

**CITY OF FARMINGTON
MEMORANDUM**

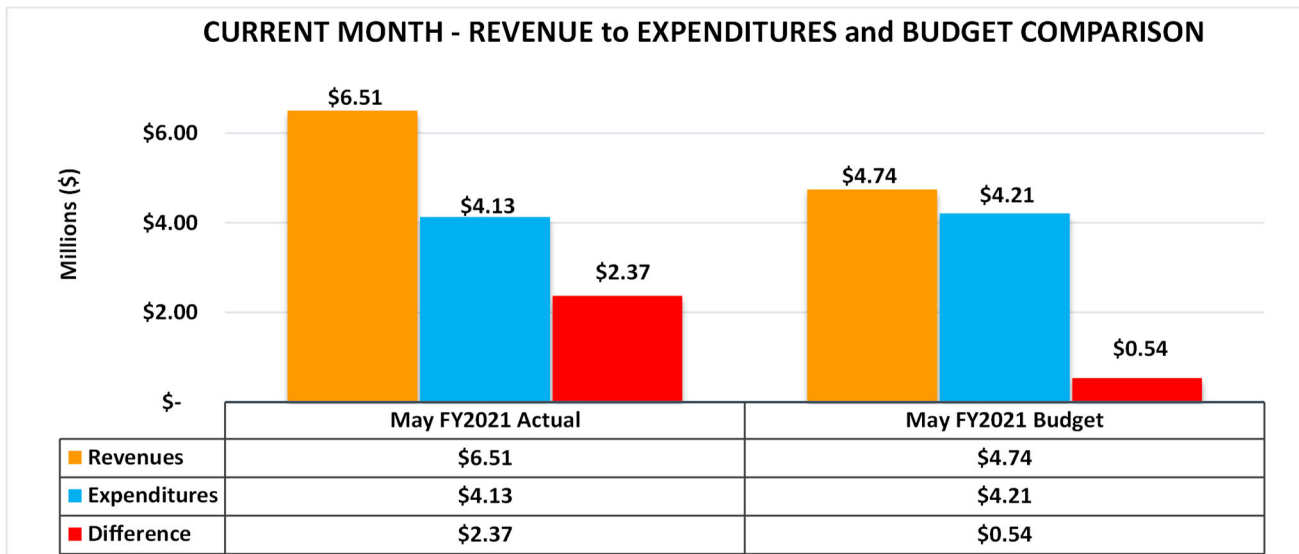
TO: Mayor, Council, and City Manager
FROM: Brooke Quintana, Staff Accountant II
DATE: June 15, 2021
SUBJECT: May FY2021 Monthly Financial Report

Attached is the Monthly Financial Report for the eleven months ending May 31, 2021, which includes the monthly Financial Summary Report, the Cash Report, Debt Service Summary and the Investment Portfolio. Please contact me if you have any questions.

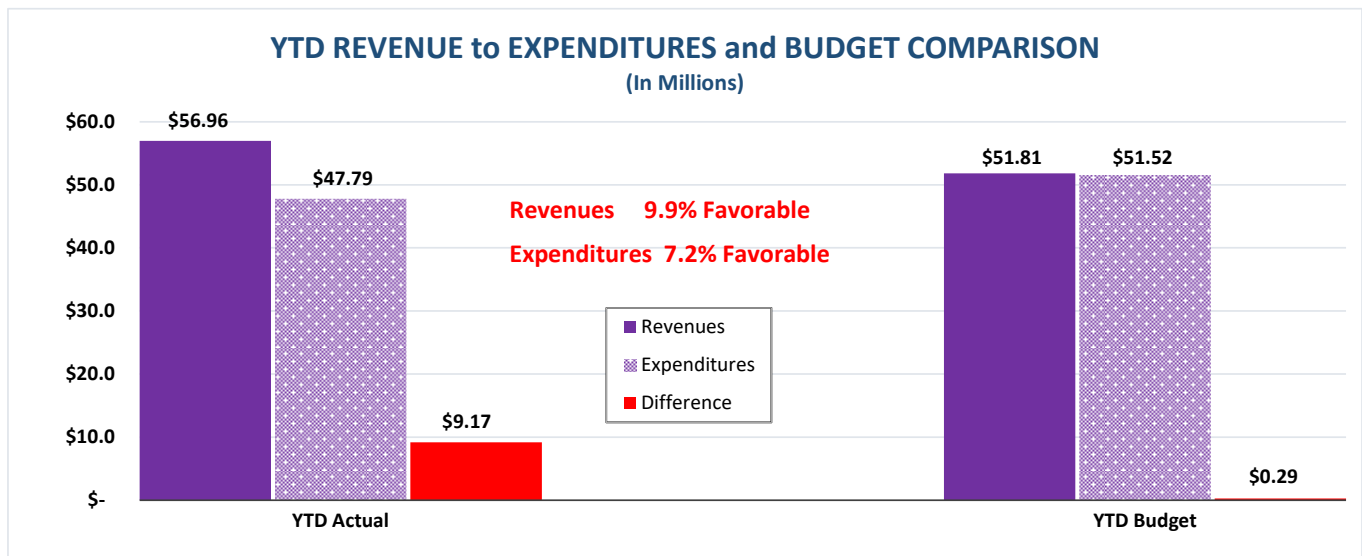
FINANCIAL REPORT NOTES:

General Fund 101

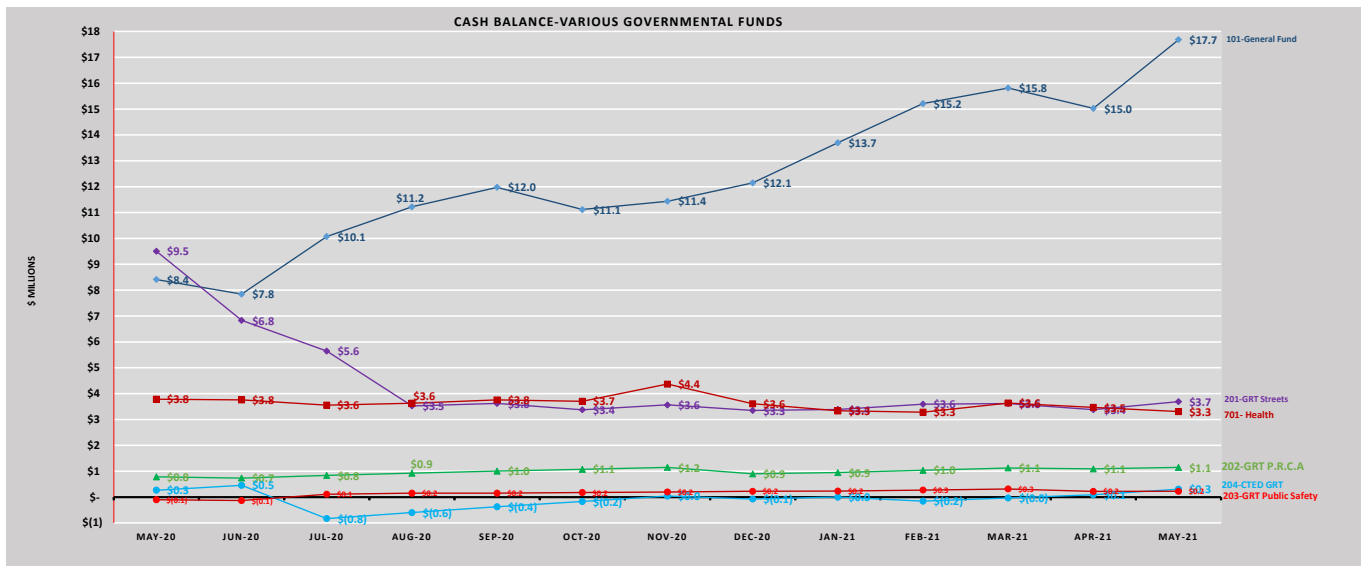
Actual revenues of \$6.5 million are more than budgeted revenue in May by 37.1% or \$1.8 million. YTD total revenue of \$57.0 million is \$5.1 million or 9.9% more than the YTD budget. YTD actual GRT revenue is \$6.3 million or 20.4% more than the YTD budget. YTD GRT actual revenue has been reduced approximately by \$1.7 million due to the State phase out of hold harmless GRT reimbursements.



For the month of May, actual expenditures of \$4.1 million are less than budget by \$78K or 1.8%. YTD total expenditures of \$47.8 million are \$3.7 million less than the FY2021 YTD budget or 7.2%. General Fund salary surplus YTD is \$2.7 million, which is 5.69% of the FY2021 personnel cost budget of \$46.6 million and 4.54% of the total annual General Fund expenditure budget of \$58.4 million.



Memorandum



The General Fund cash total of \$17.7 million reflects the cash available as of May 31, 2021 and an increase of \$2.7 million from the April 30 balance of \$15.0 million. The total cash balance represents 30.3% of the FY2021 General Fund expenditure budget of \$58.4 million.

GRT Street Fund 201 - The ending cash balance for May is \$3.7 million, an increase of \$311K from the April balance of \$3.4 million. Revenues received include \$941K in GRT, \$5K in interest income, \$5K in paving cuts, and \$56K in gasoline tax. The majority of operating expenditures include utility payment of \$85K, Water/Wastewater contract expense to OMI \$17K, \$43K for traffic signal replacement equipment, \$25K for pleximelt crack sealant, and \$46K for annual street maintenance and resurfacing.

GRT Parks Fund 202 - The ending cash balance for May is \$1.15 million, an increase of \$52K from the April balance of \$1.09 million. Revenues received include \$240K in GRT and \$1.1K in interest income. The majority of operating expenditures totaled \$35K in property improvements for the following: Jaycee Park playground structure (\$6K), Ricketts Park bleacher renovation (\$27K), and Pinon Hills Golf Course double drive entry gate (\$2K). Additional expenditures were \$14K for the purchase of a new golf ball machine for Pinon Hills and \$10K for GRT administrative fee.

GRT Public Safety 203 - The ending cash balance for May is \$225K, an increase of \$5K from the April balance of \$220K. Revenues received include \$222K in GRT, \$93K in state grant reimbursements for security camera system, and \$209 in interest income. The majority of operating expenditures include \$10K for GRT administrative fee, \$70K Transfer to General Fund to cover various police expenditures, and \$45K to cover various Fire expenditures. Expenditures for May also included \$101K for police audio visual security system equipment purchases and \$24 in lease payments for police in-car and body cameras.

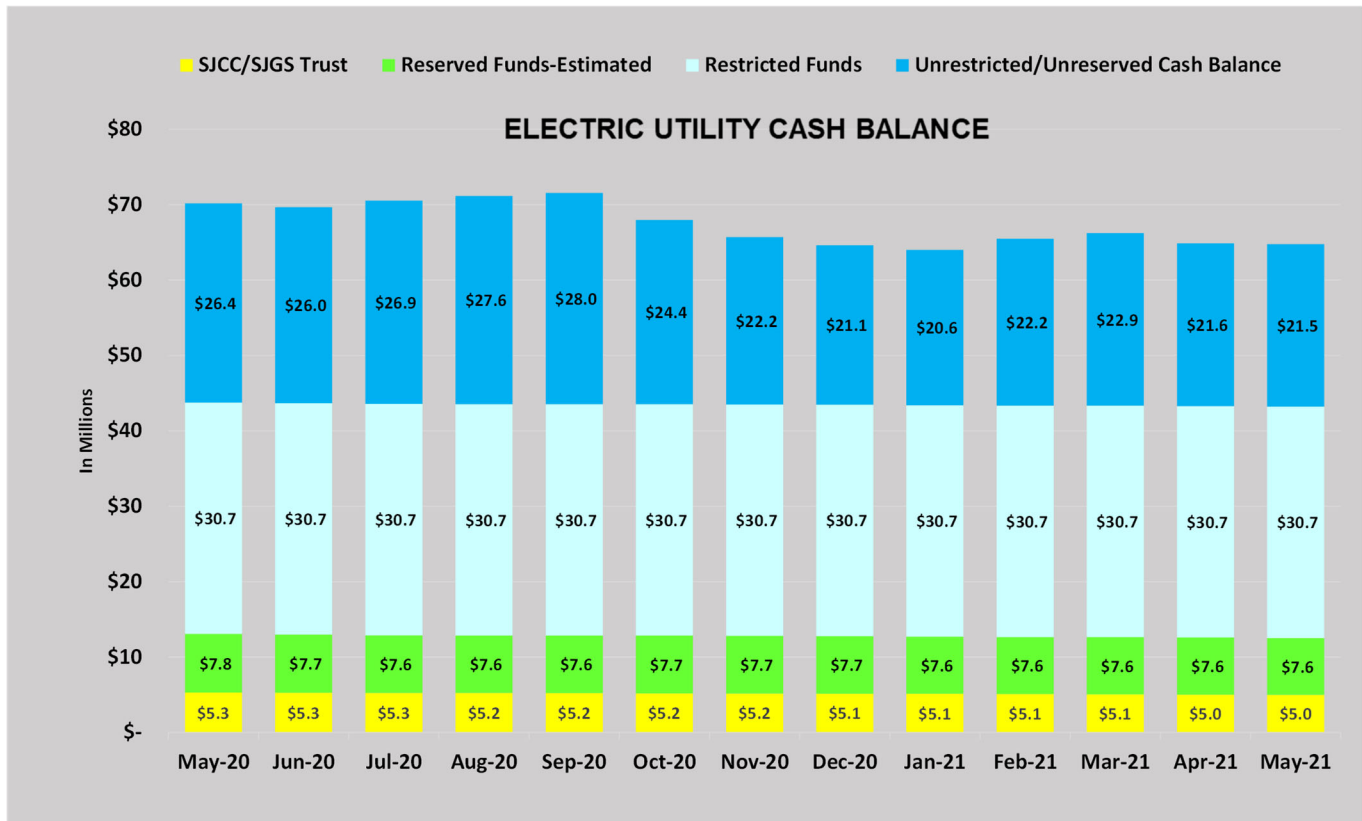
Comm. Trans./Econ. Div. GRT 204 - The ending cash balance for May is \$309K, an increase of \$217K from the April balance of \$92K. Revenue received includes \$443K in GRT and \$287 in interest income. The main expenditures from this fund were \$19K for GRT administrative fee, \$29K transfer to General Fund for Police Park Rangers cost, \$15K transfer to General Fund to cover Fire Alternative Response Unit (ARU), and \$92K transfer to 403 GRT Bond Projects Fund for the Among the Waters Trail project. Additional expenditures of \$13K to Four Corners Economic Development covered the fourth quarter professional services contract fee and \$9K in labor and materials charges resulted from the Lions Wilderness Amphitheater stage and seating property improvements.

Health Insurance Fund 701 - At the end of May 2021, the Health Fund cash balance is \$3.3 million, a decrease of (\$160K) from the April balance of \$3.5 million. Health insurance premiums of \$625K were received in May. For the fund as a whole, with 92% of the year complete, 83.6% of the FY2021 annual revenue budget has been collected while 83.0% of the FY2021 annual expenditure budget has been

Memorandum

spent. YTD expenditures exceeded revenues by (\$570K). Health insurance claims for the month of May totaled \$668K and pharmacy charges totaled \$95K.

Electric Fund 601 - The Cash Balance Report reflects the restricted cash amounts and the reserved cash amounts in compliance with the Council approved Electric Cash Reserve Policy. The Electric Fund *unrestricted/unreserved* balance as of May 31, 2021 is \$23.6 million. Unrestricted/unreserved cash represents 20.6% of the FY2021 Electric Enterprise expenditure budget of \$114.4 million. YTD expenses of \$15.9 million for capital projects are 61.2% of the YTD capital budget of \$26.0 million. For the fund as a whole, with 92% of the fiscal year complete, 87.3% of the FY2021 annual revenue budget has been collected while 79.8% of the FY2021 annual expenditure budget has been spent.



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.

Memorandum

DEBT SERVICE

	Principal Balance At 06/30/2021		Annual Payment	
			Principal	Interest/Admin Fee
FUND 101 General/ 201 Public Works GRT/ 202 Parks GRT/ 231 Conv. Center Fee/ 250 State Fire/ 403 GRT Bond Projects				
NMFA Loan (2019 Series Bond) (201)	\$	9,815,000	\$ 530,000	\$ 507,300
NMFA Loan (2018 Series Bond) (101/250)**		14,460,000	300,000	592,438
Sales Tax Bonds 2017 (101/201)		4,570,000	675,000	111,705
NMFA Loan (PHGC Equipment) (202)****		435,630	-	-
NMFA Fire Pumper Loan (250)		53,300	51,550	3,656
NMFA GRT Civic Center Impr. (231)		8,940,000	260,000	448,988
NMFA Energy Efficiency/QECB (101)		3,624,969	286,164	102,767
NMED CWSRF Stormwater Loan (403)***		2,000,000	-	-
Total	\$	43,898,899	\$ 2,102,714	\$ 1,766,854
FUND 602-Water				
NMFA Loan-Animas Waterline*		606,035	51,875	6,579
NMFA Water Meter Loan		2,994,681	187,653	63,647
NMFA Zone 2P Waterline (PhI, PhII, PhIII)		6,666,437	300,272	139,334
Total	\$	10,267,153	\$ 539,800	\$ 209,560
FUND 603-Wastewater				
NMED Loan WW Treatment Expansion		4,364,448	798,120	154,877
NMED Loan WW Treatment Improvements		20,222,153	892,272	501,468
Total	\$	4,364,448	\$ 798,120	\$ 154,877
CITY TOTAL				
NMFA Loan (2019 Series Bond)		9,815,000	530,000	507,300
NMFA Loan (2018 Series Bond)		14,460,000	300,000	592,438
Sales Tax Bonds 2017		4,570,000	675,000	111,705
NMFA Loan (PHGC Equipment) (202)		435,630	-	-
NMFA Fire Pumper Loan		53,300	51,550	3,656
NMFA GRT Civic Center Impr.		8,940,000	260,000	448,988
NMFA Energy Efficiency/QECB		3,624,969	286,164	102,767
NMFA Loan-Animas Waterline*		606,035	51,875	6,579
NMFA Water Meter Loan		2,994,681	187,653	63,647
NMFA Zone 2P Waterline		6,666,437	300,272	139,334
NMED Loan WW Treatment Expansion		4,364,448	798,120	154,877
NMED Loan WW Treatment Improvements		20,222,153	892,272	501,468
Total	\$	76,752,653	\$ 4,332,906	\$ 2,632,759

	Interest Rate	Payment Due Date	Maturity
NMFA Loan (2019 Series Bond)	4% - 5%	12/1 & 6/1	2034
NMFA Loan (2018 Series Bond)	0.25% Admin Fee 3.50% - 5%	05/01 12/1 & 6/1	2037
Sales Tax Bonds 2017	1.24%-2.48%	12/1 & 6/1	2028
NMFA Loan (PHGC Equipment)	0.18%-0.60%	11/1 & 5/1	2026
NMFA Fire Pumper Loan	2.78%	6/1	2022
NMFA GRT Civic Center Impr.	5%	12/1 & 6/1	2041
NMFA Energy Efficiency/QECB	0.1% Admin Fee 3%	12/15 & 6/15	2032
NMFA Loan-Animas Waterline*	1%	5/1	2032
NMFA Water Meter Loan	.25% Admin Fee 1.75%	8/1	2035
NMFA Zone 2P Waterline	0.25% Admin Fee 1.75%	11/01	2038
NMED Loan WW Treatment Expansion	3%	7/1	2026
NMED Loan WW Treatment Improvements	2.375%	7/1	2039

* NM Finance Authority Loan includes Interest and Administrative Fee.

** Trails, FAC Roof, Fire Engine and Ladder Trucks, Civic Center, Water Park, and Complete Streets.

*** Principal and interest payments to commence upon completion of project.

**** Loan closed 4/16/21. Principal and interest payments to begin in FY2022.

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, and governmental agency securities. If you would like to see any additional information, please let me know.

CITY OF FARMINGTON
MONTHLY FINANCIAL SUMMARY REPORT
May 31, 2021

Budget Basis

	May ACTUAL	May BUDGET	\$ VARIANCE FAVORABLE (UNFAVORABLE)	% OF BUDGET	FY2021 YTD ACTUAL	FY2021 YTD BUDGET	\$ VARIANCE FAVORABLE (UNFAVORABLE)	% OF BUDGET
<u>GENERAL FUND - 101</u>								
GROSS RECEIPTS TAXES	\$ 4,219,795	\$ 2,793,240	\$ 1,426,555	151.1%	\$ 36,992,449	\$ 30,668,638	\$ 6,323,811	120.6%
OTHER REVENUE	1,222,806	898,526	324,280	136.1%	8,379,565	9,528,260	(1,148,695)	87.9%
REVENUE TRANSFERS	1,063,026	1,052,873	10,153	101.0%	11,586,512	11,613,682	(27,170)	99.8%
GROSS REVENUE	6,505,627	4,744,639	1,760,988	137.1%	56,958,526	51,810,580	5,147,946	109.9%
EXPENDITURES	4,131,763	4,209,475	77,712	98.2%	47,791,162	51,523,499	3,732,337	92.8%
EXCESS (DEFICIT)	\$ 2,373,864	\$ 535,164	\$ 1,838,700		\$ 9,167,364	\$ 287,081	\$ 8,880,283	
<u>OTHER FUNDS</u>								
Special Revenue Funds								
GROSS REVENUE	\$ 2,655,559	\$ 2,177,533	\$ 478,026	122.0%	\$ 29,333,822	\$ 25,764,138	\$ 3,569,684	113.9%
TOTAL EXPENDITURES	2,190,968	2,336,694	145,726	93.8%	28,470,898	29,260,805	789,907	97.3%
EXCESS (DEFICIT)	\$ 464,592	\$ (159,161)	\$ 623,753		\$ 862,923	\$ (3,496,667)	\$ 4,359,590	
Capital Project Funds								
GROSS REVENUE	\$ 243,961	\$ 247,799	\$ (3,838)	98.5%	\$ 6,104,674	\$ 4,570,131	\$ 1,534,543	133.6%
TOTAL EXPENDITURES	26,125	146,070	119,945	17.9%	8,507,823	8,547,028	39,205	99.5%
EXCESS (DEFICIT)	\$ 217,837	\$ 101,729	\$ 116,108		\$ (2,403,149)	\$ (3,976,897)	\$ 1,573,748	
Debt Service Fund								
GROSS REVENUE	\$ 309,077	\$ 311,327	\$ (2,250)	99.3%	\$ 3,460,496	\$ 3,485,246	\$ (24,750)	99.3%
TOTAL EXPENDITURES	2,546,760.46	2,545,215.00	(1,545)		3,685,262.31	3,682,173.00	(3,089)	
EXCESS (DEFICIT)	\$ (2,237,683)	\$ (2,233,888)	\$ (3,795)		\$ (224,766)	\$ (196,927)	\$ (27,839)	
Enterprise Funds								
Electric Utility								
GROSS REVENUE	\$ 6,583,996	\$ 7,657,457	\$ (1,073,461)	86.0%	\$ 86,905,324	\$ 91,510,467	\$ (4,605,143)	95.0%
TOTAL EXPENDITURES	7,684,417	8,774,105	1,089,688	87.6%	91,293,771	103,083,428	11,789,657	88.6%
EXCESS (DEFICIT)	\$ (1,100,421)	\$ (1,116,648)	\$ 16,227		\$ (4,388,447)	\$ (11,572,961)	\$ 7,184,514	

CITY OF FARMINGTON
MONTHLY FINANCIAL SUMMARY REPORT
May 31, 2021

Budget Basis

	May ACTUAL	May BUDGET	\$ VARIANCE FAVORABLE (UNFAVORABLE)	% OF BUDGET	FY2021 YTD ACTUAL	FY2021 YTD BUDGET	\$ VARIANCE FAVORABLE (UNFAVORABLE)	% OF BUDGET
Water								
GROSS REVENUE	\$ 2,082,445	\$ 1,913,479	\$ 168,966	108.8%	\$ 20,983,357	\$ 21,041,323	\$ (57,966)	99.7%
TOTAL EXPENDITURES	1,987,397	1,553,202	(434,195)	128.0%	18,829,721	16,347,940	(2,481,781)	115.2%
EXCESS (DEFICIT)	\$ 4,069,842	\$ 360,277	\$ (265,229)		\$ 39,813,079	\$ 37,389,263	\$ 2,423,816	
Wastewater								
GROSS REVENUE	\$ 1,090,970	\$ 1,037,189	\$ 53,781	105.2%	\$ 11,587,462	\$ 11,411,217	\$ 176,245	101.5%
TOTAL EXPENDITURES	2,394,689	725,056	(1,669,633)	330.3%	9,362,923	8,445,949	(916,974)	110.9%
EXCESS (DEFICIT)	\$ (1,303,719)	\$ 312,133	\$ (1,615,852)		\$ 2,224,539	\$ 2,965,268	\$ (740,729)	
Sanitation								
GROSS REVENUE	\$ 605,848	\$ 524,435	\$ 81,413	115.5%	\$ 6,615,871	\$ 5,768,785	\$ 847,086	114.7%
TOTAL EXPENDITURES	552,105	525,259	(26,846)	105.1%	5,952,916	5,777,849	(175,067)	103.0%
EXCESS (DEFICIT)	\$ 53,743	\$ (824)	\$ 54,567		\$ 662,955	\$ (9,064)	\$ 672,019	
Health Insurance Fund								
GROSS REVENUE	\$ 644,210	\$ 1,049,852	\$ (405,642)	61.4%	\$ 8,226,288	\$ 8,289,904	\$ (63,616)	99.2%
TOTAL EXPENDITURES	922,150	875,787	(46,363)	105.3%	8,796,590	9,719,636	923,046	90.5%
EXCESS (DEFICIT)	\$ (277,939)	\$ 174,065	\$ (452,004)		\$ (570,302)	\$ (1,429,732)	\$ 859,430	
TOTAL OTHER FUNDS EXCESS (DEFICIT)	\$ (113,750)	\$ (2,562,317)			\$ 35,976,832	\$ 19,672,283		
SUMMARY (ALL FUNDS)								
GROSS REVENUE	\$ 20,721,695	\$ 19,663,710	\$ 1,057,985	105.4%	\$ 230,175,821	\$ 223,651,791	\$ 6,524,030	102.9%
TOTAL EXPENDITURES	22,436,374	21,690,863	(745,511)	103.4%	222,691,068	236,388,307	13,697,239	94.2%
EXCESS (DEFICIT)	\$ (1,714,680)	\$ (2,027,153)	\$ 312,473		\$ 7,484,753	\$ (12,736,516)	\$ 20,221,269	

Footnotes:

- * Gross Receipts Tax revenue has been adjusted in the budget to approximate the monthly receipts based upon a calculated historical percentage for each month. FY2020 Budget GRT figures have been reduced for the Economic Trend Adjustment.
- * General Fund budgeted revenues and expenditures in this report have been adjusted to reflect anticipated timing of actual revenues and expenditures.

CITY OF FARMINGTON
REVENUE AND EXPENDITURE REPORT
For the Eleven Months Ending May 31, 2021

Budget Basis									% of year gone by	91.7%
FUND #	FUND NAME	FY2021 REVENUE BUDGET*	FY2021 YTD REVENUES	% COLLECTED	FY2021 EXPENDITURE BUDGET	FY2021 YTD EXPENDITURES	% USED	FY2021 YTD SURPLUS/ (DEFICIT)	CASH BALANCE	
101	General Fund	\$ 58,390,250	\$ 56,958,526	97.5%	\$ 58,405,781	\$ 47,791,162	81.8%	\$ 9,167,364	\$ 17,685,053	
201	GRT Streets	8,530,392	9,383,873	110.0%	14,160,310	12,610,780	89.1%	(3,226,907)	3,690,984	
202	GRT Parks & Public Works	1,941,709	2,120,285	109.2%	2,271,322	1,692,944	74.5%	427,341	1,145,840	
203	Public Safety GRT	2,418,970	2,004,643	82.9%	2,217,369	1,786,834	80.6%	217,809	224,984	
204	Comm Trans/Econ Divers GRT	3,443,939	3,818,937	110.9%	4,965,760	2,481,881	50.0%	1,337,056	308,717	
213	Library Gifts & Grants	181,862	78,275	43.0%	220,962	152,081	68.8%	(73,806)	(10,123)	
214	Parks/Rec Gifts & Grants	614,957	470,340	76.5%	782,811	369,616	47.2%	100,724	316,857	
215	Lake Farmington	0	0	#DIV/0!	0	0		-	-	
216	City Wide Senior Services	766,812	581,734	75.9%	766,812	566,612	73.9%	15,122	43,585	
217	Museum	201,600	22,091	11.0%	204,430	13,273	6.5%	8,818	115,962	
218	Cares Act	1,147,500	2,634,436	229.6%	1,147,500	1,417,495	123.5%	1,216,941	1,216,941	
221	Red Apple Transit	2,056,583	1,375,710	66.9%	1,442,869	1,233,091	85.5%	142,618	(241,084)	
222	General Gov't Grant	1,859,213	1,277,878	68.7%	1,575,964	1,331,473	84.5%	(53,595)	(527,140)	
223	CDBG	1,058,894	380,985	36.0%	1,063,536	549,194	51.6%	(168,208)	(107,870)	
230	Lodgers Tax	969,250	819,388	84.5%	1,010,638	599,126	59.3%	220,262	668,687	
231	Convention Center Fees	557,400	543,317	97.5%	708,988	649,902	91.7%	(106,585)	52,019	
240	State Police Protection Fund	107,700	106,747	99.1%	107,700	102,316.41	95.0%	4,431	4,431	
246	Region II	632,936	626,318	99.0%	505,910	437,781	86.5%	188,537	18,237	
248	COPS Program	-	0		-	0		-	-	
249	Law Enforcement Block Grant	144,077	123,708	85.9%	165,753	39,840.43	24.0%	83,867	105,642	
250	State Fire Fund	3,146,738	2,896,660	92.1%	3,547,470	2,369,781	66.8%	526,879	(449,544)	
251	Penalty Assessment Fund	155,150	68,497	44.1%	155,150	66,877	43.1%	1,620	6,410	
401	Comm. Develop. Grant Projects	4,150,911	1,960,587	47.2%	5,036,446	1,242,083.70	24.7%	718,503	1,614,723	
402	GRT 2012 Bond Projects	-	-		0	0		-	-	
403	2017/2018 GRT Bonds Pojects	2,510,099	2,367,489	94.3%	6,618,712	6,243,487	94.3%	(3,875,998)	278,371	
408	General Gov't Capital Projects	553,152	530,841	96.0%	-	80,644		450,197	628,872	
409	Airport Grants	2,021,187	1,228,640	60.8%	1,610,448	733,661	45.6%	494,980	27,787	
411	Metro Redevelopment Authority	8,815	6,623	75.1%	262,698	22,750	8.7%	(16,127)	253,254	
412	Park Development Fees	8,600	9,535	110.9%	179,480	17,171.58	9.6%	(7,637)	172,065	
415	Convention Center Capital Projects	300	959	319.7%	174,448	168,026.87	96.3%	(167,068)	648	
501	Sales Tax Bond Retirement	3,796,568	3,460,496	91.1%	4,019,720	3,685,262.31	91.7%	(224,766)	25,386	
601	Electric Enterprise	99,526,753	86,905,324	87.3%	114,413,997	91,293,771	79.8%	(4,388,447)	23,616,028	
602	Water Enterprise	22,967,217	20,983,357	91.4%	25,089,794	18,829,721	75.0%	2,153,636	14,331,548	
603	Wastewater Enterprise	12,448,583	11,587,462	93.1%	14,101,043	9,362,923	66.4%	2,224,539	8,770,168	
604	Sanitation Enterprise	6,293,259	6,615,871	105.1%	6,303,193	5,952,916	94.4%	662,955	1,833,008	
701	Health Insurance	9,842,500	8,226,288	83.6%	10,595,884	8,796,590	83.0%	(570,302)	3,306,685	
TOTALS		\$ 252,453,876	\$ 230,175,821	91.2%	\$ 283,832,898	\$ 222,691,068	78.5%	\$ 7,484,753	\$ 79,127,133	