CITY OF FARMINGTON
MEMORANDUM

TO: Mayor, Council and City Manager
FROM: Andy Mason, Administrative Services Director
DATE: April 19, 2013
SUBJECT: March FY2013 Monthly Financial Report

Attached is the Monthly Financial Report for the nine months ending March 31, 2013, 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)

	March	March YTD
Total General Fund Revenue	$ 4.276	$ 42.171
Total General Fund Expenditures	5.616	40.068
Favorable (Unfavorable)	$ (1.340)	$ 2.103

General fund revenues in March totaled $4.28 million and general fund expenditures were $5.62 million producing a negative net change of ($1.3) million for the month. The deficit was created primarily by three (3) payrolls in March. However, YTD revenues of $42.17 million continue to exceed YTD expenditures of $40.07 million by a positive $2.1 million.

BUDGET COMPARISON - CURRENT MONTH
(In Millions)

	March Actual	March Budget	Fav (Unfav) to Budget	% Fav (Unfav)
Revenues	$ 4.276	$ 4.296	$ (0.020)	(0.5%)
Expenditures	5.616	5.867	0.251	4.3%
Favorable (Unfavorable)	$ (1.340)	$ (1.571)	$ 0.231	

Actual revenues are less than budget for the month by (0.5%) or ($21K). Actual gross receipts tax revenue is less than budget by (6.1%) or ($186K) for the month of March, and is less than budget by (3.3%) or ($982K) year-to-date. The electric dividend correction which totals $1.7 million is being taken in monthly increments of $279K from January through June 2013. With 75% of the fiscal year complete, 74.1% of the FY2013 total annual revenue budget has been collected.

For the month of March, actual expenditures are less than budget by $251K or 4.3%. With 75% of the year complete, 72.3% of the total FY2013 annual expenditure budget has been spent. Employee turnover and the associated “slippage” in salaries and benefits have contributed to expenditures totaling less than budget. Conversely, detention center jail fees expense has been higher than anticipated and exceeds the year-to-date budget by $579K or 53%. The jail fees increase is due to the additional number of prisoner days invoiced (a 48.7% increase so far in FY2013 as compared to FY2012) plus a FY2013 7% increase in the prisoner daily rate. Nevertheless, general fund year-to-date expenditures as compared to budget continue to be favorable with actual expenditures less than budget by 4.2%.

BUDGET COMPARISON - YTD
(In Millions)

	YTD Actual	YTD Budget	Fav (Unfav) to Budget	% Fav (Unfav)
Revenues	$ 42.171	$ 42.514	$ (0.343)	(0.8%)
Expenditures	40.068	41.806	1.738	4.2%
Favorable (Unfavorable)	$ 2.103	$ 0.708	$ 1.395	

The general fund cash total of $13.2 million reflects the cash available as of March 31, 2013. The total cash balance represents 23.2% 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.

GRT Street Fund 201- The ending cash balance for March is $7.3 million, which is an increase from February of $191K due partially to an increase in outstanding accounts payable at the close of March of $167K. March expenditures are less than February expenditures by ($297K). Highlights of some of the project expenditures during March are $144K for two vehicles ($88K for cab & chassis truck and $56K for a crack sealer for the streets department), $23K for traffic signal upgrade, and $9K for flood cost project.

GRT 2012 Series Bonds Fund 402- The 402 fund ended the month with a cash balance of $7.4 million. There was $652K in expenditures made during March including $267K for the Animal Shelter construction, $341K for the Civic Center remodeling, and $43K in expenditures for replacement of Fire Station #1.

General Governmental Fund 408- The 408 fund ended the month with a cash balance of $5.8 million and includes the FY13 cash reserve transfer of $4.1 million made in November from the general fund. There was $40K in expenditures made during the month of March, which include the following project expenses: $37K - vehicles (for two Ford F-150 trucks), and $3K - FCC radio upgrades.

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 March 31, 2013 is $51 million. Unreserved/unrestricted cash represents 46.8% of the FY13 electric enterprise expenditure budget of $108.2 million. For the fund as a whole and with 75% of the fiscal year complete, actual revenues are 76.1% of the total annual revenue budget while actual expenses are 60.6% of the total annual expenditure budget.

Golf Fund 610- The 610 fund ended the month with a negative cash balance of ($171K). The ending cash balance in July 2012 was $18K and has slowly decreased over the months. Actual revenues of $103K are less than budget by ($26K) or (20.2%) for the month of March. Year-to-date, actual revenues of $607K are less than budget by ($132K) or (17.9%). Specific year-to-date revenues under budget include season passes ($56K), green fees ($37K), tournament fees ($25K), and range fees ($17K). Expenditures in March equaled $62K and were $35K or 36% less than budget while YTD expenditures of $713K are less than budget by $94K or 11.6%.

Health Insurance Fund 701- For eight months, cash balances for the Health Insurance fund have remained positive. As of March 31, 2013, the Health Fund cash balance is $694K, which is an increase of $191K from the February 28, balance of $503K. YTD the fund has received $829K of “stop loss payments.” Health insurance claims from Blue Cross/Blue Shield for the month of March totaled $384K. In July 2012 the City contracted a new third party administrator for the City’s group health plan (Blue Cross/Blue Shield of NM). Claims from the previous health plan administrator continue to taper off with only $9K of health insurance claims processed for the month of March. YTD claims are over budget by $768K. For the fund as a whole and with 75% of the year completed, actual revenues are 90.7% of the FY13 total annual revenue budget while actual expenses are 74.3% of the FY13 total annual expenditure budget.

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			
NMFA Water Meter Loan	$ 4,469,250	$ -0-	$ 52,886
Revenue Bond Series 2002A	697,565	697,565	$ 27,205
NMFA Loan-Animas Waterline*	1,054,844	47,906	10,548
Total	$ 6,221,659	$ 745,471	$ 90,639
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**
101-General Fund			
201-GRT Streets Fund			
250-State Fire 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	1.00%	6/30 & 12/30	2031
Waterline*	.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
NMFA Water Meter Loan	2.0%	6/30/2013	2034

*NM Finance Authority Loan includes Interest and Administrative Fee.

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 may 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