 2010	FY 2011			FY 2012	FY 2013		
Department/Division	Actual		Actual		Actual	Adopted		
Public Works								
Administration								
Personal Services	\$ 129,536	\$	132,774	\$	138,370	\$	125,534	
Material and Services	17,082		596,478		645,622		658,945	
Total	\$ 146,618	\$	729,252	\$	783,992	\$	784,479	
Building Maintenance								
Personal Services	\$ 320,197	\$	328,451	\$	339,401	\$	348,509	
Material and Services	547,032		517,556		552,164		564,681	
Capital Outlay	-		177		6,250		-	
Total	\$ 867,229	\$	846,184	\$	897,815	\$	913,190	
Custodial								
Personal Services	\$ 279,578	\$	242,271	\$	239,659	\$	251,114	
Material and Services	99,616		105,494		129,093		106,669	
Total	\$ 379,194	\$	347,765	\$	368,752	\$	357,783	
Fleet Maintenance								
Personal Services	\$ 364,382	\$	379,256	\$	392,426	\$	408,384	
Material and Services	30,144		27,684		28,015		46,694	
Capital Outlay	-		-		-		17,495	
Total	\$ 394,526	\$	406,940	\$	420,441	\$	472,573	
Streets and Rows								
Personal Services	\$ 2,076,987	\$	1,963,378	\$	1,873,850	\$	2,074,091	
Material and Services	1,139,778		566,667		641,702		735,722	
Capital Outlay	 -		-		48,710		-	
Total	\$ 3,216,765	\$	2,530,045	\$	2,564,262	\$	2,809,813	
Engineering								
Personal Services	\$ 1,532,994	\$	1,482,013	\$	1,153,660	\$	1,211,829	
Material and Services	149,787		83,298		171,412		227,274	
Capital Outlay	 6,499		-		-		14,410	
Total	\$ 1,689,280	\$	1,565,311	\$	1,325,072	\$	1,453,513	
Real Property Division								
Personal Services	\$ 132,415	\$	135,179	\$	98,512	\$	86,004	
Material and Services	4,926		2,200		6,352		8,920	
Total	\$ 137,341	\$	137,379	\$	104,864	\$	94,924	
Total Public Works	\$ 6,830,953	\$	6,562,876	\$	6,465,198	\$	6,886,275	

FY 2013 GENERAL FUND SUMMARY BUDGET By Department/Cost Center/Category

		FY 2010]	FY 2011]	FY 2012	FY 2013		
Department/Division		Actual		Actual		Actual	Adopted		
Police									
Administrative Services									
Personal Services	\$	482,429	\$	396,965	\$	393,266	\$	430,459	
Material and Services		820,391		742,044		725,628		760,222	
Total	\$	1,302,820	\$	1,139,009	\$	1,118,894	\$	1,190,681	
Communications									
Personal Services	\$	2,336,903	\$	2,487,217	\$	2,437,302	\$	2,893,646	
Material and Services		85,677		93,444		100,238		109,040	
Total	\$	2,422,580	\$	2,580,661	\$	2,537,540	\$	3,002,686	
Animal Control									
Personal Services	\$	584,052	\$	568,493	\$	561,107	\$	657,128	
Material and Services		73,854		76,311		76,709		100,943	
Total	\$	657,906	\$	644,804	\$	637,816	\$	758,071	
Code Enforcement									
Personal Services	\$	352,800	\$	364,645	\$	363,024	\$	379,877	
Material and Services		14,424		16,796		16,093		28,528	
Total	\$	367,224	\$	381,441	\$	379,117	\$	408,405	
Law Enforcement									
Personal Services	\$	10,159,643	\$	10,032,381	\$	10,269,981	\$	10,898,687	
Material and Services		585,927		612,415		800,434		812,889	
Capital Outlay		-		-		37,849		-	
Total	\$	10,745,570	\$	10,644,796	\$	11,108,264	\$	11,711,576	
Training									
Personal Services	\$	170,453	\$	120,049	\$	169,861	\$	161,797	
Material and Services		78,818		83,794		118,024		143,041	
Total	\$	249,271	\$	203,843	\$	287,885	\$	304,838	
Total Police	\$ 1	\$15,745,371		\$15,594,554		\$16,069,516		\$17,376,257	

FY 2013 GENERAL FUND SUMMARY BUDGET By Department/Cost Center/Category

]	FY 2010		FY 2011		FY 2012]	FY 2013	
Department/Division		Actual	Actual		Actual		1	Adopted	
Department of Fire / Rescue									
Fire/Rescue Services									
Personal Services	\$	7,637,018	\$	8,024,568	\$	8,724,600	\$	9,050,826	
Material and Services		782,125		785,090		892,167		852,486	
Capital Outlay		-		26,000		26,309		27,000	
Total	\$	8,419,143	\$	8,835,658	\$	9,643,076	\$	9,930,312	
Emergency Management									
Personal Services	\$	126,336	\$	124,483	\$	99,626	\$	100,559	
Material and Services		3,913		1,786		3,571		9,787	
Total	\$	130,249	\$	126,269	\$	103,197	\$	110,346	
Total Fire & Rescue	\$	8,549,392	\$	8,961,927	\$	9,746,273	\$ 1	10,040,658	
General Fund Totals									
Personal Services	\$	38,272,115	\$	37,774,840	\$	38,752,701	\$	40,389,091	
Material and Services	\$	9,366,329	\$	9,858,874	\$	11,081,545	\$	11,523,926	
Capital Outlay	\$	6,499	\$	54,537	\$	172,896	\$	82,905	
Transfers to Other Funds	\$	394,723	\$	484,545	\$	426,522	\$	793,528	
Summary Total	\$4	18,039,666	4	48,172,796	\$:	50,433,664	\$5	\$52,789,450	

	Prog	ram (Co	st Cente	r) / Dep	artment	s Relatio	nships				
	T	`				ırtment	-				
Program (Cost Center)	General Government	City Attorney	Human Resources		Information Technology	Parks, Rec.	Library	Development Services	Public Works	Police	Fire/ Rescue
City Manager (0510)											
Major (0512)											
Fiduciary (0515)											
City Council (1005)											
City Clerk (1505)											
Municipal Court (1705)											
City Attorney (2005)											
Human Resources (2010)											
Administration (3001)											
Accounting (3005)											
Ambulance Billing (3006)	1										
Purchasing (3010)	1										
Motor Vehicle (3015)											
MPEC (601, 610)											
Information Technology (3020)											
Administration (3505)	+										1
Aquatic programs (3510)	+										
Rio Rancho Aquatic Ctr. (3511)	+										<u> </u>
Programming (3515)	1										
Parks & Facilities (3526)	1										
KRRB (3530)	1										
Senior Services (4005)	1										
Library (4505)	1										
Administration (5005)	+ -										
Zoning (5010)	+ -										
Building Inspection (5015)	+										†
Planning (5020)	+										1
Engineering (5030)	+										1
Administration (5501)	+										
Building Maintenance (5505)	+										
Custodial (5510)	+										
Fleet Maintenance (5512)	+										
Streets & ROW (5515)	+										
Engineering (5520)	+										
Real Property Division (5525)	+										
Utility Funds (501 - 574)	+		 		+			 			
Administration (6005)	+		-								
Communications (6010)	+		-								_
. ,	+		1		-						_
Animal Control (6020)	+		-		-						\vdash
Code Enforcement (6022)	+										
Law Enforcement (6025)	+										
Training (6040)	+		 		-			-			_
Fire/Rescue (6030)	+		-		-			ļ			
Emergency Management (6045) MPEC = Multi Purpose Event Center			l		1						

MPEC = Multi Purpose Event Center

KRRB – Keep Rio Rancho Beautiful
This matrix correlating the relationship between City's Departments and Cost Centers. The top of the chart shows areas shows the relationship. Departments and Cost Centers are shown along the side. The interception between columns and rows, the shadow

THIS PAGE LEFT INTENTIONALLY BLANK

