

**CITY OF FARMINGTON
MEMORANDUM**

TO: Mayor, Council and City Manager
FROM: Andy Mason, Administrative Services Director
DATE: December 21, 2012
SUBJECT: November FY2013 Monthly Financial Report

Attached is the Monthly Financial Report for the five months ending November 30, 2012, which includes the Monthly Financial Summary Report, the Cash Report, Debt Service Summary and the Investment Portfolio. Please contact me with any questions you have.

FINANCIAL REPORT NOTES:

General Fund 101-

ACTUAL REVENUES AND EXPENDITURES		
(In Millions)		
	<u>November</u>	<u>November YTD</u>
Total General Fund Revenue	\$ 4.847	\$ 22.362
Total General Fund Expenditures	5.090	22.241
Favorable (Unfavorable)	\$ (0.243)	\$ 0.121

In the month of November, general fund revenues totaled \$4.85 million and general fund expenditures were \$5.09 million. Expenditures exceeded revenue by (\$244K) for the month of November. Due to a change in accounting policy, there were \$535K of adjustments done in November to record transfers as expenses rather than as negative revenues. YTD Revenues of \$22.36 million exceed YTD Expenditures of \$22.24 million by \$121K.

BUDGET COMPARISON - CURRENT MONTH				
(In Millions)				
	<u>November Actual</u>	<u>November Budget</u>	<u>Fav (Unfav) to Budget</u>	<u>% Fav (Unfav)</u>
Revenues	\$ 4.847	\$ 4.832	\$ 0.015	0.3%
Expenditures	5.090	5.176	0.086	1.7%
Favorable (Unfavorable)	\$ (0.243)	\$ (0.344)	\$ 0.101	

Actual revenues exceed the budget for the month by 0.3% or \$15K. Actual gross receipts tax revenue is less than budget by (5.0%) or (\$160,764) for the month of November. With 42% of the fiscal year complete, 39.3% of the FY2013 total annual revenue budget has been collected.

For the month of November, actual expenditures are less than budget by \$86K. With 42% of the year complete, 43.1% of the total FY2013 annual expenditure budget has been spent.

BUDGET COMPARISON - YTD				
(In Millions)				
	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>Fav (Unfav) to Budget</u>	<u>% Fav (Unfav)</u>
Revenues	\$ 22.362	\$ 22.704	\$ (0.342)	(1.5%)
Expenditures	22.241	22.997	0.756	3.3%
Favorable (Unfavorable)	\$ 0.121	\$ (0.293)	\$ 0.414	

The General Fund cash total of \$10.6 million reflects the cash available as of November 30, 2012. The total cash balance represents 18.65% of the FY13 General Fund expenditure budget of \$57 million. In November the FY13 cash reserve transfer to the 408 Fund was made for \$4.1 million.

Memorandum
November Financial Report

GRT Street Fund 201- The ending cash balance for November is \$7.5 million, which is a decrease from October of (\$820K). Comparing October and November expenditures, November's expenditures exceeded October's by \$958K. Highlights of some of the expenditures during November are: \$1 million resurfacing and \$94K traffic signal upgrades. Although there was a slight revenue decrease in gross receipts and gasoline tax income of (\$32K), there was an offsetting adjustment done to transfer revenue of \$102K due to a change in accounting policy. This overall increase in revenue, contributed towards offsetting some of the expenditures realized in November.

GRT 2012 Series Bonds Fund 402- The 402 fund ended the month with a cash balance of \$8.8 million. There were \$68K in expenditures made during November, of which \$54K was for the Civic Center remodeling and \$14K was for expenses for Fire Station #1.

General Governmental Fund 408- The 408 fund ended the month with a cash balance of \$6.2 million, which was due to the FY12 cash reserve transfer of \$4.1 million made in November from the General Fund. There were \$792K in expenditures made during the month of November, which include the following project expenses: \$480K Fire Dept/new fire engine, \$165K Aquatic Center roof, \$121K FCC radio upgrades, \$13K safety city driving track, and \$13K airport capital items.

Airport Grants Fund 409- The 409 fund reflects the cash balance for Airport Grant projects. The ending cash balance for the month of November is (\$253K). The grant basis is reimbursable and a reduction in cash reflects work performed or assets purchased for Airport capital projects still pending receipt of grant funds. During the month of November, there were \$337K of reimbursements received for FAA Grants and \$34K of reimbursements received from State grants. There were \$381K in expenditures made during the month of November. The majority of this cost was due to \$340K spent on the repairing and repainting of the airport commercial ramp.

Electric Fund 601- In order to provide the reader a better understanding of the available cash balance, the Cash Balance Report has been modified to reflect not only the restricted cash amounts but also the reserved cash amounts in compliance with the Council approved Electric Cash Reserve Policy. The Electric Fund *unrestricted/unreserved* balance as of November 30, 2012 is \$54 million. Unreserved/unrestricted cash represents 49.9% of the FY13 electric enterprise expenditure budget of \$108.2 million. For the fund as a whole and with 42% of the fiscal year complete, actual revenues are 40.6% of the total annual revenue budget while actual expenses are 31.6% of the total annual expenditure budget.

Health Insurance Fund 701- For the month ending November 30, 2012, the Health Fund cash balance was \$526K, which is a \$331K increase from the October 31, 2012 balance of \$195K. Health insurance claims from Blue Cross/Blue Shield for the month of November were \$510K. There was a change in July to the new third party administrator for the City's group health plan (Blue Cross/Blue Shield of NM). Blue Cross/Blue Shield of NM continues to "catch up" with processing claims in November, while claims from the previous health plan administrator continue to taper off. For the fund as a whole and with 42% of the year completed, actual revenues are 52.2% of the FY13 total annual revenue budget while actual expenses are 36.1% of the FY13 total annual expenditure budget.

Memorandum
November Financial Report

DEBT SERVICE

	Principal Balance	Annual Payment	
		Principal	Interest/Admin Fee
FUND 601-Electric			
Revenue Bond Series 2002A	\$ 3,232,652	\$ 3,232,652	\$ 126,073
Total	\$ 3,232,652	\$ 3,232,652	\$ 126,073
FUND 602-Water			
Revenue Bond Series 2002A	\$ 697,565	\$ 697,565	\$ 27,205
NMFA Loan-Animas Waterline*	1,054,844	47,906	10,548
Total	\$ 1,752,409	\$ 745,471	\$ 37,753
FUND 603-Wastewater			
Revenue Bond Series 2002A	\$ 114,783	\$ 114,783	\$ 4,477
NMED Loan	10,765,125	630,043	322,954
Total	\$ 10,879,908	\$ 744,826	\$ 327,431
UTILITY TOTAL			
Revenue Bond Series 2002A	\$ 4,045,000	\$ 4,045,000	\$ 157,755
NMFA Loan-Animas Waterline*	1,054,844	47,906	10,548
NMED Loan	10,765,125	630,043	322,954
Total	\$ 15,864,969	\$ 4,722,949	\$ 491,257
FUND 101-General Fund			
Sales Tax Bonds 2005	\$ 3,240,000	\$ 410,000	\$ 129,600
Sales Tax Bonds 2012	10,655,000	645,000	396,689
NMFA Fire Pumper Loan	475,426	43,878	21,427
Total	\$ 14,370,426	\$ 1,098,878	\$ 547,716
CITY TOTAL			
Revenue Bond Series 2002A	\$ 4,045,000	\$ 4,045,000	\$ 157,755
NMFA Loan-Animas Waterline*	1,054,844	47,906	10,548
NMED Loan	10,765,125	630,043	322,954
Sales Tax Bonds 2005	3,240,000	410,000	129,600
Sales Tax Bonds 2012	10,655,000	645,000	396,689
NMFA Fire Pumper Loan	475,426	43,878	21,427
Total	\$ 30,235,395	\$ 5,821,827	\$ 1,038,973

	Interest Rate	Payment Due Date	Maturity
Revenue Bond Series 2002A	3.50 - 5.00%	11/1 & 5/13	2013
NMFA Loan-Animas Waterline*	1.00%	TBD	2031
	.25% Admin Fee		
NMED Loan	3.00%	7/1	2026
Sales Tax Bonds 2005	3.50 - 4.00%	12/15 & 6/15	2019
Sales Tax Bonds 2012**	1.5%-5.5%	12/1 & 6/1	2024
NMFA Fire Pumper Loan	2.78%	1-Jun	2022

* NM Finance Authority Loan includes Interest and Administrative Fee.

Memorandum
November Financial Report

Because of timing differences, the monthly change in Cash Balances will not match the monthly excess or deficit reported on the Monthly Financial Summary Report.

INVESTMENT PORTFOLIO

State law restricts the types of investments the City of Farmington August purchase. The City's current investment portfolio consists of CD's, money market accounts, governmental agency securities, and deposits in the State Treasurer's Local Government Investment Pool. If you would like to see any additional information, please let me know.

Copies: Department Head Group, Controller, Budget Officer