CITY OF FARMINGTON
MEMORANDUM

TO: Mayor, Council and City Manager
FROM: Andy Mason, Administrative Services Director
DATE: November 19, 2012
SUBJECT: October FY2013 Monthly Financial Report

Attached is the Monthly Financial Report for the four months ending October 31, 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)

	October	October YTD
Total General Fund Revenue	$ 4.276	$ 17.516
Total General Fund Expenditures	4.585	17.151
Favorable (Unfavorable)	$ (0.309)	$ 0.365

In the month of October, General Fund revenues totaled $4.28 million and General Fund expenditures were $4.59 million. Expenditures exceeded revenue by ($309K) for the month of October. YTD Revenues of $17.52 million exceed YTD expenditures of $17.20 million by $365K.

BUDGET COMPARISON - CURRENT MONTH
(In Millions)

	October Actual	October Budget	Fav (Unfav) to Budget	% Fav (Unfav)
Revenues	$ 4.276	$ 4.607	$ (0.331)	(7.2%)
Expenditures	4.585	4.409	(0.176)	(4.0%)
Favorable (Unfavorable)	$ (0.309)	$ 0.198	$ (0.507)	

Actual revenues are less than budget for the month by (7.2%) or ($331K). Actual gross receipts tax revenue is less than budget by (6.7%) or ($220,618) for the month of October. With 33% of the fiscal year complete, 31.5% of the FY2013 total annual revenue budget has been collected.

For the month of October, actual expenditures are more than budget by ($176K), which include ($147K)-correction fees expense (due to a 47.9% increase in prisoners from last year), ($104K)-vehicles (due mainly to a timing difference from August through October between actual expenses and the budget), and ($121K)-vehicle parts expense (due to an annual lease payment for police vehicle radios). With 33% of the year complete, 29.3% of the total FY2013 annual expense budget has been spent.

BUDGET COMPARISON - YTD
(In Millions)

	YTD Actual	YTD Budget	Fav (Unfav) to Budget	% Fav (Unfav)
Revenues	$ 17.516	$ 17.871	$ (0.355)	(2.0%)
Expenditures	17.151	17.821	0.670	3.8%
Favorable (Unfavorable)	$ 0.365	$ 0.050	$ 0.315	

The General Fund cash total of $14.9 million reflects the cash available as of October 31, 2012. The FY13 cash reserve transfer to the 408 Fund has not been made yet. The total cash balance represents 26.8% of the FY13 General Fund expenditure budget of $55.6 million.

GRT Street Fund 201- The ending cash balance for October is $8.3 million, which is a decrease from September of ($103K). Comparing September and October expenditures, October's expenditures were 4% less than September. Highlights of some of the expenditures during October are: $46K-Traffic Signal Upgrades, $134K-2012 System Maintenance, $102K-Construction-N. Foothills, and $54K-Resurfacing. Revenue decreased from September by ($91K) due to the FEMA reimbursement received in September for $208K. In addition, there was $118K of gasoline tax revenue received in October for the months of August and September, and a slight decrease in gross receipts tax revenue by a total of ($1K) making an overall reduction in revenues from September to October 2012 of (11.2%).

GRT 2012 Series Bonds Fund 402- The 402 fund ended the month with a cash balance of $8.7 million. There were $63K in expenditures made during October, of which $58K was for the Animal Shelter Construction project and $5K was for the Museum Expansion Project.

General Governmental Fund 408- The 408 fund ended the month with a cash balance of $2.9 million. There were $397K in expenditures made during the month of October. Project expenses include: $70K-redundant loop, $76K-FCC radio upgrades, $162K-taxiway improvements, $81K-Aquatic Center roof, and $7K-for fire station #5 remodeling. The FY13 cash reserve transfer from the General Fund will be made in November 2012.

Airport Grants Fund 409- The 409 fund reflects the cash balance for Airport Grant projects. The ending cash balance for the month of October 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 October, no reimbursements were received for State grants. There were $263K in expenditures made during the month of October. Project expenses include: $233K-FAA Federal Grant (for the purchase of a snowplow) and $20K-State Grant-(for engineering work).

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 October 31, 2012 is $52.9 million. Unreserved/unrestricted cash represents 48.9% of the FY13 Electric Enterprise expenditure budget of $108.2 million. For the fund as a whole and with 33% of the fiscal year complete, actual revenues are 33.9% of the total annual revenue budget while actual expenses are 26.7% of the total annual expense budget.

Health Insurance Fund 701- For the month ending October 31, 2012, the Health Fund cash balance was $195K, which is a ($539K) decrease from the September 30, 2012 balance of $734K. Health insurance claims from Blue Cross/Blue Shield for the month of October were in the amount of $942K, along with $48K from Tall Tree. 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 is "catching up" with processing claims in October, while claims from the previous health plan administrator are tapering off. For the fund as a whole and with 33% of the year completed, actual revenues are 38.4% of the FY13 total annual revenue budget while actual expenses are 27.3% 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			
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% .25% Admin Fee	TBD	2031
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.

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