

NEW ISSUE

Rating: Unrated

In the opinion of Modrall, Sperling, Roehl, Harris & Sisk, P.A., Bond Counsel, assuming continuous compliance with certain covenants described herein, interest on the Bonds is excluded from gross income under present federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and interest on the Bonds is not treated as an item of tax preference for the purposes of the alternative minimum tax imposed on individuals and corporations under present federal income tax laws, except that such interest is required to be included in calculating the "adjusted current earnings" adjustment applicable to corporations for purposes of computing the alternative minimum taxable income of corporations; and interest on the Bonds is excluded from net income for purposes of certain New Mexico taxes imposed on individuals, estates, trusts and corporations. The Bonds are designated as "qualified tax exempt obligations" within the meaning of Section 265(b)(3) of the Code. See, however, "TAX EXEMPTION" herein regarding certain other tax considerations.

\$1,500,000
SANTA FE COUNTY, NEW MEXICO
Environmental Revenue Bonds
Series 1993

Dated: September 1, 1993

Due: September 1, as detailed below

Issued only as fully registered serial bonds in the denominations of \$5,000 and integral multiples of \$5,000. Interest accrues from September 1, 1993. Interest payments made semiannually on March 1 and September 1 in each year (first payment on September 1, 1994) by mailing checks or drafts, or by alternative arrangement between the Paying Agent and the registered owners, on or before the applicable interest payment date to the registered owners at the address shown on the registration books of the Registrar on the 15th day of the calendar month preceding such interest payment date. Principal payments will be made to the registered owners, upon presentation and surrender of the Bonds, at the principal office of the Paying Agent. The Registrar and Paying Agent is The First National Bank of Santa Fe, Santa Fe, New Mexico.

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Yield</u>	<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Yield</u>
1994	\$95,000	3.25%	3.25%	2000	\$125,000	5.10%	5.10%
1995	100,000	3.75%	3.75%	2001	130,000	5.30%	5.30%
1996	105,000	4.20%	4.20%	2002	140,000	5.40%	5.40%
1997	110,000	4.40%	4.40%	2003	145,000	5.50%	5.50%
1998	115,000	4.60%	4.60%	2004	155,000	5.60%	5.60%
1999	120,000	4.80%	4.80%	2005	160,000	5.70%	5.70%

The Bonds are subject to optional redemption prior to their stated maturities as more fully described herein.

The Bonds do not constitute an indebtedness of the County within the meaning of any constitution, charter or statutory provision or limitation, are not general obligations of the County and are payable and collectible solely from the environmental services gross receipts taxes imposed by the County and collected by the State pursuant to Sections 7-20B-1 through 7-20B-7, New Mexico Statutes Annotated 1978, as amended, and distributed to the County pursuant to Section 7-1-6.13, New Mexico Statutes Annotated 1978, as amended. Neither the full faith and credit of the County nor the ad valorem taxing power or general resources of the County, the State of New Mexico or any political subdivision are pledged to the payment of the Bonds.

The Bonds are being issued to provide funds for the purpose of acquiring and constructing, solid waste facilities, water facilities, wastewater facilities, sewer systems, and related facilities.

The Bonds are offered when, as and if issued and subject to the delivery of a bond counsel opinion by Modrall, Sperling, Roehl, Harris & Sisk, P.A., and other conditions. It is expected that the Bonds will be available for delivery on or about September 15, 1993 in Santa Fe, New Mexico or through the facilities of the Depository Trust Company in New York, New York.

Dated: August 11, 1993



SANTA FE COUNTY
Santa Fe County Courthouse
120 Grant Avenue
Santa Fe, New Mexico 87501
(505) 986-6200

COUNTY COMMISSION

Chairman	Raymond M. Chavez
Vice-Chairperson	Linda Grill
Commissioner	Richard S. Anaya
Commissioner	Betty Platts
Commissioner	Nancy Rodriguez

COUNTY OFFICIALS

Mr. Gil Tercero	County Manager
Mr. Peter J. Garcia, Jr.	County Finance Director
Ms. Jona G. Armijo	County Clerk
Ms. Angie V. Gonzales	County Treasurer
Ms. Mercy J. Quintana	County Assessor
Mr. Terry Brennan	County Attorney
Mr. John Balling	County Public Works Director

UNDERWRITERS

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Albuquerque, New Mexico 87110
(505) 889-7777

BOND COUNSEL

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P.O. Box 2168
Albuquerque, New Mexico 87103
(505) 848-1800

PAYING AGENT

The First National Bank of Santa Fe
P.O. Box 609
Santa Fe, New Mexico 87501
(505) 984-7404

REGARDING THIS OFFICIAL STATEMENT

This Official Statement, which includes the cover page and the appendix ("Official Statement") does not constitute an offering of any security other than the original offering of the bonds of Santa Fe County, New Mexico, identified on the cover hereof. No dealer, broker, salesman or other person has been authorized by the County to give any information or make any representation with respect to the Bonds which is not contained in this Official Statement, and if given or made, such other information or representation must not be relied upon as having been authorized by the County. This Official Statement shall not constitute an offer to sell or the solicitation of an offer to buy, and there shall be no sale of any of the Bonds, by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation, or sale.

The Bonds will not be registered under the Securities Act of 1933, as amended, or any state securities law and will not be listed on any stock or other securities exchange. Neither the Securities and Exchange Commission nor any other federal, state or other governmental entity or agency will have passed upon the accuracy or adequacy of the Official Statement at the request of the County.

This Official Statement speaks only as of its date and the information set forth herein has been furnished by the County and other sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness, and is not to be construed as a representation, by the Underwriter. All financial and other information presented herein is intended to show recent historic information, and is not intended to indicate future or continuing trends in the financial position or other affairs of the County. No representation is made that past performance, as might be shown by such financial and other information, will necessarily continue or be expected in the future. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the County since the date hereof.

SUMMARY OF KEY INFORMATION

The following material represents a summary of information contained within this Official Statement and is qualified in its entirety by the detailed information herein. This Summary is only a brief statement and a full review of this Official Statement should be made by potential investors.

Dated.....	September 1, 1993
Principal Payment.....	The Bonds are registered bonds maturing serially on September 1 of each year as set forth on the cover page of this Official Statement.
Interest Payment.....	Interest will be payable semiannually on March 1 and September 1, commencing September 1, 1994.
Security.....	The Bonds are payable solely from the 1/8% environmental services gross receipts tax levied by the County which commenced July 1, 1991.
Prior Redemption.....	The Bonds maturing on and after June 1, 2003 are subject to prior redemption at the option of the County on or after June 1, 2002, in whole on any date or in part on any interest payment date, as more fully described herein.
Registration.....	The Bonds will be issued as fully registered serial bonds in the denomination of \$5,000 or any integral multiple thereof. The Registrar is The First National Bank of Santa Fe, Santa Fe, New Mexico.
Project.....	To defray in whole or in part the cost of acquiring and constructing solid waste facilities, water facilities, wastewater facilities, sewer systems, and related facilities.
Legal Opinion.....	Modrall, Sperling, Roehl, Harris & Sisk, P.A., Albuquerque, NM
Special Factors.....	The Bonds are special limited obligations of the County secured by a 1/8% environmental services gross receipts tax imposed only in unincorporated portions of the County. If portions of the County containing businesses paying the environmental services gross receipts tax were annexed or incorporated, the 1/8% environmental services gross receipts tax revenues could be reduced, as more fully discussed herein.

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OFFICIAL STATEMENT

\$1,500,000
SANTA FE COUNTY, NEW MEXICO
Environmental Revenue Bonds
Series 1993

INTRODUCTION

This Official Statement provides information in connection with the offering of the Santa Fe County, New Mexico Environmental Revenue Bonds, Series 1993 (the "Bonds"), to be issued by Santa Fe County, New Mexico (the "County") in the aggregate principal amount of \$1,500,000.

The County, pursuant to Sections 7-20B-1 through 7-20B-7 of New Mexico Statutes Annotated 1978, as amended, and County Ordinance No. 1991-5, (the "Environmental Tax Ordinance") imposes on any person engaging in business in unincorporated areas within Santa Fe County, New Mexico an excise tax (the "environmental services gross receipts tax") equal to .125% of the gross receipts reported or required to be reported by such person pursuant to the New Mexico Gross Receipts and Compensating Tax Act (subject to various exemptions and deductions). The environmental services gross receipts tax became effective on July 1, 1991. Pursuant to Ordinance No. 1993-7 ("Bond Ordinance") the County pledges for the payment of the Bonds the entire .125% environmental services gross receipts tax it receives (the "Pledged Revenues"). A schedule of the actual amounts that the County has received from collection of the Environmental Gross Receipts Tax since its inception and a similar tax in a coterminous geographical area over the past six years appears in this Official Statement under "THE PLEDGED REVENUES".

The principal of, premium, if any, and interest on the Bonds will be payable solely from the "Santa Fe County Environmental Revenue Bonds, Series 1993, Debt Service Fund", into which the County has covenanted to pay from the Pledged Revenues sufficient to pay when due such principal, interest and premium, if any. The Bonds are subject to redemption prior to maturity as described below. The Bonds shall never constitute or give rise to a general obligation of the County and no owner of Bonds may look to any source of funds other than the Pledged Revenues for payment of the principal of and interest on the Bonds. The Bonds are equally and ratably secured by a lien on the Pledged Revenues and the Bonds constitute an irrevocable lien upon the Pledged Revenues.

All terms used in the Official Statement which are not defined herein shall have the meanings given such terms in the Bond Ordinance.

PURPOSE AND PLAN OF FINANCING

Proceeds received by the County from the sale of the Bonds and investment earnings thereon will be used to acquire and construct solid waste facilities, water facilities, wastewater facilities, sewer systems and related facilities, to provide a reserve fund and to pay costs of issuance of the Bonds. A statement of the sources and uses of the Bond proceeds follows:

Sources

Bond Proceeds	\$1,500,000.00
Accrued Interest	<u>2,867.57</u>
Total	<u>\$1,502,867.57</u>

Uses

Project costs:

Deposit to Acquisition Fund	\$1,298,500.00
Reserve Fund Deposit	150,000.00
Issuance Costs (including Underwriter's Discount and Bond Counsel Fees)	51,500.00
To Debt Service Fund	<u>2,867.57</u>
Total	<u>\$1,502,867.57</u>

SPECIAL FACTORS

The purchase of the Bonds involves certain investment risks which are discussed throughout this Official Statement, and each prospective investor should make an independent evaluation of all information presented in this Official Statement in order to make an informed investment decision. Particular attention should be given to the factors described below which, among others, could affect the payment of debt service on the Bonds.

Limited Obligations

The Bonds together with the interest thereon are special limited obligations of the County, payable solely from the Pledged Revenues. The Bonds have a first lien (but not necessarily an exclusively first lien) on the Pledged Revenues. The owner or owners of the Bonds may not look to any ad valorem property taxes levied or collected by the County or to any other revenue source other than Pledged Revenues for the payment of the principal of and interest on the Bonds, and the Bonds do not constitute a debt or indebtedness of the County within the meaning of any constitutional or statutory provision or limitation. The Bonds will not be considered or held to be general obligations of the County. See "SECURITY FOR DEBT SERVICE PAYMENTS".

Annexation or Incorporation

The environmental services gross receipts tax is imposed only in the unincorporated portions of the County. Most businesses which pay the environmental services gross receipts tax are located just outside the City of Santa Fe. Upon any annexation or incorporation, the number of businesses subject to the environmental services gross receipts tax would decrease which might result in a decrease in the Pledged Revenues. No annexation or incorporation is currently pending at this time but some annexation or incorporation activities in the County are likely during the life of the Bonds.

THE BONDS

General

The County is authorized under Sections 4-62-1 through 4-62-2, New Mexico Statutes Annotated 1978, as amended, to issue environmental revenue bonds, and to pledge environmental services gross receipts tax revenues received by the County to the payment of those bonds. The Bonds are issued in accordance with the statutory provisions and pursuant to the Bond Ordinance to be adopted by the County Commission on August 10, 1993. The State has provided, in Section 4-62-1(J), New Mexico States Annotated 1978, as amended, that no law authorizing the pledge of revenues to the payment of any revenue bonds such as the Bonds will be repealed or amended in a manner that impairs adversely any outstanding revenue bonds unless provisions for their payment in full have been made. The County makes a similar covenant under the Bond Ordinance not to repeal or amend any law, ordinance or resolution in a manner that impairs adversely any of the outstanding Bonds.

A general description of the Bonds appears on the cover page of this Official Statement and under "Introduction". That information should be read in conjunction with the following summary of additional terms of the Bonds and of some of the provisions of the Bond Ordinance.

Registration, Transfer and Exchange

The County shall cause books for registration, transfer and exchange of the Bonds to be kept at the principal office of the Registrar. Upon surrender for transfer or exchange of any Bond at the principal office of the Registrar duly endorsed by the registered owner or his attorney duly authorized in writing, or accompanied by a written instrument or instruments of transfer or exchange in form satisfactory to the Registrar and properly executed, the County shall execute and the Registrar shall authenticate and deliver in the name of the transferee or registered owner, as appropriate, a new Bond or Bonds of the same maturity, interest rate and same aggregate principal amount. The Registrar shall not be required to transfer or exchange (a) any Bond during the five-day period preceding the mailing of notice calling Bonds for redemption and (b) any Bond called for redemption.

The person in whose name any Bond is registered shall be deemed and regarded as its absolute owner for all purposes, except as may otherwise be provided with respect to the payment of overdue interest. Payment of either the principal of or interest on any Bond shall be made only to or upon the order of its owner or his legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability on the Bonds to the extent of the amount paid.

If any Bond is lost, stolen, destroyed or mutilated, the Registrar shall, upon receipt of that Bond if mutilated, and such evidence, information or indemnity which the Registrar may reasonably require, authenticate and deliver a replacement Bond or Bonds of the same aggregate principal amount, maturity and interest rate, bearing a number or numbers not then outstanding. If any lost, stolen, destroyed or mutilated Bond has matured or been called for redemption, the Registrar may direct the Paying Agent to pay that Bond in lieu of replacement.

Exchanges and transfers of Bonds shall be made without charge to the owner or any transferee except that the Registrar may make a charge sufficient to reimburse the Registrar for any tax, fee or other governmental charge required to be paid with respect to that transfer or exchange.

Prior Redemption

Bonds maturing on or after September 1, 2003 are subject to redemption prior to maturity at the option of the County on or after September 1, 2002, in whole at any time or in part on any interest payment date at a redemption price equal to the principal amount of each bond so redeemed, plus accrued interest, if any, to the date fixed for redemption.

If less than all Bonds subject to redemption are to be redeemed at any one time, the Bonds to be redeemed shall be selected by the Registrar in the manner determined by the County. However, if less than all Bonds of a given maturity are redeemed, the Bonds to be redeemed within that maturity shall be selected by lot in the manner determined by the Registrar. Part of a Bond may be redeemed in units of \$5,000 if the amount of that Bond which remains outstanding is also in units of \$5,000.

Notice of redemption of the Bonds shall be given by the Registrar by sending a copy of such notice by first-class, postage prepaid mail not less than 30 days prior to the redemption date to the owner of each Bond, or portion thereof, to be redeemed at the address shown as of the fifth day prior to the mailing of notice on the registration books kept by the Registrar. The County shall give the Registrar notice of the Bonds to be called for redemption at least 15 days prior to the date that the Registrar is required to give owners notice of redemption specifying the Bonds and the principal amount to be called for redemption and the applicable redemption date.

Notice having been given, the Bonds or part of Bonds called for redemption shall become due and payable on the redemption date designated and, if an amount of money sufficient to redeem all the Bonds called for redemption is on deposit with the Paying Agent on the redemption date, the Bonds or part of the Bonds to be redeemed shall be deemed to be not outstanding and shall cease to bear or accrue interest from and after the redemption date. Upon presentation of a Bond to be redeemed at the office of the Paying Agent on or after the redemption date, the Paying Agent shall pay each Bond or portion thereof called for redemption from amounts transferred to the Paying Agent from the County for that redemption.

Source of Payment and Security

The payments of principal, prior redemption premiums, if any, and interest on all of the Bonds will be payable only out of the Pledged Revenues (see a general description of the Pledged Revenues under "INTRODUCTION"). The Bonds are secured by an irrevocable lien on the Pledged Revenues. The Bonds are not general obligations of the County, and the registered owners of the Bonds may not look to any general or other funds for any payment that becomes due on the Bonds other than the special funds that are specifically pledged to repayment under the terms of the Bond Ordinance. The Bonds will not constitute an indebtedness of the County, the State of New Mexico or any other political subdivision within the meaning of any charter, constitutional or statutory provision or limitation. The owners of the Bonds will not have a security interest in or a mortgage on any assets of the County other than the Pledged Revenues.

The Bond Ordinance establishes the Environmental Services Gross Receipts Tax Fund and requires that so long as any of the Bonds shall be outstanding the County shall deposit the Pledged Revenues in such fund. The Bond Ordinance also establishes the Santa Fe County Environmental Revenue Bonds, Series 1993, Debt Service Fund (the "Debt Service

Fund") and requires that the County account for the payments of principal and interest to be made on the Bonds by making monthly charges, against the Pledged Revenues which amounts shall be sufficient to pay the installments of principal and interest on the Bonds as they become due. After making such charges and credits in amounts sufficient for the Bonds and any additional parity obligations which may be issued (see THE BONDS - Additional Bonds or Other Obligations") additional charges may be made against the Environmental Services Gross Receipts Tax Fund to provide for any deficiencies in the reserve fund for the Bonds and for the payment of any subordinate obligations payable out of the Pledged Revenues that may be outstanding and the remaining Pledged Revenues in the Environmental Services Gross Receipts Tax Fund, if any, may be applied by the County to any other lawful purpose.

The Bond Ordinance provides that any moneys in the funds established under the Bond Ordinance may be invested in any legal investment permitted by law. Any obligation purchased as such an investment shall be deemed at all times to be part of such funds and the interest accruing thereon and any profit realized therefrom shall be credited to such funds and any loss resulting therefrom shall be charged to such funds.

Reserve Fund

Immediately upon delivery of the Bonds, the County will establish, from Bond Proceeds, a reserve fund for the payment of the Bonds in the amount of \$150,000. The moneys in the reserve fund shall be used to defray any delinquencies in the Debt Service Fund.

Additional Bonds or Other Obligations

Prior to the issuance of additional bonds or other obligations with a parity lien on the Pledged Revenues ("Parity Bonds"), the County shall be current in making all deposits required for payment of debt service on the Bonds and any required reimbursement to the reserve fund for the Bonds and the following test shall be satisfied: the Pledged Revenues, if any, for the historic test period (twelve consecutive months out of the 24 calendar months next preceding the date of delivery of such additional Parity Bonds) shall have been sufficient to pay an amount representing at least 125% of the maximum combined annual debt service requirements on outstanding Parity Bonds and the Parity Bonds proposed to be issued. In determining whether additional Parity Bonds may be issued, the County shall obtain a written certificate or an opinion of an independent accountant that states in substance that the Pledged Revenues are sufficient to pay the amounts required and which shall be conclusively presumed to be accurate in determining the right of the County to authorize, issue, sell and deliver the additional Parity Bonds. As long as the Parity Bonds are outstanding, the County shall not issue additional bonds or other obligations with a lien on the Revenues prior and superior to the lien of Parity Bonds on Pledged Revenues. Nothing contained in the Bond Ordinance shall be construed to prevent the County from issuing bonds or other obligations with a lien on Pledged Revenues subordinate to the lien of the Parity Bonds on Pledged Revenues.

Protective Covenants

The County's covenants in the Bond Ordinance include the following:

(1) The County will promptly apply the proceeds of the Bonds to finance the Project, and for the other purposes permitted by the Bond Ordinance.

(2) To prevent any accumulation of claims for interest after maturity, except as permitted by the Bond Ordinance, the County will not directly or indirectly extend or assent to the extension of the time for the payment of any claim for interest on the Bonds.

(3) Other than as stated in or provided by the Bond Ordinance, there are no liens or encumbrances of any nature on or against the Pledged Revenues.

(4) The County will maintain its corporate identity and existence as long as the Bonds remain outstanding unless another political subdivision by operation of law succeeds to the liabilities and rights of the County.

(5) So long as any of the Bonds remain outstanding, proper books of record and account will be kept by the County, separate and apart from all other record and accounts, showing complete and correct entries of all transactions.

(6) The County will, within 180 days following the close of each fiscal year, cause an audit of its books and accounts relating to the environmental services gross receipts tax revenues to be made showing the receipts and disbursements.

(7) Bond owners, or their duly authorized agents, shall have the right to inspect at all reasonable times all records, accounts and data relating to the environmental services gross receipts tax revenues.

(8) The County will restrict the use of the proceeds of the Bonds and any funds reasonably expected to be used to pay the Bonds to the extent necessary so that the Bonds will not constitute arbitrage bonds under Section 148 of the Code.

(9) The County (a) will take or cause to be taken such actions that may be required of it for the interest on the Bonds to be and remain excluded from gross income for federal income tax purposes, and (b) will not take or permit to be taken any action that would adversely affect such exclusion, and the County will, among other acts of compliance, to the extent necessary to assure the exclusion of interest on the Bonds under the Code, (i) apply, or cause to be applied, the proceeds of the Bonds to the governmental purpose of the borrowing, (ii) restrict the yield as necessary on investment property (defined in Section 148(b)(2) of the Code) acquired with the Bond proceeds, (iii) make timely rebate payments to the federal government in accordance with Section 148(f) of the Code, if required, (iv) maintain proper books and records and make, or have made, calculations and reports,

and (v) refrain from certain uses of Bond proceeds. Authorized Officers are authorized and directed to take action, make or have made calculations and rebate payments, and make or give reports and certifications as may be required or appropriate to assure the exclusion of interest on the Bonds from gross income for federal income tax purposes.

Defeasance

When all principal, interest and prior redemption premiums, if any, in connection with all or any part of the Bonds have been paid or provided for, the pledge and lien and all obligations under the Bond Ordinance with respect to the Bonds shall be discharged and the Bonds shall no longer be deemed to be outstanding within the meaning of the Bond Ordinance.

Without limiting the preceding paragraph, there shall be deemed to be such payment when: (i) the County has caused to be placed in escrow and in trust with an escrow agent located within or without the State exercising trust powers an amount sufficient (including the known minimum yield from federal securities in which such amount may be initially invested) to pay principal of, interest on and prior redemption premium, if any, on the Bonds to be defeased as the same become due to their final maturities or upon designated prior redemption dates, and (ii) any Bonds to be redeemed prior to maturity shall have been duly called for redemption or irrevocable instructions to call the Bonds for redemption shall have been given to the Registrar. The escrow agent shall have received evidence satisfactory to it that the cash and federal securities delivered will be sufficient to provide for the payment of the Bonds to be defeased as stated above.

Neither the federal securities nor money deposited with the escrow agent shall be withdrawn or used for any purpose other than as provided in the escrow agreement and the federal securities and money shall be segregated and held in trust for the payment of the principal of, interest on and prior redemption premium, if any, with respect to which such deposit has been made. The federal securities shall become due prior to the respective times at which the proceeds are needed in accordance with the schedule established and agreed upon between the County and the escrow agent at the time of the creation of the escrow, or the federal securities shall be subject to redemption but only at the option of the holders or owners thereof to assure the availability of the proceeds as needed to meet the schedule.

Default and Remedies

Each of the following events is an "event of default" under the Bond Ordinance:

(1) failure to pay the principal of any of the Bonds when due and payable, either at maturity or otherwise;

(2) failure to make any payment of interest within 10 business days after that interest becomes due and payable;

(3) for any reason, the County becomes incapable of fulfilling its obligations under the Bond Ordinance; or

(4) default by the County in the due and punctual performance of its covenants, conditions, agreements and provisions contained in the Bonds or in the Bond Ordinance and the continuance of such default (other than a default set forth in paragraphs 1 and 2 above) for sixty days after written notice specifying such default and requiring the same to be remedied has been given to the County by the owners of 25% in principal amount of the Bonds then outstanding.

Upon the happening and continuance of any of the events of default described above, the owners of not less than 25% in principal amount of the Bonds then Outstanding, including but not limited to a trustee or trustees therefor, may proceed against the County and its agents, officers and employees to:

(1) protect and enforce the rights of the owners by mandamus or other suit, action or special proceedings in equity or at law, in any court of competent jurisdiction, either for the appointment of a receiver to protect the rights of the owners with respect to the Pledged Revenues or for the specific performance of any covenant or agreement contained in the Bond Ordinance or for the enforcement of any proper legal or equitable remedy as those owners may deem necessary or desirable to protect and enforce their rights,

(2) to enjoin any act or thing which may be unlawful or in violation of any right of any owner,

(3) to require the County to act as if it were the trustee of an express trust, or

(4) any combination of those remedies.

All proceedings shall be instituted and maintained for the equal benefit of all owners of the Bonds then outstanding. The owners by purchasing the Bonds consent to the appointment of a receiver to protect the rights of the owners with respect to the Pledged Revenues. The failure of any owner to exercise any right shall not relieve the County of any obligation to perform any duty. Each right or privilege of any owner (or trustee or receiver therefor) is in addition and cumulative to any other right or privilege and the exercise of any right or privilege by or on behalf of any owner shall not be deemed a waiver of any other right or privilege of any owner.

Bond Ordinance Amendments

The Bond Ordinance may be amended by ordinance or resolution of the County without the consent of owners to:

- (1) cure any ambiguity, or to cure, correct or supplement any defect or inconsistent provision contained in the Bond Ordinance;
- (2) grant to the owners any additional rights, remedies, powers or authority that may lawfully be granted to them;
- (3) obtain or maintain a rating on the Bonds from any rating agency which amendment, in the opinion of nationally recognized bond counsel, does not materially adversely affect the owners of the Bonds;
- (4) achieve compliance with federal securities or tax laws; and
- (5) make any other changes in the Bond Ordinance which, in the opinion of nationally recognized bond counsel, does not materially adversely affect the owners of the Bonds.

Except as described above, the Bond Ordinance may only be amended or supplemented by ordinance adopted by the County in accordance with the laws of the State, without receipt by the County of any additional consideration, but with the written consent of the owners of a majority of the principal amount of the Bonds then outstanding which are affected by the amendment or supplement; provided, however, that no such ordinances (except with the written consent of the owners of all Bonds then outstanding) shall have the effect of permitting:

- (1) an extension of the maturity date of any Bond;
- (2) a reduction in the principal amount of, premium, if any, or interest rate on any Bond;
- (3) the creation of a lien on or a pledge of Pledged Revenues ranking prior to the lien or pledge of the Bonds on Pledged Revenues; or
- (4) a reduction of the principal amount of the Bonds required for consent to such amendment or supplement.

THE PLEDGED REVENUES

On July 1, 1991, the environmental services gross receipts tax (sales tax) of .125% was imposed on persons engaging in business in the unincorporated areas of Santa Fe County, New Mexico and is based on gross receipts from property leased or sold or services performed in the such geographical area. Exemptions from the environmental services gross receipts tax are provided for certain types of transactions such as sales or leases of oil, natural gas or mineral interest, and wages. In addition, taxpayers are entitled to deduct certain amounts from their total receipts, for example receipts from sale of tangible personal property or services to be resold in the ordinary course of business and receipts from interstate commerce transactions.

All businesses that are subject to the tax must make their payments on or before the 25th of each month for taxable events in the prior month. The Revenue Division of the Taxation and Revenue Department of the State of New Mexico then remits monthly to the County an amount due. The County will set aside each monthly remittance as Pledged Revenues to secure payment of the Bonds.

Following is an historical Environmental Services Gross Receipts Tax collection chart setting forth receipts for the past 22 months (since July 1, 1991, the date of imposition of the environmental services gross receipts tax) in Santa Fe County.

	Actual 1/8 ⁽¹⁾ Environmental Gross Receipts Tax Collections (Fiscal year 1992)	Actual 1/8 ⁽²⁾ Environmental Gross Receipts Tax Collection (Fiscal year 1993)
July	-0-	\$28,096.41
August	-0-	29,273.95
September	20,549.91	27,970.38
October	23,135.44	28,170.07
November	24,361.99	24,996.04
December	19,325.83	25,086.11
January	21,478.12	25,500.83
February	27,332.28	28,312.78
March	19,889.28	21,588.23
April	20,883.22	28,186.80
May	23,371.25	23,023.18
June	22,106.41	27,758.86
Available for Debt Service^(1 and 2)	\$222,433.73	\$317,963.64

(1) Ten months collections only. Tax Imposed July 1, 1991; 1st reported by taxpayers August 25, 1991; 1st distributed - September 1991.
Source: New Mexico Taxation and Revenue Department - July, 1993.

Although there is only a twenty-two month payment and collection history for the environmental services gross receipts tax which went into effect July 1, 1991, a comparable gross receipts tax has been levied by the County in the form of a 1/4% Fire Protection Gross Receipts Tax in the unincorporated areas in Santa Fe County. The Actual 1/4% Fire Protection gross Receipts Tax and comparable 1/8% Environmental Gross Receipts Tax for the period 1987-1993 is shown below:

	Actual 1/4 ⁽¹⁾ Gross Receipts Tax Collections (Fire Protection Fund)	Comparable 1/8 Gross Receipts Tax Collection (EGT)	Percentage Increase (Decrease)
1993	\$648,011	\$317,964 ⁽¹⁾	15.44%
1992	550,881	275,441 ⁽²⁾	1.99%
1991	540,164	270,082 ⁽²⁾	23.1%
1990	438,806	219,403 ⁽²⁾	16.7%
1989	375,952	187,976 ⁽²⁾	27.1%
1988	295,729	147,865 ⁽²⁾	(1.4%)
1987	299,926	149,963 ⁽²⁾	---
		Average Rate of Increase	13.82%

(1) Actual Receipts

(2) Comparable 1/8 Environmental Services Gross Receipts Tax Collections if in effect for the same period of time.

Source: Local Government Distribution Summaries; Department of Taxation and Revenue, State of New Mexico

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ESTIMATED ANNUAL DEBT SERVICE SCHEDULE

The table below gives the total amount of principal and interest payments to maturity on the Bonds.

Year Ending 6/30	Est. Tax ⁽¹⁾ Revenue	Interest Income on Reserve Fund ⁽²⁾	Series 1993 Bonds			Est.** Covg.
			Principal Amount	Interest Amount	Total Amount	
1994	\$324,323	\$7,500	\$ 0	\$36,869	\$36,869	9.00x
1995	330,809	7,500	95,000	72,193	167,193	2.02x
1996	337,426	7,500	100,000	68,775	168,775	2.04x
1997	347,548	7,500	105,000	64,695	169,695	2.09x
1998	354,499	7,500	110,000	55,070	170,070	2.13x
1999	361,589	7,500	115,000	55,005	170,005	2.17x
2000	368,821	7,500	120,000	49,480	169,480	2.22x
2001	376,197	7,500	125,000	43,413	168,413	2.28x
2002	383,721	7,500	130,000	36,780	166,780	2.35x
2003	391,396	7,500	140,000	29,555	169,555	2.35x
2004	399,224	7,500	145,000	21,788	166,788	2.44x
2005	407,208	7,500	155,000	13,460	168,460	2.46x
2006	415,352	7,500	160,000	4,560	164,560	3.48x ⁽²⁾

(1) Source - New Mexico Department of Taxation and Revenue. The Average Annual Increase in a comparable 1/8th gross receipts tax for the period 1987-1992 would have been 13.82%. The estimated Tax Revenues shown in this table have been projected at an annual 2% increase.

(2) The Reserve Fund will be available to make payments due September 1, 2005. Annual interest earnings on the Reserve Fund have been computed at 5%

** Estimated Only

Total Taxable Gross Receipts Reported - Incorporated and Unincorporated Areas Santa Fe County

Year	Total Santa Fe County	Incorporated Areas ⁽¹⁾	Unincorporated Area	Unincorporated as % of Total County
1992	\$1,836,431,828	\$1,583,799,671	\$252,632,157	13.76%
1991	1,732,810,156	1,498,966,166	233,843,990	13.50%
1990	1,622,283,974	1,410,796,989	211,486,985	13.04%
1989	1,431,306,082	1,272,219,103	159,086,979	11.10%
1988	1,292,611,004	1,140,736,519	151,874,485	11.75%

(1) Incorporated areas in Santa Fe County include the City of Santa Fe and a portion of the City of Espanola. The Santa Clara Pueblo and Pojoaque Pueblo are included in the Remainder of Santa Fe County; however, gross receipts tax revenues are not generated or paid by the pueblos.

(See the following breakdown for classification of the total taxable gross receipts reported in the unincorporated portions of the County.)

Taxable Gross Receipts by Standard Industrial Classification in Unincorporated Areas

The following represents Total Taxable Gross Receipts Reported in the unincorporated portions of Santa Fe County.

Classification	1992	1991	1990	1989	1988
Agriculture	\$3,561,263	\$3,542,329	*	*	*
Mining	*	*	*	*	*
Construction	114,412,483	96,177,529	89,796,349	54,638,688	56,052,706
Manufacturing	7,039,529	6,507,558	5,624,952	5,486,380	4,558,146
Transportation, Communication, Utilities	32,751,019	34,291,280	31,405,440	24,708,986	24,590,927
Wholesale Trade	3,327,019	2,005,635	2,248,879	2,541,247	1,991,486
Retail Trade	36,760,768	41,369,430	33,477,850	30,220,833	25,348,205
Finance, Insurance, Real Estate	1,608,382	2,408,791	2,230,161	1,298,581	2,371,374
Services	<u>52,421,935</u>	<u>46,818,859</u>	<u>42,748,257</u>	<u>36,192,855</u>	<u>33,865,219</u>
TOTAL	\$252,632,157	\$233,843,990	\$211,486,985	\$159,086,979	\$151,874,485

* Amounts not disclosed for confidentiality. Amounts are included under services
Source: State of New Mexico Taxation and Revenue Department

Total Gross Receipts by Standard Industrial Classification in Unincorporated Areas

The following represents Total Gross Receipts Reported in the unincorporated portions of Santa Fe County.

Classification	1992	1991	1990	1989	1988
Agriculture	\$4,049,784	\$3,736,144	*	*	*
Mining	*	*	*	*	*
Construction	137,201,014	128,041,010	107,856,209	66,036,407	67,928,947
Manufacturing	41,573,921	43,630,280	45,619,732	48,566,433	35,033,820
Transportation, Communication, Utilities	51,077,985	54,108,381	51,323,583	45,130,628	33,152,986
Wholesale Trade	8,790,470	11,828,315	10,748,593	10,210,467	8,993,418
Retail Trade	53,571,154	54,552,805	46,255,544	41,176,518	33,954,012
Finance, Insurance, Real Estate	2,379,266	4,276,182	3,873,655	1,877,561	2,659,298
Services	<u>66,496,681</u>	<u>61,530,690</u>	<u>55,315,863</u>	<u>44,930,778</u>	<u>42,480,673</u>
TOTAL	\$369,450,748	\$362,523,838	\$325,732,151	\$262,238,606	\$227,797,349

* Amounts not disclosed for confidentiality. Amounts are included under services.

Source: State of New Mexico Taxation and Revenue Department

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FINANCIAL DATA

(As of July 2, 1993)

VALUATIONS

1992-93 Assessed Value (1)	\$1,827,817,367
Estimated Actual Value (2)	\$5,513,308,514

BONDED INDEBTEDNESS

Outstanding Bonds(3)	\$12,950,000
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OVERLAPPING GENERAL OBLIGATION BONDED DEBT

	<u>Assessed Value (4)</u>	<u>Bonded Debt</u>	<u>Percent</u> <u>Applicable</u>	<u>County's</u> <u>Share</u>
City of Santa Fe (4)	\$1,136,523,707	\$ 0	100.00%	\$ 0
Santa Fe Public Schools	1,672,420,141	36,350,000	100.00%	36,350,000
Santa Fe Community College	1,672,420,141	19,500,000	100.00%	21,150,000
Pojoaque Public Schools	62,740,304	2,695,000	100.00%	2,695,000
City of Espanola (5)*	17,827,413	0	0.98%	0
Espanola Public Schools (6)*	40,677,379	6,050,000	2.23%	134,915
Moriarty Municipal Schools (7)*	51,920,073	6,900,000	2.84%	195,960
State of New Mexico (8)	17,219,751,290	153,942,000	10.62%	<u>\$16,348,640</u>
Total Overlapping Bonded Debt				<u>76,874,515</u>
Total Direct and Overlapping Debt				<u>\$89,824,515</u>

*Where applicable

DEBT RATIOS

Direct Debt to Assessed Value	0.71%
Direct Debt to Estimated Actual Value	0.24%
Direct Debt Per Capita (9)	\$126.22
Direct and Overlapping to Assessed Value	4.92%
Direct and Overlapping to Estimated Actual Value	1.63%
Direct and Overlapping Per Capita (9)	\$875.48
Assessed Valuation Per Capita (9)	\$17,815
Estimated Actual Value Per Capita (9)	\$53,736

(1) Source: Santa Fe County Assessor

(2) Assessed Valuation multiplied by three, plus certain exemptions.

(3) Outstanding Series 5/91 \$3,225,000; 3/1/92 \$1,725,000; 6/1/92 \$4,500,000; and Series 3/1/93 \$3,500,000. Santa Fe County has no authorized and unissued bonds

(4) The City of Santa Fe has self-liquidating revenue bonded debt outstanding as follows: \$28,000,000 Gross Receipts Tax Refunding Revenue Bonds; \$1,595,000 Refuse Disposal Net Revenue Bonds.

(5) Assessed Value represents only that portion of City of Espanola located in Santa Fe County. The City of Espanola has self-liquidating revenue bonded debt outstanding as follows: \$5,090,000 Gross Receipts Tax Revenue Bonds; \$330,000 Sales Tax Refunding Bonds.

(6) Assessed Value represents only that portion of Espanola Public Schools located in Santa Fe County.

(7) Assessed Value represents only that portion of Moriarty Schools located in Santa Fe County.

(8) The State of New Mexico has self-liquidating Severance Tax Revenue Bonds outstanding.

(9) Population: 102,600 (1991 Estimated).

ASSESSED VALUATION

REASSESSMENT

New Mexico has a state-wide property reassessment program. The program's objective is to keep property values close to their market values so that there will be a high correlation between the value of a property and its share of the tax burden. The first reassessment under this present program was in 1986, and such reassessments continue to occur biannually in the even numbered years. In 1992, property value was adjusted to 1990 their market levels, in 1990, property values were adjusted to their 1988 market levels. The effect of the reassessment program in 1990 on the County's assessed valuation and tax rates was not significant with an increase in assessed value from 1989 to 1990 of 4.53%. However, the reassessment program in 1992 has had a substantial effect on assessed valuation with an increase in assessed value from 1991 to 1992 of 23.8%. Two of the largest taxpayers (representing \$10,051,078 in hotel property assessed value) currently have protests pending.

ABSTRACT OF ASSESSED VALUATION

	<u>1989</u>	<u>1990</u>	<u>1991</u>	<u>1992</u>
Land	\$ 618,285,927	\$ 603,107,503	\$ 586,220,721	\$ 734,894,855
Improvements	687,628,032	765,876,489	811,222,965	968,330,876
Personal property	20,631,248	21,415,656	22,781,105	64,046,295
Mobile homes	17,749,628	17,671,264	20,611,694	23,044,631
Livestock	<u>2,352,405</u>	<u>1,078,441</u>	<u>4,164,695</u>	<u>2,428,629</u>
Assessor's taxable value	1,346,647,240	1,409,149,353	1,445,001,180	\$1,792,745,286
Less exemptions:				
Head of family	(11,367,910)	(11,213,302)	(19,830,355)	(19,787,600)
Veterans	(9,787,443)	(9,829,709)	(9,854,286)	(10,068,813)
Others	<u>(51,548)</u>	<u>(41,349)</u>	<u>--</u>	<u>--</u>
Total Exemptions	<u>(21,206,901)</u>	<u>(21,084,360)</u>	<u>(29,684,641)</u>	<u>(29,856,413)</u>
Assessors net value	1,325,440,339	1,388,064,993	1,415,316,539	1,762,888,873
Centrally assessed property	<u>60,363,890</u>	<u>60,516,531</u>	<u>61,138,728</u>	<u>64,928,494</u>
Assessed valuation	<u>\$1,385,804,229</u>	<u>\$1,448,581,524</u>	<u>\$1,476,455,267</u>	<u>\$1,827,817,367</u>

ASSESSED VALUATION COMPARISON

<u>Tax Year</u>	<u>Santa Fe County</u>	<u>City of Santa Fe</u>	<u>Santa Fe Public Schools</u>
1992-93	\$1,827,817,367	\$1,136,523,707	\$1,654,691,190
1991-92	1,476,455,267	952,539,777	1,338,332,189
1990-91	1,448,581,524	930,693,275	1,303,693,664
1989-90	1,385,804,229	832,518,165	1,171,170,896
1988-89	1,265,386,580	806,163,698	1,138,398,584
1987-88	825,032,362	550,245,047	748,910,264
1986-87	803,542,571	534,867,623	724,062,242
1985-86	383,901,566	252,131,267	348,653,209
1984-85	354,200,632	233,957,848	325,828,778

MAJOR TAXPAYERS-Santa Fe County

<u>Taxpayer</u>	<u>Business Type</u>	<u>1991 Valuation</u>	<u>1992 Valuation</u>
Public Service Company of NM	Electric Utility	\$24,391,951	\$24,976,926
U.S. West	Telephone Utility	17,832,874	18,279,461
Public Service Company of NM	Water Utility	4,313,748	4,531,953
El Dorado Partnership	Hotel	6,651,511	6,285,622
Villa Linda Mall	Shopping Center	4,701,751	5,196,175
New Mexico Hotels, LTD (Hilton)	Hotel	3,019,657	3,765,456
La Tierra Limited	Land Developers	N/A	3,932,440
Corporation de La Fonda	Hotel	2,605,991	3,401,136
Gas Company of New Mexico	Gas Utility	3,530,417	3,599,179
DeVargas	Shopping Center	3,054,195	3,051,446
James Kirkpatrick/Inn at Loretto	Commercial Buildings	2,980,268	3,259,961

Source: Santa Fe County Assessor

TAX RATES

YIELD CONTROL

Section 7-37-7.1, NMSA 1978, limits the allowable increase in property taxes from the preceding year. Specifically, no rate shall be set or assessment imposed which will produce current tax revenues in excess of the prior year's tax revenues plus a percent that is determined by a growth control factor. The growth control factor is the sum of (1) the growth in the assessed valuation due to net new additions to the property tax rolls, expressed as a percent of the prior year's assessed ("G"), and (2) the percentage change, not in excess of five percent, in the annual business indicator index between the prior calendar year and the year next preceding the prior calendar year ("I"). The resulting yield control equation is:

$$\text{Current tax revenues} = \text{prior tax revenues} \times (G+I)$$

Where:

G is never less than 100%.

I is never less than 0% or more than 5%.

The annual business indicator index is defined as "annual implicit price deflator index for state and local government purchases of goods and services, as published in the United States department of commerce monthly publication entitled "Summary of Current Business" or any successor publication for the calendar year." The yield control formula applies to both residential and nonresidential property, but the calculations for each property class are made separately. Additionally, the yield control formula applies to any authorized operating levy but not to any debt service levy. To the extent that the reassessment program, as discussed under REASSESSMENT above, increased property values in 1988, the yield control formula operated to limit the growth in tax revenues resulting solely from reassessment while not directly limiting the increase in tax revenues due to net new additions to the property tax rolls.

SANTA FE COUNTY TAX RATES
(Residential)

	<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>	<u>1992</u>
State of New Mexico	1.150	1.762	1.140	1.405	1.343
Santa Fe County	4.149	5.539	5.483	5.636	5.032
City of Santa Fe*	0.653	0.629	0.630	0.646	0.578
Santa Fe Public Schools*	6.100	6.411	6.182	6.406	5.917
Santa Fe Community College*	1.988	1.964	1.963	3.252	3.763
Pojoaque Schools*	8.417	8.539	11.046	11.661	8.889
City of Espanola*	5.497	5.390	5.320	5.145	4.685
Espanola Schools	10.168	11.269	14.125	12.778	12.734
Moriarity Schools*	12.433	12.221	12.325	12.439	10.620

* Where applicable

HISTORICAL SUMMARY OF TAX RATES FOR BONDS

	<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>	<u>1992</u>
State of New Mexico	1.150	1.762	1.140	1.405	1.343
Santa Fe County	0.880	0.852	0.747	0.747	0.747
City of Santa Fe	0.000	0.000	0.000	0.000	0.000
Santa Fe Public Schools	3.687	4.223	4.007	4.224	3.758
Santa Fe Community College	1.250	1.252	1.252	1.252	1.746

Source: State of New Mexico, Department of Finance and Administration

20-MILL LIMITATION ANALYSIS

Article VIII, Section 2 of the New Mexico Constitution limits the total ad valorem taxes for operational purposes levied by all overlapping governmental units within the County to \$20.00 per \$1,000 of assessed value. This limitation does not apply to special levies, such as levies for bond issues, authorized at an election by a majority of the qualified voters within the County. The operational levies of all overlapping governmental units within Santa Fe County are below the statutory 20 mill limitation.

Source: Santa Fe County Treasurer

The County of Santa Fe initiated collection of property taxes by using the bank lockbox method. This collection strategy among other collection efforts, has resulted in a 6.15% increase in the amount of taxes collected as of May, 1993 compared to year end 1991 and 1.41% over year end 1992. Tax Collections in Santa Fe County for the past five years is set forth in the following table:

TAX COLLECTIONS-SANTA FE COUNTY

Tax Year	Net Taxes Charged To Treasurer	Tax Collections	Percentage Collected
<u>As of May 31, 1993⁽¹⁾</u>			
1992	\$31,289,589	\$29,306,394	93.66%
1991	27,221,108	26,083,651	95.82%
1990	21,936,899	21,728,734	99.05%
1989	22,899,688	22,743,876	99.32%
1988	17,735,692	17,652,348	99.53%
1987	14,973,325	14,928,034	99.70%
<u>As of June 30, 1992</u>			
1991	\$27,176,216	\$25,070,005	92.25%
1990	21,954,585	21,365,002	97.31%
1989	22,921,162	22,679,179	98.94%
1988	17,746,084	17,643,828	99.42%
1987	14,974,945	14,924,607	99.66%
<u>As of June 30, 1991</u>			
1990	\$22,013,003	\$19,264,505	87.51%
1989	22,984,495	22,022,475	95.81%
1988	17,792,954	16,986,181	95.46%
1987	14,984,551	15,038,341	100.03%
1986	14,221,833	14,288,023	100.46%
<u>As of June 30, 1990</u>			
1989	\$23,009,721	\$20,459,522	88.92%
1988	17,852,773	16,518,742	92.53%
1987	15,007,514	14,857,689	99.00%
1986	14,234,517	14,229,616	99.97%
1985	12,046,078	12,344,782	102.48%
<u>As of June 30, 1989</u>			
1988	\$17,921,627	\$15,123,632	84.39%
1987	15,053,634	14,574,526	96.82%
1986	14,277,141	14,123,723	98.93%
1985	12,067,814	12,306,883	101.98%
1984	11,137,728	11,201,083	100.57%

*Source: Santa Fe County Treasurer

* 1st Half 1992 taxes were due November 11, 1992, Second Half taxes were due April 10, 1993.

(1) Partial year.

METHODS OF TAX COLLECTION

Current 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 payable to the county treasurer in two (2) equal installments due on November 10 of the tax year in which the tax bill was prepared and mailed on April 10 of the following year. Pursuant to Section 7-38-46, NMSA 1978, property taxes are delinquent thirty days after the date on which they are due.

INTEREST ON DELINQUENT TAXES

Pursuant to Section 7-38-49, NMSA 1978, if property taxes are not paid for any reason within thirty (30) days after the date they are due, interest on the unpaid taxes shall accrue from the thirtieth (30th) day after they are due until the date they are paid. Interest accrues at the rate of one percent (1%) per month or any fraction of a month.

PENALTY FOR DELINQUENT TAXES

Pursuant to Section 7-38-50, NMSA 1978, if property taxes become delinquent, a penalty of one percent (1%) of the delinquent tax for each month, or any portion of a month, remaining unpaid shall be imposed, but the total penalty shall not exceed five percent (5%) 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 an intent to defraud by the property owner, fifty percent (50%) of the property taxes due or fifty dollars (\$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 on which the property was subject to valuation for property taxation purposes. A personal judgement 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 the taxes are delinquent.

Pursuant to Section 7-38-53, NMSA 1978, delinquent property taxes on personal property may be collected by asserting a claim against the owner(s) of the personal property for which the taxes are delinquent.

Source: Santa Fe County Treasurer

AREA ECONOMIC INFORMATION

POPULATION GROWTH AND PROJECTIONS		
Year	Santa Fe County	New Mexico
1940 (Census)	30,826	531,818
1950 (Census)	38,153	681,187
1960 (Census)	44,970	951,023
1970 (Census)	54,774	1,017,055
1980 (Census)	75,519	1,308,302
1990 (Census)	99,288	1,520,207
1991 (Est.)	102,600	1,561,400
1995 (Est.)	108,324	1,631,383
2000 (Est.)	116,701	1,734,948
2005 (Est.)	124,454	1,838,539

Source: University of New Mexico, Bureau of Economic Analysis (2/90) and U.S. Bureau of the Census; Sales and Marketing Management "Survey of Buying Power", August 24, 1992.

The following table provides an age profile of the County population in 1991, and comparative data for the State and the United States:

<u>Age</u>	<u>Percent of County Population</u>	<u>Percent of New Mexico Population</u>	<u>Percent of U.S. Population</u>
0-17	26.1%	29.7%	25.5%
18-24	8.4	9.6	10.8
25-34	15.9	16.5	17.6
35-49	26.6	21.1	20.3
50 and Older	<u>23.0</u>	<u>23.1</u>	<u>25.8</u>
	100.0%	100.0%	100.0%

Source: Sales and Marketing Management, 1992 Survey of Buying Power, August 24, 1992.

The total population of Santa Fe County grew by 31.3 percent over the decade of the 1980s (1980-1990). According to population projections from the University of New Mexico Bureau of Business and Economic Research, the population of Santa Fe County is expected to grow by 32.6 percent between 1990 and 2020 and account for 7.7 percent of total New Mexico population growth.

Source: New Mexico Labor Market Review, Volume 22, No. 5, June 30, 1993.

Income

Residents of the County had an estimated total effective buying income (personal income less personal tax and nontax payments such as fines, penalties and contributions to social insurance) in 1991 of \$1,609,749, ranking second among the State's 33 counties. The table set forth below shows per household effective buying income categories for residents of the County in 1991 and comparative data for the State and the United States.

<u>Effective Buying Income Category</u>	<u>Percent Santa Fe County Households</u>	<u>Percent of New Mexico Households</u>	<u>Percent of U.S. Households</u>
Under \$10,000	11.0%	16.9%	12.9%
\$10,000-19,999	17.5	21.1	16.9
\$20,000-34,999	26.7	26.9	24.8
\$35,000-49,999	19.2	17.1	19.2
\$50,000 and over	<u>25.6</u>	<u>18.0</u>	<u>26.2</u>
	100.0%	100.0%	100.0%

Source: Sales and Marketing Management, 1992 Survey of Buying Power, August 24, 1992.

The table below sets forth the per-capita income, based on the total gross personal income divided by the population, for the County, the State and the United States. Although the State of New Mexico per capita income remains lower than the per capita income of the United States as a whole, Santa Fe County continually compares with the United States level and is higher than the per capita income of the State of New Mexico as a whole.

<u>Year</u>	<u>Santa Fe County</u>	<u>State of New Mexico</u>	<u>United States</u>
1984	\$ 11,646	\$ 10,262	\$ 12,789
1985	13,439	11,188	13,896
1986	13,890(R)	11,432	14,597
1987	14,361(R)	11,872	15,424
1988	15,124(R)	12,651(R)	16,615(R)
1989	15,838(R)	13,339(R)	17,696(R)
1990	17,682(R)	14,124(R)	18,635(R)
1991	18,540(R)	14,709(R)	19,091(R)
1992	N/A	15,353	19,841

(R) = Revised figures as of 5/26/93.

Source: U.S. Department of Commerce, Bureau of Economic Analysis

Santa Fe County per capita personal income, at \$17,682 was 125.2% of the state average in 1990 and \$18,540 or 126.0% of the state average in 1991, the latest year for which county personal income figures are available. (New Mexico per capita personal income is about 76% of the U.S. national average). Santa Fe placed 2nd out of 33 in a ranking of New Mexico counties by per capita personal income level.

Source: New Mexico Labor Market Review, Volume 22, No. 5, June 30, 1993.

NON-AGRICULTURAL EMPLOYMENT--SANTA FE COUNTY-MSA

	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>	<u>1992</u>	<u>1993(1)</u>
Manufacturing	1,515	1,649	1,738	1,865	1,850	1,850	2,800
Mining & Construction	2,486	2,698	2,757	2,973	3,000	2,800	1,950
Transportation & Utilities	1,079	1,018	885	965	1,050	1,100	1,050
Wholesale & Retail Trade	9,234	9,285	10,007	10,747	12,800	13,000	13,200
Finance, Insurance & Real Estate	1,668	1,723	1,831	2,000	2,500	2,600	2,700
Services & Miscellaneous	10,502	11,364	12,118	12,456	17,100	18,800	18,100
Government	<u>11,183</u>	<u>11,853</u>	<u>12,280</u>	<u>13,103</u>	<u>24,300</u>	<u>24,300</u>	<u>24,900</u>
Totals:	37,667	39,590	41,616	44,109	62,700	63,600	64,700

(1) Preliminary April 1993 figures as of 5/10/93

Source: New Mexico Department of Labor

CIVILIAN LABOR FORCE--SANTA FE MSA						
	1987	1988	1989	1990	1991	1992
Labor Force	65,405	66,626	67,039	71,620	73,584	74,802
Employment	61,673	63,184	64,298	69,035	70,900	72,123
Unemployment	3,732	3,442	2,741	2,585	2,684	2,679
Rate %	5.71	5.17	4.09	3.60	3.60	3.60

(1) 1992 Figures are final as of 5/10/93 prepared by the Department of Labor

Source: New Mexico Department of Labor.

UNEMPLOYMENT			
YEAR	SANTA FE COUNTY	NEW MEXICO	UNITED STATES
1992	3.6%	6.8%	7.5%
1991	3.6%	6.9%	6.7%
1990	3.6%	6.3%	5.5%
1989	4.1%	6.7%	5.3%
1988	5.2%	7.8%	5.5%
1987	5.7%	8.9%	6.2%
1986	5.4%	9.2%	7.0%
1985	5.3%	8.8%	7.2%

Source: New Mexico Department of Labor (5/93 Revision).

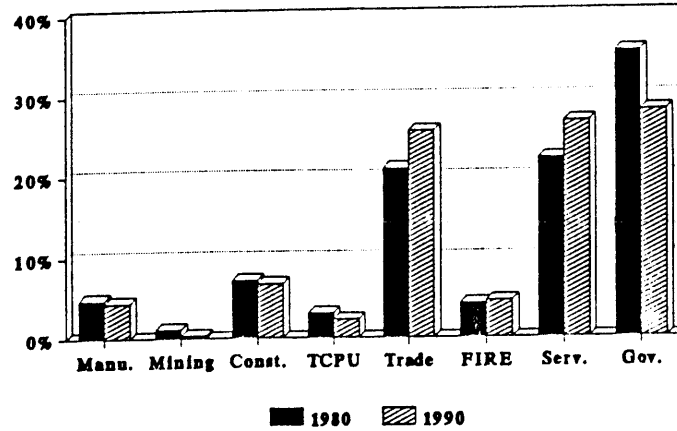
The Santa Fe county economy is driven primarily by state government employment and tourism and lacks a significant base in the goods-producing industries. The county has experienced few unemployment problems over the last 12 years.

The preliminary unemployment rate in Santa Fe county for April 1993, the latest month available, was 4.3%, which placed Santa Fe county third lowest in a ranking of New Mexico counties.

Gross receipts from retail trade, a proxy for tourism, were up by 5.5% in Santa Fe in the three months ending in February, 1993. Retail trade accounted for 23.4% of Santa Fe County employment in 1990, up from 19.2% a decade earlier. Services employment had grown substantially, from 22.3% in 1980 to 26.9% in 1990, while state government decreased its share, falling from 22.4% to 16.8%. Total employment in the county far outperformed the state in the 1980s, increasing by 53.1% over the decade, a decade in which New Mexico employment had increased by a little over 27%.

Source: New Mexico Labor Market Review, Volume 22, No. 5, June 30, 1993

Employment by Industry 1980 & 1990



SELECTED ECONOMIC INDICATORS				
	1988	1989	1990	1991
Savings & Loan Associations:				
Deposits (\$000's)	\$128,769	\$235,737	\$166,330	\$201,543
Assets (\$000's)	163,048	313,514	220,787	\$243,697
Banking Data:				
Deposits (\$000's)	564,969	612,754	655,510	676,762
Assets (\$000's)	615,748	678,520	715,102	746,035
Multiple Listing Sales:				
Total Sales (\$000's)	174,654	202,991	258,545	241,708
Average Selling Price	155,941	162,914	188,033	187,516
Building Permits:				
Residential	36,562,724	46,159,489	52,280,667	34,409,728
Non-residential	7,049,718	18,468,076	16,931,102	14,742,911

SANTA FE COUNTY--MAJOR EMPLOYERS
(As of December, 1992)

<u>Employer</u>	<u>Employees</u>	<u>Type of Business</u>
State of New Mexico	15,000	Government
U.S. Government	3,000	Government
Santa Fe Public Schools	1,650	Education
St. Vincent's Hospital	1,365	Medical
City of Santa Fe	956	Government
Santa Fe Opera	550	Entertainment/Arts
Visiting Nurse Service	350	Medical
Downs at Santa Fe	342	Horse Racing*
Santa Fe Ski Company	300	Ski Resort*
Furr's Supermarket	280	Retail/Food Chain
Santa Fe Indian School	265	Education
Santa Fe County	240	Government
El Dorado Hotel	237	Hotel
La Fonda Hotel	225	Hotel
Pojaque Valley Schools	210	Education
Wal-Mart	205	Retail Store
College of Santa Fe	200	Education
McDonalds	200	Retail/Fast Food
Nambe Mills	200	Manufacturing/Art
Presbyterian Medical Service	200	Medical

*Seasonal Employment

Source: Santa Fe Economic Development Office and New Mexico Department of Labor

Education

The public school system in the City of Santa Fe presently includes 18 elementary schools, three junior high schools and three senior high schools. The public school system employs 735 teachers and 1,200 total staff.

The College of Santa Fe and St. John's College are both located within the City. The College of Santa Fe offers academic programs enabling students to obtain various undergraduate degrees and master's degrees in business. There are presently approximately 45 full-time-equivalent faculty positions, 80 support staff and 900 students. St. John's College offers two academic programs enabling students to obtain undergraduate and master's degrees in liberal arts. There are presently approximately 50 full-time-equivalent faculty positions, 100 support staff and 300 students. Santa Fe Community College also offers a two-year undergraduate program.

Source: U.S Department of Commerce, Bureau of Economic Analysis (5/90 report).

THE COUNTY

GENERAL

Located in north-central New Mexico, Santa Fe County was first established in 1610. It is largely surrounded by the Sangre de Cristo and Jemez mountains and is bisected by the Rio Grande river. Only the southwest corner of the County consists of plains.

The County is relatively prosperous, ranking second among New Mexico counties in per-capita income. The City of Santa Fe, New Mexico's State Capitol, dominates the County economy with strong tourism and governmental activity. The main tourist attractions in the area include the Santa Fe Ski Basin, the Santa Fe Opera, the Santa Fe National Forest and the Pecos Wilderness. In addition, the area includes attractions such as the Santa Fe Art Community, Santa Fe Downs horse racing track and the bi-lingual and tri-cultural character of the City and County.

COUNTY MANAGER AND STAFF

Gil Tercero, Manager since January, 1989, has been employed by the County since January, 1985.

John Balling, Director of Public Works since February, 1984.

Pete Garcia, Director of Finance since May, 1985.

COUNTY OFFICIALS

Jona G. Armijo, County Clerk since January, 1987.

Mercy J. Quintana, County Assessor since January, 1987.

Angie V. Gonzales, County Treasurer since January, 1987.

Terry Brennon, County Attorney since July, 1990.

SANTA FE COUNTY COMMISSION

The Board of County Commissioners consists of five individuals elected for staggered terms. The County is divided into five Districts as equal in population as possible. The function of the County is briefly addressed in the grant of powers provided to all New Mexico counties pursuant to state statute 4-37-1, NMSA 1978. The function of the County is, "...to provide for the safety, preserve the health, promote the prosperity and improve the morals, order, comfort and convenience of the county or its inhabitants..." Santa Fe County operates under the Commission form of government which oversees:

1. the assessment, collection, and distribution of ad valorem taxes by an elected assessor and treasurer;
2. law enforcement by an elected sheriff;
3. recording and filing by an elected county clerk;
4. road maintenance by an appointed road manager;
5. fire protection by volunteer fire departments;
6. administrative services by an appointed county manager; and
7. planning, health, welfare, recreation and cultural affairs by appointed citizen advisory boards.

COUNTY COMMISSIONERS

Raymond M. Chavez, Chairperson

Term expires December 31, 1994, represents District 1, Occupation: Employed at Los Alamos National Laboratory.

Linda Grill, Vice Chairperson

Term expires December 31, 1994; Represents District 3; Occupation: Self-employed.

Betty Platts, Commissioner

Term expires December 31, 1996; Represents District 5; Occupation: Retired.

Nancy Rodriguez, Commissioner

Term expires December 31, 1996; Represents District 2; Occupation: Obtained her Masters Degree at the College of Santa Fe in 1992 and is pursuing her education and a career as a Certified Public Accountant.

Richard S. Anaya, Commissioner

Term expires December 31, 1996; Represents District 4; Occupation: Self-employed.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION - FUND ACCOUNTING

The accounts of the County are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped into the following generic fund types:

Governmental Fund Types:

1. General Fund - The General Fund is the general operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund. It is funded primarily through property, sale and other miscellaneous taxes.
2. Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.
3. Capital Project Funds - The Capital Project Funds are used to account for financial resources to be used for the acquisition of major capital facilities and related costs. Capital Project funding is comprised of bond proceeds, federal and state grants and/or current federal funds.
4. Special Revenue Funds - The County receives funds from various sources, the expenditure of which is legally restricted to specified purposes. These revenues and expenditures are accounted for in this fund.

Proprietary Fund Type-Enterprise Funds. Enterprise funds are established to account for operations (a) that are financed and operated in a manner similar to private business enterprises -- where the intent of the governing body is that the costs (expenses including depreciation) of providing services on a continuing basis be financed or recovered primarily through user charges; and (b) where the governing body has decided that

periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control and accountability.

Fiduciary Fund Type-Agency Funds. Agency funds are used to account for assets held by the County as an agent for individuals, private organizations, other governments and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Fixed Assets and Long-Term Liabilities

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resource." Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable sources" during a period.

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost, except for donated assets which are valued at their fair market value on the date donated.

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group, not in the governmental funds.

The two account groups are not "funds." They are concerned only with the measurement of financial position. They are not involved with the measurement of the results of operations.

Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by noncurrent liabilities. Because they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. They are instead reported as liabilities in the General Long-Term Debt Account Group.

BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. If the amounts of revenues cannot be reasonably estimated or realization is not assured, or if the revenues will not be available to pay current liabilities, they are not recorded as a revenue in the current year. Under these accounting policies, property taxes collected but unremitted to the County and expenditures in excess of grant revenues are accrued as receivables at the year end.

RETIREMENT PLAN

Substantially all of the Santa Fe County full-time employees participate in a defined benefit contributory retirement plan through the Public Employees' Retirement Act (PERA) of the State of New Mexico, a cost-sharing, multiple employer public employee retirement system. Temporary employees are not covered. The plan currently provides for contributions to be paid by both the employee and the County. Contributions, as a percentage of salary, are as follows:

	<u>County</u>	<u>Employee</u>
Regular	9.15%	9.15%
Law Enforcement	18.50%	16.30%

The payroll for County employees covered by PERA for the year ending June 30, 1992 was \$4,890,077; the total payroll was \$5,713,627.64

The contribution requirement for the fiscal year ending June 30, 1992 was \$855,563, which consisted of \$459,613 from the County and \$395,950 from employees. The County's contribution represented less than one percent of the total contributions required of all participating employers.

Source: Santa Fe County Audited Financial Statements for the period ended June 30, 1992.

Eligibility for receiving the monthly benefit of 2.5% of final average monthly salary for the thirty-six months of accredited service producing the largest average is as follows:

Any age with 25 or more years of credited service; or age 60 or older with 20 or more years of accredited service; or age 61 or older with 17 or more years of accredited service; or 62 with 14 or more years of accredited service; age 63 with 11 years or more of accredited service; or age 64 or older with 8 or more years of accredited service; or age 65 or older with 5 or more years of credited service.

Members or vested former members who are disabled with five or more years of credited service receive a retirement pension based on accredited service and final average salary at the time of disability retirement. The five-year service requirement is waived if the disability is incurred in the line-of-duty.

If a member's employment is terminated before the member is eligible for any benefits under PERA, the member may receive a refund of the member's contributions and interest accrued thereon based on rates established biannually by the retirement board.

COUNTY INSURANCE COVERAGE

The County maintains insurance on its assets as is customary and adequate, in its opinion, for similar entities insuring operations and assets. The County carries general liability insurance, auto damage, building and contracts for its errors and omissions coverage, emergency medical and law enforcement liability coverage and various other types of coverage with the New Mexico Association of Counties Multiline Pool. The County carries workers' compensation with the New Mexico Association of Counties Workers' Compensation Pool. However, there is no assurance that the County will continue to maintain the present level of coverage.

COMPARISON OF FUND BALANCES (As of June 30)

	<u>1992</u>	<u>1991</u>
General Operating	\$6,612,254.53	\$5,646,281.78
Road	253,876.07	201,477.40
Farm and Range	19,348.29	16,625.65
Recreation	17,312.81	26,528.22
Indigent Hospital & Cemetery	3,692,894.05	3,214,474.23
Fire District	312,505.77	398,170.30
Emergency Medical Service	50,275.22	44,438.00
Forest Service	10,401.03	10,401.03
Debt Service	790,506.66	843,037.63
Debt Service - Building Renovation	541,756.52	-0-
So. Meadows Road	101,640.54	96,541.99
Judicial/Administrative Complex (Bond Proceeds)	639,594.72	711,300.67
County Health Building (Bond Proceeds)	688,816.81	248,460.50
Road Improvements (Bond Proceeds)	584,401.17	501,156.00
Fire Tax (1/4 cent Gross Receipts)	680,577.38	389,121.57
Law Enforcement	20,533.49	14,060.57
Lodger's Tax	299,883.28	278,756.00
Water (South Sector System)	100,000.00	-0-
Water Feasibility	29.12	12,258.57
Corrections	35,943.94	139,179.44
Housing Funds	2,840.40	-0-
Valuation Fund	840.68	25,321.08
Roads/Cooperative Programs*	<u>(528,445.21)</u>	<u>(478,929.90)</u>
Total All Funds:	<u>\$14,927,787.27</u>	<u>\$12,338,597.73</u>

* Includes road and cooperative programs that are funded with grants and legislative appropriations on a reimbursable basis.

Source: Santa Fe County Treasurer

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GOVERNMENTAL FUND TYPES
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

The data appearing on the pages under this heading have been excerpted from the audit of the County for the years ending June 30, 1989, 1990 and 1991. As presented, the data does not include the related "Notes to Financial Statement" which are an integral part of the audited financial statements. The audits are available on request from the County.

	1992 <u>Totals</u>	1991 <u>Totals</u>	1990 <u>Totals</u>
Revenues:			
Taxes	\$16,442,758	\$17,306,520	\$14,479,737
Licenses and fees	852,638	916,282	696,396
Intergovernmental	2,584,464	2,727,908	3,615,594
Charges for services	451,223	527,585	110,132
Fines	126,887	0	0
Interest-rent	1,333,297	863,640	890,883
Refunds & Recoveries	0	250,598	413,195
Other Miscellaneous	0	229,997	86,611
Special Assets	<u>478,874</u>	<u>0</u>	<u>0</u>
Total Revenues	\$22,270,141	\$22,822,530	\$20,292,548
Expenditures:			
General government	6,144,883	4,833,243	4,376,008
Public safety	5,306,655	5,064,033	4,424,168
Highways and Streets	3,608,562	3,698,787	2,901,578
Health and welfare	5,013,807	4,812,415	5,689,970
Culture and recreation	106,263	69,535	57,754
Economic development and assistance	111,724	0	0
Conservation	12,230	0	0
Debt Service:			
Interest on bonds	234,412	206,048	308,575
Principal	960,000	870,000	1,070,000
Other	2,931	0	226,693
Capital outlay	<u>0</u>	<u>0</u>	<u>0</u>
Total expenditures	26,839,368	19,554,061	19,054,746
Excess (deficiency) of revenues over expenditures	<u>(4,569,227)</u>	<u>3,268,469</u>	<u>1,237,802</u>
Other financing sources (uses)			
Operating transfer in	1,342,210	1,528,848	906,825
Operating transfers out	(1,342,210)	(1,520,854)	(906,825)
GO Bond Proceeds	6,240,459	1,500,000	0
Sale of fixed assets	<u>0</u>	<u>171,817</u>	<u>0</u>
Total other financing sources (uses)	6,240,459	1,679,811	0
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	\$1,671,232	\$4,948,280	\$1,237,802
Fund balances at beginning of year	12,712,011	7,779,243	6,594,059
Residual receipts/restatements	<u>(\$57,446)</u>	<u>0</u>	<u>(52,616)</u>
Fund balances at end of year	\$14,325,797	\$12,727,523	\$7,779,245

Source: Santa Fe County

SANTA FE COUNTY, NEW MEXICO
 Combined Balance Sheet - All Fund Types and Account Groups
 June 30, 1992

	General Fund Types				Proprietary	Fiduciary	Account Groups	
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Trust and Agency	General Fixed Assets	General Long Term Debt
ASSETS								
Cash	\$5,931,270	\$5,538,773	\$794,726	\$2,581,169	\$127,717	\$727,462	\$ 0	\$ 0
Investments	0	0	0	0	0	0	0	0
Property taxes receivable	0	0	0	0	0	2,937,677	0	0
Accounts receivable	44,606	445,393	0	0	50,592	0	0	0
Accrued interest receivable	0	0	0	0	0	0	0	0
Due from other funds	44,201	148,840	0	0	0	0	0	0
Note receivable installment sale	0	0	0	0	0	0	0	0
Inventories	10,779	33,122	0	0	0	0	0	0
Prepaid expenses	0	0	0	0	9,664	0	0	0
Fixed assets, net of accumulated depreciation	0	0	0	0	8,896,179	0	22,683,700	0
Amount available for debt service	0	0	0	0	0	0	0	794,726
Amount to be provided for retirement of long-term debt	0	0	0	0	0	0	0	9,109,228
Property held for others	0	0	0	0	0	18,470	0	0
TOTAL ASSETS	<u>\$6,030,856</u>	<u>\$6,166,128</u>	<u>\$794,726</u>	<u>\$2,581,169</u>	<u>\$9,084,152</u>	<u>\$3,683,609</u>	<u>\$22,683,700</u>	<u>\$9,903,954</u>
LIABILITIES AND FUND EQUITY								
Liabilities:								
Cash deficiency	0	929,606	0	0	0	0	0	0
Due to other funds	0	44,201	0	0	0	148,840	0	0
Vouchers payable	0	0	0	0	0	0	0	0
Accounts payable	48,095	156,535	0	10,857	22,236	0	0	0
Salaries payable	46,427	11,188	0	173	0	0	0	0
Accrued liabilities	0	0	0	0	0	0	0	0
Notes payable	0	0	0	0	7,288,258	0	0	31,856
General obligation bonds payable	0	0	0	0	0	0	0	8,675,000
Special project bond payable	0	0	0	0	0	0	0	0
Capital lease obligations	0	0	0	0	0	0	0	832,619
Compensated absences payable	0	0	0	0	0	0	0	364,479
Deposits held for others	0	0	0	0	17,976	3,422,171	0	0
Deferred revenue	0	0	0	0	0	0	0	0
TOTAL LIABILITIES	<u>\$94,522</u>	<u>\$1,141,530</u>	<u>\$0</u>	<u>\$11,030</u>	<u>\$7,328,470</u>	<u>\$3,571,011</u>	<u>\$ 0</u>	<u>\$9,903,954</u>
Fund Equity:								
Investments in general fixed assets	0	0	0	0	0	0	22,683,700	0
Retained earnings	0	0	0	0	(5,356,049)	0	0	0
Contributed capital	0	0	0	0	7,111,731	0	0	0
Fund Balances:								
Reserved for inventories	10,779	33,122	0	0	0	0	0	0
Reserved for encumbrances	1,182,615	218,708	0	50,823	0	0	0	0
Reserved for debt service	0	0	794,726	2,489,316	0	0	0	0
Reserved for endowments	0	0	0	0	0	100,000	0	0
Unreserved	4,742,940	4,772,768	0	0	0	12,598	0	0
TOTAL FUND EQUITY	<u>\$5,936,334</u>	<u>\$5,024,598</u>	<u>\$794,726</u>	<u>\$2,570,139</u>	<u>\$1,755,682</u>	<u>\$112,598</u>	<u>\$22,683,700</u>	<u>\$ 0</u>
TOTAL LIABILITIES AND EQUITY	<u>\$6,030,856</u>	<u>\$6,166,128</u>	<u>\$794,726</u>	<u>\$2,581,169</u>	<u>\$9,084,152</u>	<u>\$3,683,609</u>	<u>\$22,683,700</u>	<u>\$9,903,954</u>

Source: Santa Fe County

LITIGATION

At the time of the original delivery of the Bonds, the County will deliver a no-litigation certificate to the effect that no litigation or administrative action or proceeding is pending or, to the knowledge of the appropriate officials, threatened, restraining or enjoining, or seeking to restrain or enjoin, the issuance and delivery of the Bonds, the levying or collecting of taxes to pay the principal of and interest on the Bonds or contesting or questioning the proceedings and authority under which the Bonds have been authorized and are to be issued, sold, executed or delivered, or the validity of the Bonds.

TRANSCRIPT AND CLOSING DOCUMENTS

A complete transcript of proceedings and a no-litigation certificate (described above under "LITIGATION") will be delivered by the County when the Bonds are delivered. The County will at that time also provide a certificate issued by the County Commission's Chairperson and Clerk relating to the accuracy and completeness of this Official Statement.

LEGAL MATTERS

The County has engaged Modrall, Sperling, Roehl, Harris & Sisk, P.A., Albuquerque, New Mexico as Bond Counsel in connection with the issuance of the Bonds. Legal matters incident to the issuance of the Bonds and with regard to the tax-exempt status of the interest thereof (see "TAX EXEMPTION" below) are subject to the approving legal opinion of Bond Counsel. A signed copy of its opinion, dated the date of the original delivery of the Bonds will be delivered at the time of original delivery of the Bonds. A form of the opinion of Bond Counsel is attached as Appendix A.

TAX EXEMPTION

In the opinion of Modrall, Sperling, Roehl, Harris & Sisk, P.A., Bond Counsel, under existing law and assuming continuous compliance with certain covenants made by the County, the interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103(a) of the Internal Revenue Code of 1986, as amended (the "Code") and is not treated as an item of tax preference under Section 57 of the Code for purposes of the alternative minimum tax imposed on individuals and corporations. Bond Counsel is further of the opinion that, under existing law and assuming continuous compliance with certain covenants made by the County, interest on the Bonds is excluded from net income for purposes of the tax imposed on individuals, estates and trusts under the New Mexico Income Tax Act or for purposes of the tax imposed on corporations under the New Mexico Corporate Income and Franchise Tax Act. Bond Counsel will express no opinion regarding other federal or New Mexico income tax consequences resulting from the receipt or accrual of interest on the Bonds.

The opinion on tax matters will be based on and will assume continuous compliance with certain covenants of the County to be contained in the transcript of proceedings and which are intended to evidence and assure that the Bonds are and will remain obligations the interest on which is excluded from gross income for federal income tax purposes. Bond Counsel has not and will not independently verify the accuracy of any of the certifications and representations made by the County.

The Code prescribes a number of qualifications which must be met and conditions which must be satisfied in order for the interest on state and local government obligations such as the Bonds to be and remain excluded from gross income for federal income tax purposes. Some of these provisions, including provisions for the rebate by the issuer of certain investment earnings to the federal government, require future or continued compliance after issuance of the obligations in order for the interest to be and continue to be so excluded from the date of issuance. Noncompliance with these requirements could cause the interest on the Bonds to be included in gross income for federal income tax purposes and thus to be subject to regular federal income taxes. Any interest on the Bonds that is included in gross income for federal income tax purposes will also be included in net income for New Mexico tax purposes. The County covenants in the Bond Ordinance to take all actions which may be required of it in order for the interest on the Bonds to be and remain excluded from gross income for federal income tax purposes, and not to take any actions which would adversely affect that exclusion.

RATING

A rating will not be applied for for this issue of bonds.

DESIGNATION AS TAX-EXEMPT OBLIGATIONS

The Code generally provides that a financial institution may not deduct that portion of its interest expense which is allocable to tax-exempt interest. The interest expense which is allocable to tax-exempt interest is an amount which bears the same ratio to the institution's interest expense as the institution's average adjusted basis of tax-exempt obligations acquired after August 7, 1986 bears to the average adjusted basis of all assets of the institution. Tax exempt obligations may be treated as if issued prior to August 7, 1986 (and therefor are not subject to this rule) if they are "qualified tax-exempt obligations" as defined in the Code and are designated for this purpose by the issuer. The County will designate the Bonds for this purpose; however under provisions of the Code dealing with financial institution preference items, certain financial institutions, including banks, are denied 20 percent of their otherwise allowable deduction for interest expense with respect to obligations incurred or continued to purchase or carry the Bonds. In general, interest expense with respect to obligations incurred or continued to purchase or carry the Bonds will be in an amount which bears the same ratio as the institution's average adjusted basis in the Bonds to the average adjusted basis of all assets in the institution.

Amendments to the Code could be enacted in the future and there is no assurance that any such future amendments which may be made to the Code will not adversely affect the ability of banks or other financial institutions to deduct any portion of its interest expense allocable to tax exempt interest.

COUNTY APPROVAL OF OFFICIAL STATEMENT

This Official Statement has been authorized and approved by the County, is considered to be true, complete and correct in all material aspects, and does not contain any untrue statements of material fact or omit to state a material fact necessary to make the statements made herein, in light of the circumstances under which they were made, not misleading.

COUNTY OF SANTA FE

/s/ Raymond M. Chavez
Raymond M. Chavez, Chairperson

APPENDIX A
Form of Opinion of Bond Counsel

_____, 1993

County of Santa Fe
Santa Fe, New Mexico

We have examined the transcript of proceedings ("Transcript") relating to the issuance by the County of Santa Fe ("Issuer"), New Mexico ("State") of its \$1,500,000 Environmental Revenue Bonds, Series 1993 ("Bonds"). The Bonds are issued pursuant to Sections 4-62-1 to 4-62-10 NMSA 1978, as amended and the Issuer's Ordinance No. 1993-_____, adopted on August 10, 1993 ("Bond Ordinance"). The Bonds are issued to provide funds to defray the costs of acquisition and construction of solid waste facilities, water facilities, wastewater facilities, sewer systems and related facilities for the Issuer.

We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion. Based upon our examination, we are of the opinion that, under existing law on the date of this opinion, subject to the provisions of federal bankruptcy law and other laws affecting creditors' rights and further subject to the exercise of judicial discretion in accordance with general principles of equity:

1. The Bonds are valid and binding special limited obligations of the Issuer enforceable in accordance with the terms and provisions of the Bond Ordinance.

2. The Bonds, together with any additional bonds now or hereafter issued on a parity with the lien of the Bonds on certain environmental services gross receipts tax revenues received by the Issuer ("Pledged Revenues"), are payable solely from, and such payment is secured by a first pledge (but not an exclusive first pledge) of the Pledged Revenues, as more fully described in the Bond Ordinance. The owners of the Bonds have no right to have taxes levied by the Issuer for the payment of principal of or interest on the Bonds and the Bonds do not represent or constitute a debt or a pledge of, or a charge against, the general credit of the Issuer.

3. The Bond Ordinance is a valid and binding special limited obligation of the Issuer enforceable in accordance with its terms and creates the pledge of Pledged Revenues which it purports to create.

4. Assuming continuing compliance by the Issuer with the requirements of the Internal Revenue Code of 1986, as amended (the "Code"), and with the covenants

County of Santa Fe
_____, 1993

contained in the Transcript regarding the use, expenditure and investment of Bond proceeds, interest on the Bonds is excluded gross income of the owners of the Bonds for purposes of federal income taxation and is excluded from net income for purposes of the tax imposed on individuals, estates and trusts under the State Income Tax Act or for purposes of the tax imposed on corporations under the State Corporate Income and Franchise Tax Act. Failure of the Issuer to comply with its covenants and with the requirements of the Code may cause interest on the Bonds to become includable in gross income for federal income tax purposes and to be included in net income for State income tax purposes retroactive to their date of issuance.

Interest on the Bonds is not treated as an item of tax preference for purposes of the alternative minimum tax imposed on individuals and corporations. However, interest on the Bonds is included as an adjustment in calculating corporate alternative minimum taxable income and may therefore affect a corporation's alternative minimum tax and environmental tax liabilities.

Other than as described in this opinion, we have not addressed nor are we opining on the tax consequences to any person of the investment in, or the receipt of interest on, the Bonds.

Respectfully submitted,

185770

