

Albuquerque Metropolitan Arroyo Flood Control Authority State of New Mexico

# JUNE 30, 2017 COMPREHENSIVE ANNUAL FINANCIAL REPORT

# **State of New Mexico**

# Albuquerque Metropolitan Arroyo Flood Control Authority

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended: June 30, 2017

# Prepared by:

Finance & Administration Department AMAFCA 2600 Prospect Ave NE Albuquerque, NM 87107



# INTRODUCTORY SECTION

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# June 30, 2017

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Late monsoon rains rush down the North Diversion Channel near Menaul Boulevard, caught on AMAFCA's Arroyo Cam

Bruce M. Thomson, P.E., Chair Cynthia D. Borrego, Vice Chair Ronald D. Brown, Secretary-Treasurer Deborah L. Stover, Assistant Secretary-Treasurer Tim Eichenberg, Director

> Jerry M. Lovato, P.E. Executive Engineer



Authority



2600 Prospect N.E., Albuquerque, NM 87107 Phone: (505) 884-2215 Fax: (505) 884-0214 Website: www.amafca.org

November 6, 2017

To the AMAFCA Board of Directors, Property Owners and Citizens served by the Albuquerque Metropolitan Arroyo Flood Control Authority (Authority or AMAFCA):

We are pleased to submit the AMAFCA Comprehensive Annual Financial Report for the fiscal year that ended June 30, 2017.

New Mexico State Statute 12-6-3, NMSA 1978 mandates that the financial affairs of the Authority's records be thoroughly examined and audited each year by independent public accountants. The New Mexico State Auditor's Rule 2.2.2.9A states that local public bodies must submit audit reports for fiscal years ending June 30 to the State Auditor's Office by December 15 of that year.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

RPC CPAs + Consultants, LLP, Certified Public Accountants, have issued an unmodified ("clean") opinion on the Authority's financial statements for the year ended June 30, 2017. RPC CPAs + Consultants, LLP have opined that AMAFCA has fairly presented its financial position, in all material respects, in accordance with accounting principles generally accepted in the United States of America. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. Management's discussion and analysis is a supplement to this letter of transmittal and should be read in conjunction with it.

### Profile of AMAFCA

The Authority was formed in 1963 by an Act of the New Mexico State Legislature to establish a public use and to promote the health, safety, prosperity, security and general welfare of the inhabitants of the Authority and the State of New Mexico. The enabling legislation allowed for the acquisition, improvement, maintenance and operation of flood control systems to protect residents in the urban area that meet or exceed Federal Emergency Management Agency (FEMA) standards and to address storm water quality by constructing and maintaining water quality structures that protect aquatic habitat in the Rio Grande as required by Environmental Protection Agency (EPA) and the US Fish and Wildlife.

### LETTER OF TRANSMITTAL

### June 30, 2017

The Authority is located within Bernalillo County and currently occupies 371 square miles, serves a population of approximately 675,000 and protects nearly \$14.9 billion of net taxable property value. AMAFCA is divided into five (5) geographic districts and is empowered to levy a property tax on real property located within its boundaries for operations and for voter-approved debt.

The Authority is governed by five (5) elected Directors from five (5) districts within its jurisdiction. Directors serve six (6) year terms and appoint an Executive Engineer as the Authority's Chief Administrative Officer. By May 31 preceding the beginning of the fiscal year on July 1, the Directors are required to adopt an annual budget for the fiscal year. The budget is submitted to the New Mexico Department of Finance and Administration (DFA), Local Government Division, for review and approval. The annual budget serves as the foundation for the Authority's financial planning and control. The budget is prepared by fund and class or appropriation level (e.g., salaries and benefits, services and supplies) within each category present on the financial statements. The Authority may transfer resources between appropriation levels within the same fund at its discretion and with approval of the AMAFCA Board of Directors. Increase of resources or establishment of a new appropriation level requires approval by the AMAFCA Board of Directors and submittal to DFA for approval.

The budget is utilized by DFA to set the operational and debt service mil levy rates, taking into account budgetary needs as well as conforming to the New Mexico Property Tax Yield Control Act.

The Authority provides a full range of services including the design and construction of flood control facilities; regulatory services which fulfill legal requirements associated with federal and state programs that relate to AMAFCA activities; watershed protection services; planning services that relate to land development and provide for the public's health and safety by contributing to orderly development and growth within the Authority's boundaries; the operation and maintenance of the Authority's fleet and facilities, land interests, and encroachment issues; information technology services which provide technical support to AMAFCA staff and provide information to the public; and administrative services which provide clerical, financial and personnel support to AMAFCA staff.

# **Local Economy**

The Authority oversees a large portion of Bernalillo County, which includes the City of Albuquerque, the Village of Los Ranchos and unincorporated county communities. Bernalillo County is New Mexico's largest populated county according to the United States Census Bureau. It represents 32.4% of New Mexico's total population.

It is estimated that the Albuquerque urban area accounts for nearly half of the State's economic output. The Albuquerque urban area continues to recover from the 2008 recession but is lagging behind the national recovery statistics. However, our statistical section shows that the 2008 recession did not have significant impacts on AMAFCA. Property values and collections of property taxes have remained steady. We continue to show that first year collections of property taxes approximate 97% and overall collections are above 99% for collections for a three-year period. We have experienced a 1-3% growth since 2008 and anticipate the rate to remain unchanged for the short-term. This outlook has allowed us to adjust budgets to maintain steady levels for revenues and budgeted expenditures.

### LETTER OF TRANSMITTAL

### June 30, 2017

The economic driver in the Albuquerque urban area is the Governmental Sector; therefore, it is reasonable to anticipate a slow steady growth rate that may be below national predictions in the near term. The Governmental Sector is not as volatile as other sectors in the economy; therefore, we conservatively expect that property tax billings will have a small steady growth and collections will remain in the 97% range.

# Long-term financial planning and major initiatives

As a matter of policy, AMAFCA's General Fund is required to maintain an operating cash reserve equal to three twelfths (3/12ths) its subsequent year operating budget (\$1,085,893 at 6/30/17). AMAFCA is also required to maintain one and a half percent (1.5%) of its total infrastructure as an infrastructure emergency reserve (\$3,116,250 at 6/30/2017). As of June 30, 2017, the General Fund's cash and investments totaled approximately \$8,770,000. As of June 30, 2017, AMAFCA had approximately \$2.6M available that was in excess of its minimum reserve requirements, which is approximately 60% of our FY18 General Fund budget. The vast majority of these funds are shown as restricted in the General Fund Balance Sheet since the original source of these funds are property taxes that only be spent on flood control activities. Over 99% of AMAFCA's budget is considered Flood Control Activities.

The Authority, with its financial advisors, has also developed a long-term debt plan to finance new construction and improvements to existing facilities. The plan, contingent upon voter approval, pays debt over an 8-10 year life to maintain low interest rates. Based on this plan, the Authority developed its 2016 Project Schedule, and in the process of developing the 2018 Project Schedule, which highlights various flood control projects, including multi-agency projects, for the short and near term.

# Relevant financial policies

The Authority has adopted a comprehensive set of financial policies and an internal control structure. The most recent being Resolution 2017-08 – Creation of the Acquisitions and Savings Fund. This fund was created to be used as the fund for acquiring capital assets and paying for known expenditures that do not occur on an annual basis, such as elections and aerial digital photography. It is also used to accumulate savings to pay for such expenditures. The creation of this fund also closed out the previous Building & Yard Improvements Fund.

Another significant policy is Resolution 2016-05 – Cash Reserves, which was passed by the Board of Directors in April 2016. The Authority has a total of \$5,042,407 of contingency reserves, of which \$826,157 remains available for any contingency but requires Board of Directors action to spend. This policy set up the following reserves and minimum amounts:

Operating Cash Reserves (3/12ths of operating budget)	\$ 1,085,893
Infrastructure Emergency Reserve (1.5% of total infrastructure)	3,116,250
Board of Directors Contingency	500,000
Executive Engineer Contingency	400,000
Insurance & Other Operating Reserve	200,000

### LETTER OF TRANSMITTAL

June 30, 2017

AMAFCA has historically maintained a conservative approach to budgeting its revenues and expenditures. Over the past 10 years, on average, AMAFCA collects over 104% of its budgeted property taxes and spends less than 95% of its expenditures (approximately 90% for the fiscal year ended June 30, 2017.

# **Major initiatives**

Stormwater quality continues to be a major focus and component of AMAFCA's day-to-day operations. Full compliance with the EPA's newly issued Middle Rio Grande Watershed Municipal Separate Storm Sewer Systems Operators Permit (No. NMR 04A000) influences 10% of AMAFCA's overall operating budget. Upgrades in sampling equipment, additional tracking/reporting requirements and the development of written strategies and procedures have required increased expenditures related to the permit. AMAFCA has also begun to develop various cooperative agreements with other MS4's in the watershed to better attain timely permit compliance in a cost-effective manner.

# **Awards and Acknowledgements**

Fiscal year ended June 30, 2016 was the first time the Authority prepared a CAFR and the Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the Authority for its CAFR for the first time. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. The report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. We believe that this CAFR will once again meet the Certificate of Achievement Program's requirements and are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the Authority has been rated "AAA" by the nation's top two rating agencies, Standard & Poor's and Moody's, for the last 15 years. Maintaining the ratings is due to a conservative approach to financial affairs as well as demonstrating stable leadership.

The preparation of this report would not have been possible without the skill, effort, and dedication of the entire AMAFCA staff. We wish to thank all AMAFCA employees for their assistance in providing data necessary to prepare this report. Credit is also due to current and past Directors for maintaining the highest standards of professionalism at AMAFCA.

Respectfully submitted,

Jerry M. Lovato, P.E.

**Executive Engineer** 

Herman Chavez, CP

Finance & Administration Manager



Government Finance Officers Association

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

# Albuquerque Metropolitan Arroyo Flood Control Authority New Mexico

For its Comprehensive Annual Financial Report for the Fiscal Year Ended

June 30, 2016

Executive Director/CEO



# **OFFICIAL ROSTER**

June 30, 2017

# **Board Members**

Bruce M. Thomson
Cynthia D. Borrego
Vice-Chair
Ronald D. Brown
Secretary-Treasurer
Deborah L. Stover
Assistant Secretary-Treasurer
Director

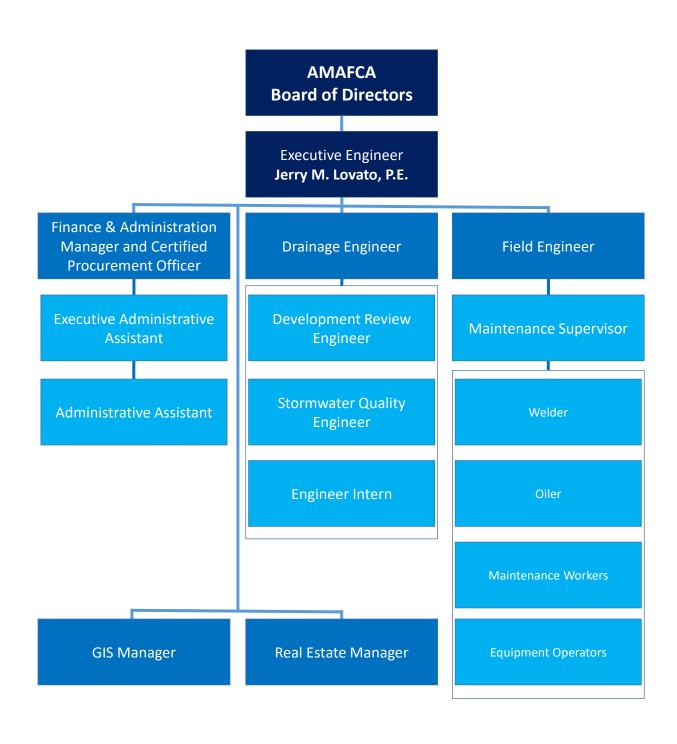
# Administrative Staff

Jerry M. Lovato, P.E. Executive Engineer
Herman Chavez, CPA Finance & Administration Manager

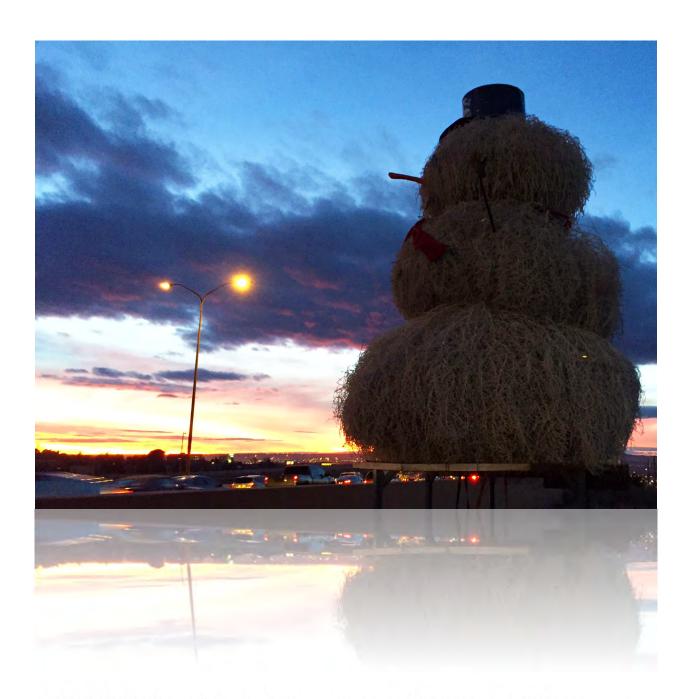


### **ORGANIZATIONAL CHART**

June 30, 2017



# FINANCIAL SECTION



AMAFCA's Tumbleweed Snowman, a holiday tradition, watches over travelers and commuters along I-40 and monitors the Embudo Channel

Alamogordo | Albuquerque | Carlsbad | Clovis | El Paso | Hobbs | Lubbock | Roswell | Santa Fe

### INDEPENDENT AUDITORS' REPORT

Timothy M. Keller New Mexico State Auditor Board of Directors and Management Albuquerque Metropolitan Arroyo Flood Control Authority Albuquerque, New Mexico

### **Report on Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and the budgetary comparison for the General Fund of Albuquerque Metropolitan Arroyo Flood Control Authority (the Authority) as of and for the year ended June 30, 2017, and the related notes to the financial statements which collectively comprise the Authority's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Authority's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Albuquerque Metropolitan Arroyo Flood Control Authority, as of June 30, 2017, and the respective changes in financial position thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

### Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *Management's Discussion and Analysis* on pages 7 through 15, the Schedule of Proportionate Share of the Net Pension Liability, Schedule of PERA Contributions, and the Notes to the Required Supplementary Information on pages 69 and 70 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### Other Information

Our audit was conducted for the purpose of forming opinions on the Authority's basic financial statements and the budgetary comparison of the General Fund. The introductory section, the statistical section, the budgetary comparison schedules of the Debt Service, Capital Projects, Acquisitions & Savings, and Building & Yard Improvement Funds, and the supporting schedules required by section 2.2.2 NMAC are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

The budgetary comparison schedules of the Debt Service, Capital Projects, Acquisitions & Savings, and Building & Yard Improvement Funds, the Schedule of Assets and Liabilities - Agency Funds, the Schedule of Changes in Assets and Liabilities - Agency Funds, and the other supporting schedules required by Section 2.2.2 NMAC are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison schedules of the Debt Service, Capital Projects, Acquisitions & Savings, and Building & Yard Improvement Funds, the Schedule of Assets and Liabilities - Agency Funds, the Schedule of Changes in Assets and Liabilities - Agency Funds, and the other supporting schedules required by Section 2.2.2 NMAC are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and the statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

# Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 6, 2017 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

RPC CPAs + Consultants, LLP Albuquerque, New Mexico

RPC CPAS + Consultants LLP

November 6, 2017

# REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS





Modeled at the UNM Hydraulics Lab and then implemented near I-40 and 98th Street, this volcano 'erupts' with stormwater to increase the oxygen content before water flows to the river

### MANAGEMENT'S DISCUSSION & ANALYSIS (UNAUDITED)

Required Supplementary Information

June 30, 2017

The Albuquerque Metropolitan Arroyo Flood Control Authority (the Authority or AMAFCA) discussion and analysis is designed to (a) provide an overview of the Authority, its mission and function, (b) provide a description of significant capital assets, (c) provide a brief discussion of the basic financial statements, including the relationships of the statements to each other, and the significant differences in the information they provide, (d) provide an analysis of the Authority's financial position, and (e) identify any material deviations from the financial plan (approved budget).

# **Authority's Mission**

The Authority was created by the Arroyo Flood Control Act of 1963. The Act provides for the organization, the governing body and officers, and flood control facilities; specifies provisions relating to powers, duties, privileges, liabilities, loans, securities, taxes, revenues and finances; and prescribes relationships with other government bodies and agencies.

The Authority was created as a political subdivision of the State of New Mexico in 1963 under Section NMSA 72-16-1 to 72-16-103 under the Arroyo Flood Control Act. The Authority is a local public body authorized to "acquire, equip, maintain and operate a flood control system for the benefit of the authority and inhabitants thereof..."

# **Authority's Function**

*Operation and Maintenance:* The Authority operates and maintains major facilities of the flood control system in the greater Albuquerque area. Operation and maintenance is administered by the Authority's Field Engineer and Maintenance Superintendent, who oversee an eleven-man crew and various contractors. The Field Engineer ensures AMAFCA facilities are flood-ready.

Drainage Master Planning and Design Management: The Authority has implemented a program to master-plan drainage facilities through a deliberate prioritization system. This planning activity is managed by the Drainage Engineer, with input from the Field, Development Review, and Stormwater Quality Engineers on staff. Design and construction of flood control projects are accomplished by five staff engineers on a project-management basis. The Authority generally contracts planning, design and construction managements with private consultants. Property and Right-of-Way acquisition needs are managed by the Real Estate Manager. Planning, design, property acquisition and construction are funded by general obligation bond proceeds.

**Regulatory Function:** The Authority has a regulatory responsibility to review drainage reports and project designs for all subdivision and development applications within its jurisdiction to ensure that said development plans are in concert with Drainage Master Planning for the watershed. Review and approval is conducted by the Development Review Engineer with oversight by the Drainage Engineer and Executive Engineer.

### MANAGEMENT'S DISCUSSION & ANALYSIS (UNAUDITED)

Required Supplementary Information

June 30, 2017

# **Financial Highlights**

The financial position for the Authority has remained steady to slightly improved due to the contributions of infrastructure by outside entities on an entity wide level. The cash and investment position continues to remain strong as our reserves are fully funded, and the Authority has a strong cash position in each fund. The Authority's reserves are approximately \$825K more than minimum requirements. The following are some of the highlights that lead to this position:

- During fiscal year 2017, the Board of Directors passed being Resolution 2017-08 Creation of
  the Acquisitions and Savings Fund. This fund will be used for acquiring capital assets and
  paying for known expenditures that do not occur on an annual basis, such as elections and
  aerial digital photography. It is also used to accumulate savings to pay for said expenditures.
  The creation of this fund also closed out the previous Building & Yard Improvements Fund.
- The financial position of the Authority is strong. As of June 30, 2017, the Authority's cash and investments available for flood control was about \$3.6M, which is approximately 83% of its fiscal year 2018 budget.
- The Authority added approximately \$9.5M to its June 30, 2016 Construction in Progress, and closed out approximately \$17.9M in construction. The Authority has approximately \$7.0M of on-going flood control projects as of June 30, 2017.
- Including the close out of Construction in Progress and contributions from other entities, the Authority added approximately \$22.9M of infrastructure for the year ended June 30, 2017.
- The Authority is one of the highest rated government agencies in the state of New Mexico; for the 15th straight year, the Authority received a Standard & Poor's Rating Services of AAA and a AAA rating from Moody's Investors. The S&P rating included a 2-year positive outlook.
- Total cash and investments (including restricted in fiscal year 2016) increased by approximately \$5.2M from the previous year. This increase is due to the completion and timing of progress payments made to contractors on various projects and the annual bond sale.
- The Authority experienced an increase of its net pension liability of approximately \$1.1M, to a total net pension liability of approximately \$2.6M.

# **Overview of Financial Statements**

The Authority's financial statements are presented in three parts: government-wide financial statements, the fund financial statements and notes to the financial statements.

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances in a manner similar to a private-sector business. The statement of net position presents information on all the Authority's assets, deferred outflows of resources, liabilities and deferred inflow of resources with the differences between the two reported as net position. Over time,

### MANAGEMENT'S DISCUSSION & ANALYSIS (UNAUDITED)

**Required Supplementary Information** 

June 30, 2017

increases in net position may serve as a useful indicator of whether or not the financial position of the Authority is improving or deteriorating. The statement of activities presents information showing how the Authority's net position has changed during the fiscal year. In this statement, all changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some times that will only result in cash flows in future fiscal periods, such as revenues pertaining to uncollected taxes and expenses pertaining to earned but unused vacation.

The fund financial statements are designed to report information about groupings of related accounts that are used to maintain control over resources that have been segregate for specific activities or objectives. The Authority, like other state and local governments, used fund accounting to ensure and demonstrate compliance with finance-related requirements. The funds of the Authority are classified as either governmental funds or fiduciary funds, as described in the following sections.

Governmental Funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Most of the Authority's services are reported in governmental funds. Governmental fund statements focus on sources, uses and balances of cash and other financial assets that can readily be converted to cash and that are available for spending. Such information may be useful in determining what financial resources are available in the near future to finance the Authority's mission. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it us useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Authority's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statements of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. The Authority maintains individual governmental funds organized according to their type (debt service or capital projects). Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for all of the Authority's funds (all of which are considered major funds).

**Fiduciary Funds:** Fiduciary funds are used to account for resources held for the benefit of parties outside the Authority. The Authority's fiduciary funds are reported as agency funds. Since the resources of these funds are not available to support the Authority, they are not reflected in the government-wide financial statements.

# MANAGEMENT'S DISCUSSION & ANALYSIS (UNAUDITED)

# **Required Supplementary Information**

June 30, 2017

# The Authority as a whole:

Net Position: Table A-1 summarizes the Authority's net position for the fiscal year ended June 30, 2017 and 2016. Net position is presented on a consolidated basis in one column, and is reflected on a full accrual, economic resources basis, which incorporates long-term assets and receivables, as well as long-term debt and obligations. The Authority did not have any business-type activities during the year ended June 30, 2017.

Table A-1
The Authority's Net Position

	Government	Government
	Activities	Activities
	June 30, 2017	June 30, 2016
Current assets	\$ 52,595,526	\$ 47,396,058
Capital assets, net of depreciation	235,465,963	223,622,992
	288,061,489	271,019,050
Deferred outflow of resources	1,011,300	136,173
Total assets & deferred outflow of		
resources	\$ 289,072,789	\$ 271,155,223
Current liabilities	\$ 14,758,323	\$ 10,940,874
Non-current liabilities	47,343,258	45,215,154
Total liabilities	62,101,581	56,156,028
Deferred inflow of resources	26,261	55,550
Net Position		
Net investment in capital assets	195,818,843	176,226,208
Restricted for:		
Debt service	13,779,513	12,961,595
Capital projects	2,113,026	24,213,767
Unrestricted	15,233,565	1,542,075
Total net position	226,944,947	214,943,645
Total liabilities, deferred inflows of		
resources, and net position	\$ 289,072,789	\$ 271,155,223

### MANAGEMENT'S DISCUSSION & ANALYSIS (UNAUDITED)

**Required Supplementary Information** 

June 30, 2017

The Authority is authorized to levy ad valorem taxes on property within its boundaries. The Authority has two levies:

The *Operating Mill Levy* is used for the Authority's operation, maintenance and regulation of the local flood control system. On June 30, 2017, the Authority's operating mill levy was 0.173 for residential property and 0.477 mills for non-residential property.

The *Debt Service Mill Levy* is used to account for the accumulation of resources for, and the payment of, general long-term debt. At June 30, 2017, the Authority's Debt Service mill levy was 0.675 mills. Debt has historically been structured to maintain a level mill levy of 0.675. The Authority's Debt Service mill levy has remained the same since 1999.

The total ad valorem tax revenues of the Authority for the fiscal year ended June 30, 2017 were \$13,691,862 as compared to \$13,256,530 for the fiscal year ended June 30, 2016. The budget used conservative property values and collection rates in estimating revenues.

Changes in Net Position: The Authority's changes in net position on the Statement of Activities for fiscal year 2017 was \$12,001,302, of which approximately \$9.5M is related to contributions of infrastructure from outside entities. The remainder is a result of timing variances of property tax collections and the spending of bond proceeds. In an ideal situation, those amounts be similar to each other.

The General Fund shows a \$118k decrease in fund balance for the year ended June 30, 2017. The loss is smaller than the anticipated (budgeted a \$1M loss) since capital improvements to the main office were not completed as planned and overall spending was lower than anticipated. We planned to utilize cash on deposit and do not anticipate significant losses in future years.

The Debt Service fund shows a \$817K increase in fund balance. This is due to the premium on our bond sale being higher than anticipated and property tax collections being greater than our scheduled debt payments.

The Capital Projects Fund shows a \$3.7M increase to fund balance. This is due to our bond sale. Bond proceeds are recognized when received, and the projects related to the bond sale last multiple years. Bond proceeds were \$12.5M and disbursements of those and previous proceeds were approximately \$9.6M.

The Acquisitions & Savings Fund showed a \$308k increase to fund balance. However, it is only a \$4k increase from what the Building & Yard Fund had on 6/30/2016. In fiscal year 2017, the Acquisitions & Savings Fund was created to replace the Building & Yard Fund that was closed at year end.

# MANAGEMENT'S DISCUSSION & ANALYSIS (UNAUDITED)

**Required Supplementary Information** 

June 30, 2017

Table A-2 Changes in the Authority's Net Position

	Government Activities Year Ended June 30, 2017	Government Activities Year Ended June 30, 2016
Program Revenues		
Revenue from jointly funded projects	\$ 9,452,452	\$ 892,157
General revenues		
Property taxes	13,691,862	13,256,530
Investment	190,102	76,431
Other	55,762	843,958
Total revenues	23,390,178	15,069,076
Expenses		
Flood control	4,480,695	4,142,305
Capital outlay - intergovernmental	3,455,378	2,061,209
General government	1,616,442	1,576,782
Interest on long-term debt	840,647	717,601
Planning, engineering, R&D	995,714	945,377
Total expenses	11,388,876	9,443,274
Change in net position	12,001,302	5,625,802
Beginning net position, as restated	214,943,645	209,317,843
Ending net position	\$ 226,944,947	\$ 214,943,645

### MANAGEMENT'S DISCUSSION & ANALYSIS (UNAUDITED)

Required Supplementary Information

June 30, 2017

# **Budgetary Performance**

# **General Operating Fund Budget**

The General Fund property tax revenues exceeded budgeted amounts by approximately \$132,000. This variance is related to the collection of delinquent property taxes, which is not considered as part of the budget of property tax revenues. Delinquent property taxes collected for the year ended June 30, 2017 was approximately \$133k.

The Authority continued its history trend of being under budget for expenditures. For the year ended June 30, 2017, the Authority was approximately 15% under budget. It should be noted that the Facilities Operations & Maintenance was about 23% under budget due to fuel costs and equipment rentals being under budget. We purposely maintain budgets in these areas to anticipate unknown situations, such as gas prices increasing and the need to rent equipment due to maintenance requirements. Stormwater quality was under budget by 29% for similar reasons. We budgeted anticipating increased or maximum sampling and monitoring needs and actual requirements generally were lower than. General & Administrative costs were under budget by 31%. This is related to our restructuring of auto insurance coverage as well as not needing to completely utilize outside contractual services, printing costs, and supplies.

The general fund did have one significant budget and two minor budget adjustments. The significant adjustment was related to a reduction to unspent Capital Outlay as well as in Planning, Engineering and R&D for digital aerial photography. The unspent amounts were reclassified and transferred to the Acquisitions & Savings Fund. This budget adjustment was required as a result of Resolution 2017-08 – Creation of the Acquisitions & Savings Fund. The smaller adjustments are related to increased expenditure for Stormwater Quality and Governmental Affairs.

# Capital Assets - Debt Administration

# **Capital Assets**

AMAFCA currently maintains facilities with an accumulative cost in excess of \$280,000,000. The facilities include 69 dams & ponds, 131 water quality improvement structures, and over 88 miles of channels, arroyos, and pipes. Current estimates indicate that replacing said facilities would be in excess of \$475,000,000.

Major projects completed/closed out or accepted for maintenance during fiscal year 2017 were:

### Raven Pond (Pond 187) (\$10M)

As part of the USACE South Valley Flood Reduction Project, Phase 2, AMAFCA constructed the Pond 187 complex. It is 4 separate facilities that work as one system to divert stormwater out of the Isleta Drain, detain it, then release it back to the Isleta Drain at a reduced rate. The completion of this phase of the project will ultimately allow for approximately 2000 acres of the South Valley to have a solution to its drainage issues, removal of numerous floodplains, and enhanced water quality prior to release to the Rio Grande. The complex was designed to coexist with wildlife habitat, athletic fields, walking paths and agricultural opportunities.

### MANAGEMENT'S DISCUSSION & ANALYSIS (UNAUDITED)

**Required Supplementary Information** 

June 30, 2017

### Boca Negra Dam (\$5.9M)

Boca Negra Dam was a joint project between AMAFCA, the City of Albuquerque, and private development. The dam provides detention of storm water generated by the surrounding development and also provides erosion protection to the Boca Negra Canyon, a culturally sensitive part of the Petroglyph National Monument immediately downstream. The dam eliminates the need for the upgrade of several downstream storm drainage facilities. Working with the City of Albuquerque, a multi-use trail was installed along the crest of the dam and over the outfall pipe in Boca Negra Canyon, providing recreational activities in addition to flood control. The dam is constructed on top of a basalt lava flow, resulting in unique topography within the dam pool.

### Tijeras Arroyo Sediment Structure (\$2.7M)

The first phase of the Tijeras Sediment Retention Structure was designed to trap sediment from the Tijeras Arroyo in an easy to maintain location. Prior to the construction of the project, sediment would be deposited in the concrete lined portion of the Tijeras Arroyo near 2<sup>nd</sup> Street, where the grade of the arroyo changed. This area is difficult for maintenance due to the narrow nature of the concrete channel. The channel width hinders equipment traffic during maintenance. In addition, the support pier for a rail crossing forces the maintenance equipment off of the channel bottom and onto the channel slope, further impeding maintenance activities.

The sediment retention structure is located just upstream from the concrete portion of the channel. The first phase completed a main basin for sediment collection, a smaller downstream basin for secondary sediment retention and a concrete box culvert to connect the two basins. An existing petroleum pipeline splits the two basins. The box culvert allows smaller flows to safely pass under the pipeline, while a concrete weir structure protects the pipeline from larger flows that pass over the pipeline. The project also constructed access ramps into the basins to allow for maintenance access. With the completion of this structure, sediment will now be retained in a large open area rather than the confined channel. AMAFCA will see a reduction in maintenance cost for the Tijeras Arroyo due to easier and more efficient maintenance.

Please see Note D - Changes in Capital Assets (page 38) for more information on Capital Assets.

### **Debt Administration**

The Authority's legal debt limit is \$80,000,000. Total bonded debt is made up of seven series of general obligation bonds (Series 2010, 2011, 2012, 2014, 2015, 2016 and 2017) which are scheduled to be retired gradually over the next ten years. The total proceeds of these seven series of bonds are \$80,000,000. At June 30, 2017, the Authority's outstanding principal debt was \$54,250,000 resulting in a legal debt margin of 68% of the \$80,000,000 total general obligation bonding capacity. Total outstanding principal and interest at June 30, 2017 was \$60,293,214 versus \$55,969,841 at June 30, 2016. The increase is due to the sale of the \$12,500,000 bond issue. The Authority paid \$9,300,000 in principal and \$1,085,169 for the period ending June 30, 2017.

In May 2017, the Authority sold the remaining \$12.5M of the 2014 authorization. The effective interest rate on that sale was 1.58%.

### MANAGEMENT'S DISCUSSION & ANALYSIS (UNAUDITED)

**Required Supplementary Information** 

June 30, 2017

In November 2016, authorization was granted by the voters for the Authority to issue up to \$25M of additional debt.

On August 1, 2017, the Authority paid \$12,125,000 of principal, leaving a remaining balance of \$42,125,000.

Please see Note E – General Obligation Bonds Payable & Premiums (page 42) for information on Debt Administration.

# **Economic Factors and Next Year's Budgets and Rates**

Residential ad valorem property tax rates decreased from the prior year. The total ad valorem property rate for fiscal year 2017 as passed by the Board of Directors is 0.852, which is the same as fiscal year 2016. This rate was adjusted by NM Department of Finance and Administration to 0.848 through the Yield Control Act. The total non-residential ad valorem property tax rate in fiscal year 2017 was also not adjusted by the Board of Directors and remains at 1.152. The debt service ad valorem property tax rate of 0.675 has remained constant since 1999.

The Authority's fiscal year 2018 adopted budget for the general fund includes estimated property tax revenues of about \$3,623,000, which is a decrease from the fiscal year 2016 actual revenues of about \$3,689,000. The Authority does not anticipate conditions that would cause decreases in revenues, but takes a conservative approach as it relates to collections, a 97% collection rate.

The Authority decreased the total budgeted expenditures from about \$4.5 to almost \$4.1M. The most significant decrease is related to capital asset acquisitions and yard modifications. In addition, the Authority decreased its budget for all non-essential line items by approximately 5%. Essential line items, for example fuel and insurance, remained steady. The Authority also reclassified certain line items, such as training and safety equipment, out of the Salaries & Payroll Expense category to the General & Administration (G&A) category, which is the reason why it appears that G&A has a significant increased budget.

# Contacting the Authority's Financial Management

This financial report is designed to provide a more understandable and useful overview of the Authority and its finances and to demonstrate the Authority's prudent use of all funding it receives. If you have any questions about this report or need additional financial information, contact:

The Albuquerque Metropolitan Arroyo Flood Control Authority 2600 Prospect, NE Albuquerque, NM 87107 (505) 884-2215 www.amafca.org

# **FINANCIAL STATEMENTS**

# **Government-Wide Statement of Net Position**

June 30, 2017

# **ASSETS**

	Governmental Activities
CURRENT ASSETS	
Cash and cash equivalents	\$ 371,881
Investments	51,410,693
Property tax receivables, net of allowance	812,952
Total current assets	52,595,526
CAPITAL ASSETS	
Capital assets not being depreciated	60,872,655
Capital assets being depreciated, net	174,593,308
Total capital assets	235,465,963
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pension activity	1,011,300
Total assets and deferred outflows of resources	\$ 289,072,789

<sup>\*</sup>The accompanying notes are an integral part of these financial statements.

# **FINANCIAL STATEMENTS**

**Government-Wide Statement of Net Position** 

June 30, 2017

# LIABILITIES AND NET POSITION

LIABILITIES	
Current liabilities	
Accounts payable	\$ 1,319,376
Accrued payroll and taxes	129,318
Other liabilities	25,200
Compensated absences payable, current portion	61,847
Bonds payable, current portion	12,657,112
Accrued interest payable	 565,470
Total current liabilities	14,758,323
Noncurrent liabilities	
Compensated absences payable - expected to	
be paid after one year	98,196
Bonds payable, net of current portion	44,599,330
Net pension liability	 2,645,732
Total noncurrent liabilities	47,343,258
Total liabilities	 62,101,581
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pension activity	 26,261
NET POSITION	
Net investment in capital assets	195,818,843
Restricted	
Debt service	13,779,513
Capital projects	2,113,026
Unrestricted	 15,233,565
Total net position	 226,944,947
Total liabilities, deferred inflows, and net position	\$ 289,072,789

<sup>\*</sup>The accompanying notes are an integral part of these financial statements.

# **FINANCIAL STATEMENTS**

# **Government-Wide Statement of Activities**

# For Fiscal Year Ended June 30, 2017

			m Revenues		NI 4	
		Capital			Net	
			ributions and	(Expense) Revenue and Changes in		
			venue from			
			ntly Funded			
	 Expenses	]	Projects	Net Position		
Governmental activities						
Flood control	\$ (4,480,695)	\$	-	\$	(4,480,695)	
General government	(1,616,442)		=		(1,616,442)	
Planning, engineering, research						
and development	(995,714)		_		(995,714)	
Noncapitalized project costs	(3,455,378)		9,452,452		5,997,074	
Long-term debt, interest and fees	(840,647)		-		(840,647)	
· ·	 	-				
Total governmental activities	 (11,388,876)	\$	9,452,452		(1,936,424)	
General revenues						
Property taxes					13,691,862	
Investment					190,102	
Other					55,762	
Total general revenues					13,937,726	
Changes in net position					12,001,302	
Net position, beginning of year					214,943,645	
Net position, end of year				\$ 2	226,944,947	

<sup>\*</sup>The accompanying notes are an integral part of these financial statements.

# **FINANCIAL STATEMENTS**

# Balance Sheet – Governmental Funds June 30, 2017

### ASSETS

		General Fund		ebt Service Fund	Ca	pital Projects Fund	equisitions Savings Fund	Impr	ng & Yard rovement Fund	G	Total overnmental Funds
ASSETS Petty cash Cash in bank Investments Property taxes (net) & other receivables	\$	200 243,319 8,528,606 249,433	\$	100,126 13,446,330 563,519	\$	28,236 29,127,236	\$ 308,521	\$	- - - -	\$	200 371,681 51,410,693 812,952
Total assets	\$	9,021,558	\$	14,109,975	\$	29,155,472	\$ 308,521	\$	-	\$	52,595,526
		LIA	ABIL	ITIES AND F	UND	BALANCES					
LIABILITIES											
Accounts payable Accrued payroll and taxes Other liabilities	\$	142,939 129,318 200	\$	- - -	\$	1,176,437 - 25,000	\$ - - -	\$	- - -	\$	1,319,376 129,318 25,200
Total liabilities		272,457		-		1,201,437	-		-		1,473,894
Deferred Inflows		159,051		330,462			 				489,513
Total liabilities and deferred inflows		431,508		330,462		1,201,437	-		-		1,963,407
FUND BALANCES Restricted Flood control construction											
and maintenance		2,332,980		-		-	-		-		2,332,980
Debt service Capital projects		-		13,779,513		27,954,035	-		-		13,779,513 27,954,035
Committed		-		-		21,934,033	-		-		27,934,033
Subsequent year's expenditures Contingencies		1,085,893 5,042,407		-		-	-		-		1,085,893 5,042,407
Building and improvements Unassigned		-		-		-	308,521		-		308,521
General	_	128,770	_		_		 -		-	_	128,770
Total fund balances		8,590,050		13,779,513		27,954,035	 308,521				50,632,119
Total liabilities and fund balances	\$	9,021,558	\$	14,109,975	\$	29,155,472	\$ 308,521	\$	-	\$	52,595,526

<sup>\*</sup>The accompanying notes are an integral part of these financial statements.

# **FINANCIAL STATEMENTS**

Reconciliation of the Balance Sheet to the Statement of Net Position – Governmental Activities

June 30, 2017

Total fund balance - governmental funds		\$ 50,632,119
Amounts reported for governmental activities in the statement of net position are different because:		
Delinquent property taxes receivable net of allowance for doubtful accounts are not considered available financial resources and therefore are reported as deferred inflows in fund financial statements.		489,513
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental fund balance sheet. These assets consist of:		
Total capital assets Less accumulated depreciation Total capital assets, net of depreciation	\$ 295,516,899 (60,050,936)	235,465,963
The net pension liability and related items are not reported in the funds, the following are adjustments related to the net pension liability:		
Deferred outflows - related to pension activity Net pension liability Deferred Inflows - related to pension activity		1,011,300 (2,645,732) (26,261)
Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds:		
Compensated absences payable Accrued interest payable		(160,043) (565,470)
General obligation bonds are not due and payable in the current period and, therefore, are not reported in the funds. Bond premium costs are amortized for governmental activities, but are a current other financing source in fund financial statements		
General obligation bonds  Total bond premium  Less accumulated amortization  Total general obligation bonds, net of premiums	(54,250,000) (4,607,878) 1,601,436	
and related accumulated amortization		 (57,256,442)
Net position of governmental activities (Statement of Net Position)		\$ 226,944,947

FINANCIAL SECTION

<sup>\*</sup>The accompanying notes are an integral part of these financial statements.

# **FINANCIAL STATEMENTS**

Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds
For Fiscal Year Ended June 30, 2017

	General Fund	Debt Service Fund	Capital Projects Fund	Acquisitons & Savings Fund	Building & Yard Improvement Fund	Total Governmental Funds
REVENUES						
Property taxes	\$ 3,689,902	\$ 10,013,570	\$ -	\$ -	\$ -	\$ 13,703,472
Investments	39,943	34,545	114,402	-	1,212	190,102
Revenue from jointly funded projects	-	-	592,813	-	-	592,813
Revenue from property sales	330	-	-	-	-	330
Other	24,300		31,132			55,432
Total revenues	3,754,475	10,048,115	738,347	-	1,212	14,542,149
EXPENDITURES						
Current						
General government	1,554,037	-	-	-	-	1,554,037
Flood control	1,059,377	-	-	-	-	1,059,377
Planning, engineering, research						
and development	995,714	-	-	-	-	995,714
Capital outlay	260,581	-	9,493,579	-	-	9,754,160
Debt service						
Bond principal retirement	-	9,300,000	-	-	-	9,300,000
Interest and fixed charges	-	1,085,169	-	-	-	1,085,169
Bond issuance costs			93,245			93,245
Total expenditures	3,869,709	10,385,169	9,586,824			23,841,702
Excess (deficiency) of revenues						
over expenditures	(115,234)	(337,054)	(8,848,477)	-	1,212	(9,299,553)
OTHER FINANCING SOURCES AND USES						
Transfers from other funds	150,000	-	-	308,521	-	458,521
Transfers to other funds	(152,712)	-	-	-	(305,809)	(458,521)
Face amount from bond sales	-	-	12,500,000	-	-	12,500,000
Bond premium issuance		1,154,972	88,745			1,243,717
Total other financing sources and uses	(2,712)	1,154,972	12,588,745	308,521	(305,809)	13,743,717
Net change in fund balances	(117,946)	817,918	3,740,268	308,521	(304,597)	4,444,164
Fund balances, beginning of year	8,707,996	12,961,595	24,213,767		304,597	46,187,955
Fund balances, end of year	\$ 8,590,050	\$ 13,779,513	\$ 27,954,035	\$ 308,521	\$ -	\$ 50,632,119

<sup>\*</sup>The accompanying notes are an integral part of these financial statements.

### **FINANCIAL STATEMENTS**

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities – Governmental Activities

### For Fiscal Year Ended June 30, 2017

Net change in fund balances - governmental funds		\$ 4,444,164
Amounts reported for governmental activities in the statement of activities are different because:		
In the governmental funds, proceeds from long-term debt are reported as revenues		(12,500,000)
In the governmental funds, payments from long-term debt are reported as expenditures		9,300,000
Bond premium is not amortized for fund financial statement purposes, but is for governmental activities - current year amortization		446,990
Bond premiums are included as other revenues for fund financial statement purposes, but are capitalized for governmental activities		(1,243,717)
In the statement of activities, certain operating expenses - compensated absences payable and accrued interest payable are measured by the amounts incurred during the year. In the governmental funds, however expenditures are measured by the amount of financial resources used (essentially the amounts actually paid). The (increase) decrease in the liabilities for the year was:		
Compensated absences payable Accrued interest payable		(9,972) (109,223)
In the governmental funds, pension expense is the actual contributions made to PERA, in the entity wide statements, amounts are shown as a net pension liability, deferred outflows, and deferred inflows. The net adjustment for the year was:		(158,301)
Delinquent property taxes receivable, net of allowance for doubtful accounts, are not available financial resources and therefore are reported as deferred inflows in the fund financial statements.  The decrease in the net receivable for the year was:		(11,610)
The governmental funds report capital outlays as expenditures.  However, in the statement of net position, the cost of capital assets is allocated over their estimated useful lives and reported as depreciation expense. In the current year, these amounts were:		
Excess of capital outlay expenditures which were capitalized over noncapitalized Depreciation Gain on disposal of assets	\$ 6,298,782 (3,315,450)	
Excess of capital outlay over depreciation		2,983,332
In the statement of activities, turnkey contributed projects are recorded as revenues. These revenues are not recorded in the governmental fund statements.		 8,859,639
Changes in net position of governmental activities (statement of activities)		\$ 12,001,302

<sup>\*</sup>The accompanying notes are an integral part of these financial statements.

### **FINANCIAL STATEMENTS**

Statement of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual – General Fund

### For Fiscal Year Ended June 30, 2017

	Budget Original		Budget Final		Actual Amount Budgetary Basis		Positive (Negative)	
Revenues				_				
Property taxes	\$	3,557,856	\$	3,557,856	\$	3,689,902	\$	132,046
Revenue - other	_	30,500		30,500		64,573		34,073
Total revenues		3,588,356		3,588,356		3,754,475		166,119
Expenditures								
Salary and related payroll costs		2,523,068		2,523,068		2,273,776		249,292
Facilities operations and maintenance		610,190		610,190		468,150		142,040
Stormwater quality		370,200		420,200		296,550		123,650
Planning, Engineering, and R&D		138,150		123,150		109,037		14,113
General & Administrative		195,795		195,795		133,725		62,070
Professional Services		71,300		71,300		63,626		7,674
Information Technology		123,250		123,250		113,394		9,856
Governmental affairs		141,200		166,200		150,871		15,329
Capital Outlay		175,000		43,721		43,721		-
Building and yard improvements		150,000		293,567		216,859		76,708
Total expenditures		4,498,153		4,570,441		3,869,709		700,732
Excess (deficiency) of revenues over expenditures before other financing sources and uses		(909,797)		(982,085)		(115,234)		866,851
Other financing sources and uses Transfers from other funds		150,000		150,000		150,000		
Transfers to other funds		(50,000)		(202,712)		(152,712)		50,000
Emergency contingency		- (50,000)		- (202,712)		-		-
Total other financing and uses		100,000		(52,712)		(2,712)		50,000
Net change in fund balance		(809,797)		(1,034,797)		(117,946)		916,851
Fund Balance, beginning of year		8,707,996		8,707,996		8,707,996		
Fund Balance, end of year	\$	7,898,199	\$	7,673,199	\$	8,590,050	\$	916,851

<sup>\*</sup>The accompanying notes are an integral part of these financial statements.

## FINANCIAL STATEMENTS

Statement of Fiduciary Assets and Liabilities – All Agency Funds

June 30, 2017

### **ASSETS**

Cash in bank and savings	\$ 1,414,182
Total assets	\$ 1,414,182
LIABILITIES	
Funds held for others	\$ 1,414,182

<sup>\*</sup>The accompanying notes are an integral part of these financial statements.

#### NOTES TO FINANCIAL STATEMENTS

June 30, 2017

# NOTE A – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 1. Function and Definition of Entity

The Albuquerque Metropolitan Arroyo Flood Control Authority (the Authority or AMAFCA) was created by the Arroyo Flood Control Act of 1963 (the Act) and is governed by such laws created thereunder designated as 72-16-1 to 72-16-103. The Act provides for organization of the governing body and offices; provides for flood control facilities; specifies provisions relating to powers, duties, privileges, liabilities, loans, securities, taxes, revenues, and finances; and prescribes interactions with other government bodies and agencies.

The Authority is governed by a "Board of Directors" (Board) which consists of five qualified electors elected for six-year staggered terms. The Board elects one member as chairman, one as vice-chairman, one as secretary-treasurer, and one as assistant secretary-treasurer. The Board appoints an Executive Engineer as administrator of all Authority affairs, who serves at the pleasure of the Board.

The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the Authority's financial statements would be misleading or incomplete if not included.

The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either is able to impose its will on that organization or there is potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

A primary government has the ability to impose its will on an organization if it can significantly influence the programs, projects, or activities of, or the level of services performed or provided by, the organization. A financial benefit or burden relationship exists if the primary government (a) is entitled to the organization's resources; (b) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization; or (c) is obligated in some manner for the debt of the organization.

Some organizations are included as component units because of their fiscal dependency on the primary government. An organization is fiscally dependent on the primary government if unable to adopt its budget, levy taxes or set rates or charges, or issue bonded debt without approval by the primary government. Governmental Accounting Standards Board (GASB) Statement No. 61,

#### **NOTES TO FINANCIAL STATEMENTS**

#### June 30, 2017

effective for fiscal year 2013 further requires a financial benefit or burden relationship be present in addition to fiscal dependency between the primary government and the organization to be included as a component unit. In addition, GASB 80 requires that a component unit should be included in the reporting entity financial statements using the blending method if the component unit is organized as a not-for-profit corporation in which the primary government is the sole corporate member.

There were no component units of the Albuquerque Metropolitan Arroyo Flood Control Authority during the year June 30, 2017.

The financial statements for the Authority have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The GASB is the standard-setting body for governmental accounting and financial reporting. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units.

#### 2. Basic Financial Statements

The basic financial statements include both government-wide (based on the Authority as a whole) and fund financial statements. The reporting model focus is on either the Authority as a whole or on major individual funds (within the fund financial statements). Both the government-wide and fund financial statements (within the basic financial statements) categorize primary activities as governmental funds. In the government-wide Statement of Net Position, the governmental activities are reflected on a full accrual economic resources basis, which incorporates long-term assets and receivables as well as long-term debt and obligations. The Authority implemented GASB Statement No. 68 for the year ended June 30, 2015. The Statement of Net Position now provides for a net pension liability and related deferred inflows and deferred outflows as applicable. For the year ended June 30, 2016, the Authority implemented GASB Statement No. 82, which amended GASB Statement No. 68, giving clarification for Employer-Paid Member Contributions. Effective for the year ended June 30, 2017, the Authority is included as a separate entity with the New Mexico PERA. In previous years the Authority was included as part of the City of Albuquerque. See Note F for more information on the implementation of GASB 82. The Authority implemented GASB 77, Tax Abatement Disclosures for the year ended June 30, 2017. Note N to the financial statements includes disclosures related to abatements on 40 Industrial Revenue Bonds.

The government-wide Statement of Activities reflects both the gross and net cost per functional category, which is otherwise being supported by general government revenues. The Statement of Activities reduces gross expenses (including depreciation) by related program revenues. The program revenues must be directly associated with the function. Only revenues from jointly funded projects are considered program revenues. The Authority includes three functions: flood control, general government, and planning, engineering, design, research and development.

#### **NOTES TO FINANCIAL STATEMENTS**

#### June 30, 2017

The net cost (by function) is normally covered by general revenues (taxes, inter-governmental revenues, investment, etc.). Historically, the previous model did not summarize or present net cost by function or activity. The Authority does not currently employ indirect cost allocation systems. The Authority's policy for when an expense is incurred for purposes for which both restricted and unrestricted net position are available is to utilize the restricted net position first. No such expenses occurred during the year ended June 30, 2017.

The government-wide focus is more on the sustainability of the Authority as an entity and the change in aggregate financial position resulting from the activities of the current fiscal period.

The only program revenue is funds received from outside sources related to specific projects. It is described in the financial statements as revenue from jointly funded projects and is considered program specific grants and contributions.

The fund financial statements are similar to the financial statements presented in the previous accounting model. Emphasis here is on the major funds in either the government or business-type categories. Non-major (by category) or fund type are summarized into a single column. The General Fund, the Debt Service Fund, the Capital Projects Fund, the Acquisitions & Savings Fund, and the Building Improvement Fund have been classified as major funds. There were no non-major funds.

The Governmental Fund statements are presented on a current financial resource and modified accrual basis of accounting. This presentation is deemed appropriate to (a) demonstrate legal compliance, (b) demonstrate the source and use of liquid resources, and (c) demonstrate how the Authority's actual experience conforms to the budget or fiscal plan. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental column, a reconciliation is presented on the page following each statement, which briefly explains the adjustments necessary to transform the fund based financial statements into the governmental activities column on the governmental-wide presentation.

Internal activity among the various funds is eliminated in the government-wide financial statements. There were no interfund balances at June 30, 2017.

The Authority's Fiduciary Funds (Agency Funds) are presented in the fund financial statements. Since by definition these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide financial statements.

#### 3. Basis of Presentation

The financial transactions of the Authority are maintained on the basis of funds, 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, expenditures or expenses and other financing sources or uses. Government resources are allocated

#### **NOTES TO FINANCIAL STATEMENTS**

#### June 30, 2017

to, and accounted for, in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The various funds are summarized by type in the accompanying financial statements. The various funds are reported by generic classification within the financial statements.

Governmental accounting principles specify minimum criteria for the determination of major funds based on a percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or governmental and enterprise combined. Due to the fund structure of the Authority, all funds have been classified as major funds.

#### **GOVERNMENTAL FUND TYPES**

The focus of Governmental Fund measurement (in the financial statements) is based upon determination of financial position and changes in the financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the Governmental Funds of the Authority.

*General Fund.* The General Fund is the general operating fund of the Authority. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund also includes funds designated for contingencies.

**Debt Service Fund.** The Debt Service Fund is used to account for the accumulation of resources for and the payment of general long-term principal, interest, and related costs on bond holdings.

*Capital Projects Fund.* The Capital Projects Fund is used to account for financial resources from bond issuances to be used for the acquisition of major capital facilities and related costs.

Acquisitions & Savings Fund. The Acquisition & Savings Fund, a capital projects fund considered to be a major fund by the Authority, is used to account for financial resources to be used for costs associated with general capital outlay as well as savings for significant non-capital expenditures that do not occur on an annual basis.

**Building and Yard Improvement Fund.** The Building Improvement Fund, a capital projects fund considered to be a major fund by the Authority, is used to account for financial resources to be used for costs associated with the building and improvement of the Authority's office building.

*Fiduciary Funds.* The Authority had agency funds during the year ended June 30, 2017. The *Agency funds* are used to account for assets that the Authority holds for others – including Ditch & Water Safety Task Force, Storm Water Quality Coordinator, Area Wide Agency Maintenance Program, and Mid Rio Grande CMC– in an agency capacity.

#### NON-CURRENT GOVERNMENTAL ASSETS/LIABILITIES

GASB Statement No. 34 eliminated the presentation of account groups, but provides for these records to be maintained and incorporates the information into the governmental activities column in the government-wide Statement of Net Position.

#### NOTES TO FINANCIAL STATEMENTS

June 30, 2017

#### 4. Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditure/expenses are recognized in the accounts and reported in the financial statement. It relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide financial statements measure and report all assets, liabilities, revenues, expenses, gains and losses using the economic resources measurement focus and the accrual basis of accounting, and the Fiduciary Fund financial statements are presented on an accrual basis of accounting. The Governmental Funds in the fund financial statements are presented on a modified accrual basis.

Modified Accrual. All governmental funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, and the Authority uses traditional 60 days after year-end as the period in which they have to be received. Property taxes are recognized when levied, net of estimated refunds and uncollectible amounts. Expenditures are generally recognized under modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general long-term debt is recognized when due. In applying the "susceptible to accrual" concept to intergovernmental revenues pursuant to GASB Statement No. 33, the provider should recognize liabilities and expenses and the recipient should recognize receivables and revenues when the applicable eligibility requirements, including time requirements, are met. Resources transmitted before the eligibility requirements are met, under most circumstances, should be reported as advances by the provider and deferred revenue by the recipient.

#### Budgetary Accounting

Budgets for all funds are adopted on the modified accrual basis of accounting, which conforms to accounting principles generally accepted in the United States of America. The legal level of budgetary control is at the fund level. At year-end, budgeted appropriations lapse. The Board approves the original budget at a public meeting for which legal notices are published. The public is invited to comment at the meeting. Within each fund, transfers may be made between line items with the approval of the Authority's Board. Transfers between funds and any increase in the original budget, in addition to approval by the Authority's Board, must be presented to the Local Government Division of the New Mexico Department of Finance and Administration for their approval. The original budget, approved by the Authority's Board and the Local Government Division, may be subsequently amended if approved by the Authority's Board and the Local Government Division. Actual expenditures for each budget may not legally exceed the appropriations in total, including budgeted beginning cash balances. The Authority's budget for the fiscal year ended June 30, 2017 was properly approved by the Authority's Board and by the Local Government Division. It was subsequently amended.

#### **NOTES TO FINANCIAL STATEMENTS**

June 30, 2017

#### 6. Investments

The Authority has invested funds in the New Mexico State Treasurer's Local Government Investment Pool (Pool). The investments are valued at fair value based on quoted market prices as of the valuation date.

#### 7. Compensated Absences

Employees of the Authority accrue both sick leave and vacation leave as a function of service. In the event of termination, employees receive payments for accumulated vacation. In the event of retirement, employees receive payment for accumulated vacation and sick leave or take the accumulated vacation and sick leave prior to retirement. Employees may also, at their option (each November), convert sick leave to vacation leave or receive cash according to predetermined ratios. The following ratios are to be utilized:

- 1. Sick leave accumulation over 500 hours may be converted at the following ratios:
  - Three hours of sick leave to one hour of vacation leave, or
  - Three hours of sick leave to one hour of cash payment.
- 2. Sick leave accumulation over 850 hours may be converted at the following ratios:
  - Two hours of sick leave to one hour of vacation leave, or
  - Two hours of sick leave to one hour of cash payment.
- 3. Sick leave accumulation over 1,200 hours must be converted at the following ratios:
  - Three hours of sick leave for two hours of vacation leave, or
  - Three hours of sick leave to two hours of cash payments.

Compensated absences payables of \$160,043 have been recorded in the government-wide financial statements. Of the \$160,043, \$61,847 is considered the current portion while \$97,006 is considered the long-term portion, which is expected to be paid after one year. The compensated absence payable has been valued using the pay levels in effect at June 30, 2017 and does not include estimated payroll tax and fringe benefit costs. The amount also does not include any sick leave that is eligible to be converted to vacation leave, cash or for payment upon retirement. The General Fund is the only fund which has been and which will be used to liquidate compensated absences liabilities.

	Ium	e 30, 2016	dditions	Г	Deletions	Irm	e 30, 2017	ne Within ne Year
	Jun	30, 2010	 dunons		CECTOTS	Jun	50, 2017	 iic i cai
Compensated absences payable	\$	150,071	\$ 98,166	\$	88,194	\$	160,043	\$ 61,847

### 8. Capital Assets

Property, plant, and equipment purchased or acquired, including software, are carried at historical cost or estimated historical cost. Contributed assets are recorded at the acquisition value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. The Authority's capitalization policy, i.e., the dollar value above which asset

#### NOTES TO FINANCIAL STATEMENTS

#### June 30, 2017

acquisitions are added to the capital accounts, is \$5,000 per 12-6-10 NMSA 1978. However, all capital outlay purchases may not necessarily be capitalized.

The Authority does not capitalize interest in regard to any of its capital assets. It is in normal activity that AMAFCA obtain ownership of facilities constructed by others and to give ownership to other Governmental Agencies. When AMAFCA obtains ownership, it is recorded as a capital contribution. When AMFCA gives up ownership, it is included as part of Noncapitalized project costs.

Depreciation on all depreciable assets is provided on the straight-line basis over the estimated useful lives with no salvage value. The Authority utilizes Internal Revenue Service guidelines and other guidelines to estimate the useful lives on fixed assets as follows:

Vehicles, furniture and office equipment, including software and construction equipment 5 to 7 years Buildings and improvements 40 years Infrastructure 70 years

#### 9. Revenues and Expenditures

Substantially all governmental fund revenues are accrued, except the only property taxes accrued in the fund financial statements are those actually received within sixty days of year-end. Expenditures are recognized when related fund liability is incurred.

### 10. Net Position

The government-wide financial statements utilize a net position presentation. Net position is categorized as investment in capital assets (net of related debt), restricted and unrestricted.

Net Investment in Capital Assets – is intended to reflect the portion of net position which are associated with non-liquid capital assets less outstanding capital asset related debt. The net related debt is the general obligation bonds issued to finance the Authority construction projects. The Authority had related debt of \$39,647,120 at June 30, 2017. There is unrelated debt of \$14,602,880 not yet related to the projects. Total debt is \$54,250,000.

**Restricted** – are liquid assets (generated from revenues and bond proceeds) which have third-party (statutory, bond covenant or granting agency) limitations on their use. There are no net position amounts restricted by enabling legislation.

*Unrestricted* – represent the residual assets of the Authority, which are not restricted.

#### 11. Fund Balance

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the Authority is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

#### NOTES TO FINANCIAL STATEMENTS

#### June 30, 2017

- Nonspendable Fund Balance Includes amounts that cannot be spent because they are either not in spendable form, or, for legal or contractual reasons, must be kept intact. This classification includes inventories, prepaids, deposits with vendors, assets held for sale, and long-term receivables.
- Restricted Fund Balance Restricted funds are either externally imposed (such as debt covenants, grantor, contributors or other governments) or are imposed by law (constitutionally or enabling legislation).
- Committed Fund Balance The Authority's Committed Funds require formal action of the Board of Directors by resolution that identifies the specific circumstances under which their resources may be expended.
- Assigned Fund Balance Amounts that are constrained by the Authority's expressed intent to use resources for specific purposes but do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the governing body or by an official to whom that authority has been given. With the exception of the General Fund, this is the residual fund balance classification for all governmental funds with positive balances.
- Unassigned Fund Balance This is the residual classification of the General Fund. Only the General Fund can report a positive "unassigned fund balance". Other governmental funds might report a negative balance in this classification.

Fund Balance for Subsequent Years Expenditures. In April 2016, the AMAFCA Board of Directors adopted Resolution 2016-05 – Cash Reserves that requires a minimum fund balance in the general fund of 25% of the General Fund's subsequent year's budget, less any capital outlay to be funded via transfer from the Acquisitions & Savings fund (\$4,343,571) to ensure the Authority maintains an adequate cash flow position.

The Authority would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

#### 12. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

#### NOTES TO FINANCIAL STATEMENTS

June 30, 2017

#### 13. Deferred Inflows

Receivables which do not meet the "available" criteria for revenue recognition under the modified accrual basis of accounting are recorded as deferred inflows. Deferred inflows at June 30, 2016 is attributable to the following:

Delinquent property taxes

\$ 489,513

#### 14 Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the New Mexico Public Employees Retirement Association (PERA) and additions to/deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA, on the economic resources measurement focus and accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

#### 15. Noncash Capital Contributions

The Authority's purpose is to provide a flood control system for the benefit of property within the boundaries of the Authority. Pursuant to Authority policies and practices, certain infrastructure assets including land, easements, dams, ponds, and drainage channels are contributed to the Authority. These contributions may come from other governmental entities or from private parties whose development activities are subject to the oversight of the Authority. These assets are then the continuing responsibility of the Authority. The Authority records the fair market value of these assets at the date of contribution as program revenues and as capital outlay expenditures.

#### 16. Subsequent Events

Subsequent events have been evaluated through November 6, 2017, the date at which the financials were available for issuance, to determine whether such events should be recorded or disclosed in the financial statements for the year ended June 30, 2017. Management believes no material subsequent events have arisen that would require adjustment or disclosure.

#### **NOTES TO FINANCIAL STATEMENTS**

June 30, 2017

#### **NOTE B – CASH AND INVESTMENTS**

The Albuquerque Metropolitan Arroyo Flood Control Authority invests its funds in accordance with resolutions adopted by its Board of Directors. Pursuant to Section 72-16-22, NMSA 1978, the Authority may deposit any of its funds in any banking institution and may invest its funds in its own securities or federal securities by direct purchase. The Board of Directors has the authority to determine the amount of collateral to be provided on its deposits in accordance with applicable state statutes.

Effective March 22, 1990, the Board adopted a new resolution, which differentiates banks wherein deposits may be maintained into two classes as determined by the State Investment Office. The two classes consist of "Class A" and "Class B" banks, which require 50%, respectively, of uninsured bank deposits to be collateralized. Collateral pledged by a bank on deposits is required to be held at another bank and cannot be released without the Authority's permission. The Authority currently requires 50% collateral after considering FDIC insurance on its deposits with Wells Fargo. At June 30, 2017, 70% of the cash balance was insured by either FDIC insurance or pledged collateral.

The following schedule shows the reconciliation between the amounts reflected by the Authority's financial institutions and the amounts reflected in the financial statements under the caption "Cash" in the government-wide financial statements.

Balances as reflected by financial institutions at June 30, 2017:

#### **NOTES TO FINANCIAL STATEMENTS**

#### June 30, 2017

Wells Fargo, Albuquerque, NM - all are demand deposit accounts except for Ditch and Water Safety accounts		
Cash balances per depository at June 30, 2017:		
Checking and unassigned accounts	\$	348,136
Construction / Capital Projects		74,059
Debt Service Account		100,126
Storm Quality Education		109,135
Ditch & Water Safety Task Force		88,531
Mid Rio Grande MS4 CMC		68,949
Area Wide Maintenance		257
Area Wide Maintenance Savings		1,147,309
Total deposits		1,936,502
Less outstanding checks and adjustments, all accounts		(150,639)
Less agency funds - cash and savings accounts		(1,414,182)
Total cash per governmental fund financial statements		371,681
Petty Cash		200
Net carrying value at June 30, 2017	\$	371,881
Shown as:		
General Fund	\$	243,319
Debt Service Fund	Ψ	100,126
Capital Projects Fund		28,236
Acquisitions & Savings Fund		-
Total cash per governmental fund financial statements		371,681
Petty Cash		200
Total cash per government-wide financial statements	\$	371,881

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. The Authority's policy regarding custodial credit risk is to comply with its Resolution described earlier and with Section 6-10-17, NMSA (1978). As of June 30, 2017, 30% of the Authority's deposits were insured. Of the remaining 70%, 40% is covered by collateral held by the pledging bank's trust in the Authority's name. The remaining 30% is uninsured

#### **NOTES TO FINANCIAL STATEMENTS**

#### June 30, 2017

or uncollateralized and subject to custodial credit risk at June 30, 2017. See Schedule of Pledged Collateral on Page 117.

The investments are valued at fair value based on quoted market prices as of the valuation date.

The State Treasurer Local Government Investment Pool is not SEC registered. Section 6-10-10.1, NMSA 1978, empowers the State Treasurer, with the advice and consent of the State Board of Finance, to invest money held in the short-term investment fund in securities that are issued by the United States Government or by its departments or agencies and are either direct obligations of the United States or are backed by the full faith and credit of the United States Government or are agencies sponsored by the United States Government. The Local Government Investment Pool investments are monitored by the same investment committee and the same policies and procedures that apply to all other state investments.

The Pool does not have unit shares. Per Section 6-10-10.1F, NMSA 1978, at the end of each month all interest earned is distributed by the State Treasurer to the contributing entities in amounts directly proportionate to the respective amount deposited in the fund and the length of time the amounts in the Pool were invested. Participation in the Local Government Investment Pool is voluntary. The Authority has no control over the State Treasurer's investment pools and provides the following disclosure provided by the State Treasurer's office concerning the Authority's investment in the *New MexiGROW* LGIP:

June 30, 2017

New MexiGROW LGIP AAAm rated \$51,410,693 58 day WAM (R) and 106 day WAM (F)

GASB No. 40 states: "Unless there is information to the contrary, obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government are not considered to have credit risk and do not require disclosure of credit quality." This statement would apply to the State Treasurer Local Government Investment Pool so no disclosure of credit quality is required.

Following are the investment amounts by fund that are included in the State Treasurer Local Government Investment Pool as of June 30, 2016:

Total governmental funds	\$ 51,410,693
Acquisitions & Savings Fund	308,521
Capital Projects Fund	29,127,236
Debt Service Fund	13,446,330
General Fund	\$ 8,528,606

The State Treasurer's Office (STO) issues standalone audited financial statements available to the public containing full disclosures of investments. That report is available on the website of the STO at www.nmsto.gov.

#### **NOTES TO FINANCIAL STATEMENTS**

June 30, 2017

#### NOTE C - PROPERTY TAXES AND PROPERTY TAX RECEIVABLES

Property taxes are payable to the County Treasurer in two equal installments, due on November 10 of the year in which the tax bill was prepared and on April 10 of the following year. Pursuant to Section 7-38-38, NMSA 1978, property taxes are delinquent if not paid within thirty days after the date on which they are due. 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 judgment 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 on which the taxes are delinquent.

Article VIII, Section 2 of New Mexico Constitution limits the total ad valorem taxes for operational purpose levied by all overlapping governmental units within Bernalillo County to \$20.00 per \$1,000 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 Bernalillo County.

The Authority has, as of June 30, 2016, a mill levy of 0.675 mills per thousand of assessed value, which related to debt service of general obligation bonds in the Debt Service Fund. The Authority also has for the General Fund imposed operating levies of 1.177 mills per \$1,000 of assessed value on all residential property and 0.477 mills per \$1,000 of assessed value of nonresidential property within the Authority's boundaries. Section 7-37-7.1, NMSA 1978 limits the allowable increase in property taxes for operating purposes from the preceding year, but it does not limit any debt service levy. Specifically, no property tax rate or assessment for operating purposes shall be set which exceeds the prior year's tax revenue plus a percent, not in excess of five percent, determined by a specific general business indicator plus any net new increase in assessed value.

Property taxes receivable arise from tax levies which were levied and which are to be collected by the Bernalillo County Treasurer. The following are the receivables outstanding at June 30, 2016:

Receivables	
Current property taxes	\$ 323,439
Delinquent property taxes, net of allowance	
of \$90,007 for doubtful accounts	489,513
Total receivables	\$ 812,952

Of the property taxes noted above, \$90,382 in the General Fund and \$233,057 in the Debt Service Fund are considered available financial resources and considered fully collectible. Delinquent property taxes of \$459,513 have been recorded in the government-wide financial statements, which includes receivables for all uncollected levied taxes. Delinquent property taxes do not represent measurable available resources so they are considered deferred inflows in the fund financial statements. Delinquent property taxes are secured by liens operating as a matter of law and are considered collectible except as provided for above. It is reasonably possible that certain property taxes may be collected over periods greater than 1 year.

## NOTES TO FINANCIAL STATEMENTS

June 30, 2017

### **NOTE D - CHANGES IN CAPITAL ASSETS**

A summary of changes in capital assets follows:

	June 30, 2016	Additions	Transfers	Sales or Other Dispositions	June 30, 2017
Capital assets not being depreciated					
Infrastructure:					
Land acquisition	\$ 53,543,760	\$ 342,115	\$ -	\$ -	\$ 53,885,875
Building & yard - construction in progress	227,748	216,860	(401,929)	-	42,679
Construction in progress	15,341,206	9,493,579	(14,435,306)	(3,455,378)	6,944,101
Total capital assets not being					
depreciated	69,112,714	10,052,554	(14,837,235)	(3,455,378)	60,872,655
Capital assets being depreciated					
Operations:					
Furniture and fixtures	106,549	-	-	-	106,549
Maintenance tools and automotive					
equipment	2,058,478	43,721	-	(22,755)	2,079,444
Stormwater quality equipment	-	27,656	-	-	27,656
Office and maintenance buildings	1,353,489	401,929	-	-	1,755,418
Infrastructure:	2.026.600				2.026.600
Utility relocations	2,036,609	-	-	-	2,036,609
Dams, channels and other	205 712 204	22 025 174			220 (20 5(0
improvements	205,713,394	22,925,174			228,638,568
Total capital assets being depreciated	211,268,519	23,398,480		(22,755)	234,644,244
Total capital assets	280,381,233	33,451,034	(14,837,235)	(3,478,133)	295,516,899
Less accumulated depreciation					
Furniture and fixtures	(80,451)	(8,525)	-	-	(88,976)
Maintenance tools and automotive equipment	(1,274,240)	(155,762)	-	22,755	(1,407,247)
Stormwater quality equipment	-	(2,766)	-	-	(2,766)
Office and maintenance buildings	(579,850)	(43,908)	-	-	(623,758)
Infrastructure	(54,823,700)	(3,104,489)			(57,928,189)
Total accumulated depreciation	(56,758,241)	(3,315,450)		22,755	(60,050,936)
Capital assets, net of accumulated					
depreciation	\$223,622,992	\$ 30,135,584	\$(14,837,235)	\$ (3,455,378)	\$ 235,465,963

Depreciation was allocated based on estimates of usage by each function.

Depreciation was charged as follows to these functions:

General government	\$ 52,433
Flood control	3,263,017
Total depreciation	\$ 3,315,450

## **NOTES TO FINANCIAL STATEMENTS**

June 30, 2017

Construction in progress as of June 30, 2017, consisted of the following:

			Transfers to		
Project	June 30, 2016	Additions	Capital Assets	Deletions	June 30, 2017
				_	
Boca Negra Detention Dam					
Land	\$ 200,000	\$ -	\$ (200,000)	-	\$ -
Engineering	1,109,048	2,493	(1,111,541)	-	-
Construction	2,121,526	-	(2,121,526)	-	-
Agency Area-wide					
Engineering	-	-	-	-	_
Construction	-	1,000,000	-	(1,000,000)	-
SE Valley Drain SD DMP					
Land	1,811,500	_	_	(1,811,500)	_
Engineering	260,913	4,731	-	-	265,644
Black Mesa Phase 1a					
Land	_	_	_	-	_
Engineering	751,397	81,052	_	-	832,449
Construction	-	<b>-</b>	-	-	- -
SW Valley Flood Reduction Phase II					
Land	3,650	_	_	-	3,650
Engineering	59,253	44,781	_	_	104,034
Construction	-	-	-	-	-
Boca Negra EAP					
Engineering	278,079	16,774	-	-	294,853
Calabacillas West Branch DMP					
Engineering	341,772	6,711	-	-	348,483
Upper Piedras Marcadas Watershed					
Engineering	199,951	63,218	-	-	263,169

## **NOTES TO FINANCIAL STATEMENTS**

## June 30, 2017

	Transfers to				
Project	June 30, 2016	Additions	Capital Assets	Deletions	June 30, 2017
Amole-Hubbell Dam System Analysis					
Engineering	61,551	67,892	-	-	129,443
NDC Bathtub					
Engineering	368,667	478	(369,145)	-	-
Construction	2,459,315	-	(2,459,315)	-	-
Telemetry Project Phase I					
Engineering	229,386	101,280	_	-	330,666
Construction	-	252,048	-	-	252,048
Pond 187 Outfall					
Land	85,433	56,682	(142,115)	_	_
Engineering	780,302	235,189	(1,015,491)	-	_
Construction	2,684,102	1,081,705	(3,765,807)	-	-
Valla Da Oua Dusina da Dasigo					
Valle De Oro Drainage Design	278,230	121,774			400.004
Engineering Construction	278,230	121,//4	-	-	400,004
Construction	-	-	-	-	<u>-</u>
San Mateo to Moon Mini DMP					
Engineering	180,197	63,135	-	-	243,332
West I-40 Phase IV					
Engineering	298,783	152,639	-	-	451,422
Construction	-	2,095,011	-	-	2,095,011
Pino Dam EAP Phase II					
Engineering	16,437	_	_	_	16,437
					,
Tijeras Arroyo Facility Plan					
Engineering	130,535	121,653	-	-	252,188
Construction	-	-	-	-	-
AMAFCA Misc Project 2015					
Engineering	131,740	28,874	(160,614)	_	_
Construction	282,222	9,390	(291,612)	-	-
Tijeras Arroyo Sediment Structure					
Engineering	217,075	175,067	(392,142)	-	-
Construction	- -	2,378,342	(2,378,342)	-	-

## **NOTES TO FINANCIAL STATEMENTS**

## June 30, 2017

	Transfers to					
Project	June 30, 2016	Additions	Capital Assets	Deletions	June 30, 2017	
Calabacillas Facility Plan 2016						
Engineering	142	235,072	-	-	235,214	
Construction	-	-	=	-	=	
Boca Negra DMP Update						
Engineering	-	108,197	-	-	108,197	
Construction	=	=	-	-	-	
Louisiana Gibson Drainage						
Engineering	-	119,427	-	-	119,427	
Construction	-	-	-	-	-	
Hamilton Dam						
Engineering	-	22,520	-	-	22,520	
Construction	-	-	-	-	-	
AMAFCA Misc Project 2017						
Engineering	-	66,798	-	-	66,798	
Construction	=	=	-	-	-	
Bear Arroyo WQ Improvements						
Engineering	-	52,808	-	-	52,808	
Construction	-	-	-	-	-	
Calabacillas 1A1 Grade Control Structu	re					
Engineering	-	38	-	-	38	
Construction	-	-	-	-	-	
VDO Drainage 2nd Streeet Channels						
Engineering	-	19,191	-	-	19,191	
Construction	-	-	-	-	-	
South Pino Assessment						
Engineering	-	37,075	-	-	37,075	
Construction	-	-	-	-	-	
Cost Sharing Projects						
Bernalillo County	-	500,000	=	(500,000)	=	
Misc Project						
Non-capitalized expenditures		171,534	(27,656)	(143,878)		
Total construction in progress	\$15,341,206	\$9,493,579	\$(14,435,306)	\$ (3,455,378)	\$ 6,944,101	

#### **NOTES TO FINANCIAL STATEMENTS**

#### June 30, 2017

All of the financing required for the construction and engineering services projects listed will be provided by funds obtained through the prior issuance of general obligation bonds and the use of the Capital Project Fund revenues.

The detail of construction in progress deletions and project additions is as follows:

Transfers to Capital Assets	\$14	4,435,306
Add cooperative project contributions	;	8,859,639
2017 project additions	\$2.	3,294,945
Land	\$	342,115
Stormwater quality equipment		27,656
Utility relocations		
Dams, channels and other improvements	2	2,925,174
2017 project additions	\$2	3,294,945

The Authority has commitments for construction, professional services, and joint funding agreements of approximately \$13,450,000 as of June 30, 2017. These commitments can be cancelled at any time with notification.

#### NOTE E - GENERAL OBLIGATION BONDS PAYABLE & PREMIUMS

The change in general obligation bonds payable is as follows:

	June 30, 2016	Additions	Deletions	June 30, 2017	One Year
General obligation bonds payable	\$ 51,050,000	\$ 12,500,000	\$ (9,300,000)	\$ 54,250,000	\$ 12,125,000
Bond premium  Bond premium amortization	3,412,911 (1,203,196)	1,243,717 (446,990)	(48,750) 48,750	4,607,878 (1,601,436)	532,112
Total	\$ 53,259,715	\$ 13,296,727	\$ (9,300,000)	\$ 57,256,442	\$ 12,657,112

All bonds are general-purpose obligation bonds, which are to be retired with future property tax levies for this purpose. The general obligation bonds allow for the extension, betterment, alteration, reconstruction, repair and other improvements of the flood control system within AMAFCA's jurisdiction. This includes planning and research on existing or new facilities, facilities owned by other entities but within AMAFCA's system, and re-mapping of flood plains, which may or may not become capital assets of AMAFCA.

The legal debt limit for the Authority is \$80,000,000 while the total general obligation debt on June 30, 2016 was \$54,250,000. The resulting legal debt margin is \$25,750,000.

The following is the detail for each issue outstanding at June 30, 2017:

### **NOTES TO FINANCIAL STATEMENTS**

June 30, 2017

## Series 2010

Original amount: \$10,000,000 Interest rate - 1.0% to 2.125%

Year ended June 30,	Principal		Principal Interest				
2018	\$	\$ 2,275,000		24,172	24,172 \$ 2,299		
	\$	2,275,000	\$	24,172	\$	2,299,172	

## <u>Series 2011</u>

Original amount: \$10,000,000 Interest rate - 1.0% to 2.125%

	Annual Requirements						
Year ended June 30,  2018 2019	Principal		]	Interest		Total	
	\$	1,900,000 1,925,000	\$	62,250 19,250	\$	1,962,250 1,944,250	
	\$	3,825,000	\$	81,500	\$	3,906,500	

## Series 2012

Original amount: \$10,000,000 Interest rate - 1.0% to 2.125%

	Annual Requirements								
Year ended June 30,	Principal			Interest	Total				
2018 2019 2020	\$	1,200,000 1,500,000 1,500,000	\$	72,000 45,000 15,000	\$	1,272,000 1,545,000 1,515,000			
	\$	4,200,000	\$	132,000	\$	4,332,000			

### **NOTES TO FINANCIAL STATEMENTS**

### June 30, 2017

### Series 2014

Original amount: \$12,500,000 Interest rate - 2.0% to 3.0%

	Annual Requirements								
Year ended June 30,	Principal			Interest	Total				
2018	\$	700,000	\$	231,750	\$	931,750			
2019		1,500,000		215,250		1,715,250			
2020		2,000,000		189,000		2,189,000			
2021		2,700,000		133,500		2,833,500			
2022		3,100,000		46,500		3,146,500			
	\$	10,000,000	\$	816,000	\$	10,816,000			

## Series 2015

Original amount: \$12,500,000 Interest rate - 2.0% to 3.0%

Year ended June 30,		Principal	Interest			Total
2018	\$	700,000	\$	300,000	\$	1,000,000
2019		1,000,000		283,000		1,283,000
2020		2,100,000		241,500		2,341,500
2021		2,600,000		171,000		2,771,000
2022		2,100,000		100,500		2,200,500
2023		2,300,000		34,500		2,334,500
				_	<u> </u>	
	\$	10,800,000	\$	1,130,500	\$	11,930,500

## Series 2016

Original amount: \$12,500,000 Interest rate - 2.0% to 4.0%

	Annual Requirements					
Year ended June 30,	Principal		Interest		Total	
2018	\$ 600,000	\$	307,000	\$	907,000	
2019	700,000		294,000		994,000	
2020	800,000		275,000		1,075,000	
2021	900,000		249,500		1,149,500	
2022	1,500,000		206,000		1,706,000	
2023	1,250,000		151,000		1,401,000	
2024	1,400,000		98,000		1,498,000	
2025	1,750,000		52,500		1,802,500	
2026	 1,750,000		17,500		1,767,500	
	\$ 10,650,000	\$	1,650,500	\$	12,300,500	

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### **NOTES TO FINANCIAL STATEMENTS**

June 30, 2017

### Series 2017

Original amount: \$12,500,000 Interest rate - 2.0% to 4.0%

	Annual Requirements					
Year ended June 30,		Principal		Interest		Total
		_		_		_
2018	\$	4,750,000	\$	330,842	\$	5,080,842
2019		760,000		364,700		1,124,700
2020		790,000		329,750		1,119,750
2021		825,000		289,375		1,114,375
2022		470,000		257,000		727,000
2023		890,000		223,000		1,113,000
2024		930,000		177,500		1,107,500
2025		980,000		129,750		1,109,750
2026		1,025,000		79,625		1,104,625
2027		1,080,000	27,000			1,107,000
		_				_
	\$	12,500,000	\$	2,208,542	\$	14,708,542

### Total All Series

	Annual Requirements					
Year ended June 30,		Principal		Interest		Total
2018	\$	12,125,000	\$	1,328,014	\$	13,453,014
2019		7,385,000		1,221,200		8,606,200
2020		7,190,000		1,050,250		8,240,250
2021		7,025,000		843,375		7,868,375
2022		7,170,000		610,000		7,780,000
2023		4,440,000		408,500		4,848,500
2024		2,330,000		275,500		2,605,500
2025		2,730,000		182,250		2,912,250
2026		2,775,000		97,125		2,872,125
2027		1,080,000 27,000			1,107,000	
	\$	54,250,000	\$	6,043,214	\$	60,293,214

Bond premiums of \$4,607,848 (\$1,243,717 in current year) have been capitalized in the government-wide financial statements and are being amortized using straight-line against interest expense over the life of the related bonds payable, which results in materially correct accumulated amortization and amortization expense.

#### NOTES TO FINANCIAL STATEMENTS

June 30, 2017

#### NOTE F - PUBLIC EMPLOYEES' RETIREMENT PLAN

Plan description. The Public Employees Retirement Fund (PERA Fund) is a cost-sharing, multiple employer defined benefit pension plan. This fund has six divisions of members, including State General, State Police/Adult Correction Officer, Municipal General, Municipal Police/Detention Officers, Municipal fire, and State Legislative Divisions, and offers 24 different types of coverage within the PERA plan. All assets accumulated may be used to pay benefits, including refunds of member contributions, to any of the plan members or beneficiaries, as defined by the terms of this plan. Certain coverage plans are only applicable to a specific division. Eligibility for membership in the PERA Fund is set forth in the Public Employees Retirement Act (Chapter 10, Article 11, NMSA 1978). Except as provided for in the Volunteer Firefighters Retirement Act (10-11A-1 to 10-11A-7, NMSA 1978), the Judicial Retirement Act (10-12B-1 to 10-12B-19, NMSA 1978), the Magistrate Retirement Act (10-12C-1 to 10-12C-1 8, NMSA I 978), and the Educational Retirement Act (Chapter 22, Article 11, NMSA 1978), and the provisions of Sections 29-4-1 through 29-4-11, NMSA 1978 governing the State Police Pension Fund, each employee and elected official of every affiliated public employer is required to be a member in the PERA Fund.

PERA issues a publicly available financial report and a comprehensive annual financial report that can be obtained at <a href="http://www.nmpera.org/financial-overview/comprehensive-annual-financial-report">http://www.nmpera.org/financial-overview/comprehensive-annual-financial-report</a>.

*Benefits provided.* For a description of the benefits provided and recent changes to the benefits see Note 1 in the PERA audited financial statements for the fiscal year ended June 30, 2016 available at <a href="http://www.nmpera.org/financial-overview/comprehensive-annual-financial-report">http://www.nmpera.org/financial-overview/comprehensive-annual-financial-report</a>.

Contributions. The contribution requirements of defined benefit plan members and the Authority are established in state statute under Chapter 10, Article 11, NMSA 1978. The contribution requirements may be amended by acts of the legislature. For the employer and employee contribution rates in effect for FY16 for the various PERA coverage options, for both Tier I and Tier II, see the tables available in the Note 1 of the PERA FY16 annual audit report at <a href="http://www.nmpera.org/financial-overview/comprehensive-annual-financial-report">http://www.nmpera.org/financial-overview/comprehensive-annual-financial-report</a>.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: The PERA pension liability amounts, net pension liability amounts, and sensitivity information were based on an annual actuarial valuation performed as of June 30, 2015. The PERA pension liability amounts for each division were rolled forward from the valuation date to the Plan year ending June 30, 2016, using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date June 30, 2016.

The assets of the PERA fund are held in one trust, but there are six distinct membership groups (municipal general members, municipal police members, municipal fire members, state general members, state police members and legislative members) for whom separate contribution rates are determined each year pursuant to chapter 10, Article 11 NMSA 1978. Therefore, the calculations of the net pension liability, pension expense and deferred Inflows and Outflows were performed separately for each of the membership groups: municipal general members; municipal police members; municipal fire members; state general members; state police members and legislative members. The Authority's

#### NOTES TO FINANCIAL STATEMENTS

#### June 30, 2017

proportion of the net pension liability for each membership group that the employer participates in is based on the employer contributing entity's percentage of that membership group's total employer contributions for the fiscal year ended June 30, 2016.

Employer Pickup, during March 2016, Governmental Accounting Standards Board (GASB) issued Statement No. 82, Pension Issues, which clarifies that payments made by an employer to satisfy member contribution requirements should be classified as member contributions for purposes of GASB Statement No. 67. For purposes of applying GASBS 68 for fiscal year ending June 30, 2016 amounts paid by the Authority to satisfy member contributions requirements totaling \$160,448 have been reclassified as pension expense for fiscal year ending June 30, 2017. The amount had been previously classified as a deferred outflow. This amount is not included in pension expense in PERA's Schedule of Employer Pension Amounts for the year ended June 30, 2016.

Only employer contributions for the pay period end dates that fell within the period of July 1, 2015 to June 30, 2016 were included in the total contributions for a specific employer. Regular and any adjustment contributions that applied to FY 2015 are included in the total contribution amounts. In the event that an employer is behind in reporting to PERA its required contributions, an estimate (receivable) was used to project the unremitted employer contributions. This allowed for fair and consistent measurement of the contributions with the total population. This methodology was used to maintain consistent measurement each year in determining the percentages to be allocated among all the participating employers.

In previous years, PERA included the liability of the Authority as part of the liability for the City of Albuquerque and an allocation was completed to determine the Authority's liability. The liability amounts for the Authority were removed from the City of Albuquerque's liability in fiscal year 2016 by PERA. However, they were removed from the City of Albuquerque's liability through the deferred inflows in the PERA report and added into the Authority's liability through their deferred outflows. Since the Authority has previously reported our portion of the liability, a difference between PERA's reported deferred outflows for the Authority will exist until the amounts are fully amortized. This resulted in a difference in the Authority's and PERA's reported deferred inflows of \$ 1,212,060.

At June 30, 2017, the Authority reported a liability of \$2,645,732 for its proportionate share of the net pension liability. At June 30, 2016, the Authority's proportion was 0.04%, of PERA's Municipal General Division. At June 30, 2015, the Authority's liability was included as part of the City of Albuquerque's liability and the Authority's proportion was .8% of the City of Albuquerque's Municipal General Division.

For the year ended June 30, 2017, the Authority recognized pension expense of \$158,301. At June 30, 2017, the Authority reported deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

### **NOTES TO FINANCIAL STATEMENTS**

#### June 30, 2017

	Deferred Outflows of		In	eferred flows of
		Resources	R	esources
The Authority's contributions subsequent to the measurement date	\$	140,816	\$	-
Differences between expected and actual experience		132,192		25,821
Changes in assumptions		155,141		440
Net difference between projected and actual earnings on pension plan investments		486,809		-
Changes in proportion and differences between the Authority contributions and proportionate share of contributions		96,342		<u>-</u>
Total	\$	1,011,300	\$	26,261

\$140,816 reported as deferred outflows of resources related to pensions resulting from the Authority contributions subsequent to the measurement date June 30, 2016 will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:		
2018	\$	187,356
2019	Ψ	187,356
2020		187,356
2021		230,634
2022		51,521
Thereafter		_

#### **NOTES TO FINANCIAL STATEMENTS**

#### June 30, 2017

Actuarial assumptions. As described above, the PERA Fund member group pension liabilities and net pension liabilities are based on actuarial valuations performed as of June 30, 2015 for each of the membership groups. Then each PERA Fund member group pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2015 using generally accepted actuarial principles. There were no significant events or changes in benefit provisions that required an adjustment to the roll-forward liabilities as of June 30, 2015. These actuarial methods and assumptions were adopted by the Board for use in the June 30, 2015 actuarial valuation.

Actuarial valuation date	June 30, 2015
Actuarial cost method	Entry age normal
Amortization method	Level percentage of pay, Open
Amortization period	Solved for based on statutory rates
Asset valuation method	Fair value
Actuarial assumptions:	
Investment rate of return	7.48% annual rate, net of investment expense
Projected benefit payment	100 years
Payroll growth	2.75% annual rate for the first 10 years, then 3.25% for all other years
Projected salary increases	2.75% to 14.25% annual rate
Includes inflation at	2.25% annual rate for the first 10 years, then 2.75% for all other years
Mortality Assumption	RP-2000 Mortality Tables with projection to 2018 using Scale AA
Experience Study Dates	July 1, 2008 to June 30, 2013 (demographic) and July 1, 2010 through June 30, 2015 (economic)

The long-term expected rate of return on pension plan investments was determined using a statistical analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and most recent best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

#### **NOTES TO FINANCIAL STATEMENTS**

#### June 30, 2017

ALL FUNDS - Asset Class	Target Allocation %	Long Term Expected Real Rate of Return %
Global Equity	43.50	7.39
Risk Reduction & Mitigation	21.50	1.79
Credit Oriented Fixed Income	15.00	5.77
Real Assets	20.00	7.35
Total	100%	

*Discount rate:* The discount rate used to measure the total pension liability was 7.48 percent. The projection of cash flows used to determine the discount rate assumed that future contributions would be made in accordance with statutory rates. On this basis, the pension plan's fiduciary net position together with the expected future contributions are sufficient to provide all projected future benefit payments of current plan members as determined in accordance with GASBS 67. Therefore, the 7.48% assumed long- term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. A discount rate of 7.48% was used to measure the total PERA pension liability as of June 30, 2016; this decreased from the rate used for June 30, 2015 by 0.27%, when the rate used was 7.75%.

Sensitivity of the Authority's proportionate share of the net pension liability to changes in the discount rate. The following tables show the sensitivity of the net pension liability to changes in the discount rate. In particular, the tables present the Authority's net pension liability in each PERA Fund Division that the Authority participates in, under the current single rate assumption; as if it were calculated using a discount rate one-percentage point lower (6.48%) or one percentage point higher (8.48%) than the single discount rate.

PERA Fund Division that the Authority participates in, under the current single rate assumption, as if it were calculated using a discount rate one-percentage point lower (6.48%) or one percentage point higher (8.48%) than the single discount rate.

	1%	Current	1%
	Decrease	Discount Rate	Increase
	(6.48%)	(7.48%)	(8.48%)
The Authority's proportionate share of the			
net pension liability	\$ 3,944,550	\$ 2,645,731	\$ 1,568,426

**Pension plan fiduciary net position.** Detailed information about the pension plan's fiduciary net position is available in the separately issued FY 16 PERA financial report. The report is available at <a href="http://www.nmpera.org/financial-overview/comprehensive-annual-financial-report">http://www.nmpera.org/financial-overview/comprehensive-annual-financial-report</a>.

Payables to the pension plan. The Authority has \$0 in payables due to NM PERA.

#### NOTES TO FINANCIAL STATEMENTS

June 30, 2017

#### NOTE G – POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN

Plan Description. The Authority contributes to the New Mexico Retiree Health Care Fund, a cost-sharing multiple-employer defined benefit post-employment health care plan administered by the New Mexico Retiree Health Care Authority (RHCA). The RHCA provides health care insurance and prescription drug benefits to retired employees of participating New Mexico government agencies, their spouses, dependents, surviving spouses and dependents. The RHCA Board was established by the Retiree Health Care Act (Chapter 10, Article 7C, NMSA 1978). The Board is responsible for establishing and amending benefit provisions of the health care plan and is authorized to designate optional and/or voluntary benefits like dental, vision, supplemental life insurance, and long-term care policies.

Eligible retirees are: 1) retirees who make contributions to the fund for at least five years prior to retirement and whose eligible employer during that period of time made contributions as a participant in the RHCA plan on the person's behalf unless that person retires before the employer's RHCA effective date, in which event the time period required for employee and employer contributions shall become the period of time between the employer's effective date and the date of retirement; 2) retirees defined by the Act who retired prior to July 1, 1990; 3) former legislators who served at least two years; and 4) former governing authority members who served at least four years.

The RHCA issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for the post-employment health care plan. That report and further information can be obtained by writing to the Retiree Health Care Authority at 4308 Carlisle, N.E., Suite 104, Albuquerque, New Mexico 87107.

Funding Policy. The Retiree Health Care Act (Section 10-7C-13 NMSA 1978) authorizes the RHCA Board to establish the monthly premium contributions that retirees are required to pay for health care benefits. Each participating retiree pays a monthly premium according to a service based subsidy rate schedule for the medical plus basic life plan plus an additional participation fee of five dollars if the eligible participant retired prior to the employer's RHCA effective date or is a former legislator or former governing authority member. Former legislators and governing authority members are required to pay 100% of the insurance premium to cover their claims and the administrative expenses of the plan. The monthly premium rate schedule can be obtained from the RHCA or viewed on their website at www.nmrhca.state.nm.us.

The employer, employee and retiree contributions are required to be remitted to the RHCA on a monthly basis. The statutory requirements for the employer and employee contributions can be changed by the New Mexico State Legislature. Employers that choose to become participating employers after January 1, 1998, are required to make contributions to the RHCA fund in the amount determined to be appropriate by the board.

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. During the fiscal year ended June 30, 2017, the statute required each participating employer to contribute 2.00% of each participating employee's annual salary; each participating employee was required to contribute 1.00% of their salary.

#### **NOTES TO FINANCIAL STATEMENTS**

#### June 30, 2017

In addition, pursuant to Section 10-7C-15(G) NMSA 1978, at the first session of the Legislature following July 1, 2013, the legislatures shall review and adjust the distributions pursuant to Section 7-1-6.1 NMSA 1978 and the employer and employee contributions to the authority in order to ensure the actuarial soundness of the benefits provided under the Retiree Health Care Act.

The Authority's contributions to the RHCA for the years ended June 30, 2017, 2016, and 2015 were \$29,709, \$27,338, and \$27,377, respectively, which equal the required contributions for each year.

#### **NOTE H – TRANSFERS**

The following transfer occurred during the year. This transfer was used to provide an annual amount for building and yard projects and maintenance that may be necessary.

<u>Fund</u>	<u>To</u>	<u>Amount</u>
Major Fund:		
General Fund	Acquisitions & Savings	\$152,712
Building & Yard Improvements	General Fund	\$150,000
Building & Yard Improvements	Acquisitions & Savings	\$155,809

#### NOTE I – FUND BALANCES – DESIGNATED FOR CONTINGENCIES

In April 2016, the Board of Directors passed Resolution 2016-05 - Cash Reserves. In addition to creating a reserve for subsequent year's expenditures, it also created the following contingency reserves:

*Infrastructure Emergency Reserve* – Can only be used by Board Action for emergency purposes. The reserve must be at least 1.5% of the total cost of the most recently audit AMAFCA infrastructure, which is \$3,116,250 as of June 30, 2016. This reserve was fully funded as of June 30, 2017.

**Board of Directors Contingency Reserve** – Will be used at Board discretion for flood control purposes. Board Action is require to use or make an adjustment to the balance. The balance as of June 30, 2017 was \$500,000.

*Executive Engineer Contingency Reserve* – Can be utilized by the Executive Engineer without Board approval, generally for "stop-gap" or emergency purposes. The balance as of June 30, 2017 was \$400,000.

*Insurance & Other Operating Reserve* – Can be utilized by the Executive Engineer for funding unplanned and unbudgeted expenses that are unusual in nature or infrequent in occurrence. The balance as of June 30, 2017 was \$200,000.

The Authority has an additional \$826,157 that has been designated for contingencies by the Board of Directors and has not been placed into the categories above. This funding is considered to be excess of minimum funding requirements.

#### **NOTES TO FINANCIAL STATEMENTS**

June 30, 2017

### **NOTE J – RISK MANAGEMENT**

The Authority is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; error omissions; and natural disasters, for which the Authority carries insurance policies for the Fiscal Year ending June 30, 2017 as follows:

#### **Worker's Compensation**

a.	Name of insurance agent	New Mexico Self-Insurers' Fund
b.	Policy Number	4020W
c.	Amount of coverage	Unlimited
d.	Expiration date	6/30/17
e.	Premium paid	\$38,416

#### **Property**

Name of insurance agent	New Mexico Self-Insurers' Fund
Policy Number	4020P
Amount of coverage	Scheduled Values
Expiration date	6/30/17
Premium paid	\$5,891
	Policy Number Amount of coverage Expiration date

#### **General Liability**

a.	Name of insurance agent	New Mexico Self-Insurers' Fund
b.	Policy Number	4020L
c.	Amount of coverage	400,000/750,000 per person/occurrence
		\$300,000 medical, \$100,000 property
d.	Expiration date	6/30/17
e.	Premium paid	\$14,530

### **Auto Liability**

O LI	aviiity	
a.	Name of insurance agent	New Mexico Self-Insurers' Fund
b.	Policy Number	4020L
c.	Amount of coverage	\$400,000/\$750,000 per person/occurrence
		\$300,000 medical, \$100,000 property
d.	Expiration date	6/30/17
e.	Premium paid	\$28,627

### Director's Liability Coverage - separate bond

a.	Name of insurance agent	CNA Surety, P.O. Box 5176
		Sioux Falls, SD 57117-5176
b.	Policy Number	Bond NO. 0601 68998232
c.	Amount of coverage	\$10,000 for each director
d.	Expiration date	6/30/17
e.	Premium paid	\$250
ъ.	.1 4	

### **Civil Rights**

a.	Name of insurance agent	New Mexico Self-Insurers' Fund
b.	Policy Number	4020L
c.	Amount of coverage	Tort limits (\$1,000,000)
d.	Expiration date	6/30/17
e.	Premium paid	\$5,663

#### NOTES TO FINANCIAL STATEMENTS

#### June 30, 2017

The Authority has not filed any claims for which the settlement amount exceeded the insurance coverage during the past three years. However, should a claim be filed against the Authority which exceeds the insurance coverage, the Authority would be responsible for a loss in excess of the coverage amounts. As claims are filed, the New Mexico Self-Insurers' Fund assesses and estimates the potential loss. The address of the New Mexico Self-Insurers' Fund is 1231 Paseo de Peralta, Santa Fe, New Mexico 87501.

At June 30, 2017, no unpaid claims have been filed which exceed the policy limits. To the best of management's knowledge and belief, all known and unknown claims will be covered by insurance. No major lawsuits have been filed against the Albuquerque Metropolitan Arroyo Flood Control Authority. Coverages for all policies reported here also remain in effect for the year ending June 30, 2018.

#### NOTE K – SIGNIFICANT ESTIMATES

The Authority records property tax revenues based on the amounts collected by the Bernalillo County Treasurer in June that are remitted to the Authority in July and August and deferred revenues on property taxes based on information provided by the Bernalillo County Treasurer's Office. An estimated receivable of \$902,959 at June 30, 2017 was recorded by the Authority. An estimated allowance for doubtful accounts of \$90,007 was also provided in conjunction with this receivable, resulting in a net amount recorded of \$812,952.

Depreciation on capital assets is a second significant estimate. Depreciation expense totaled \$3,315,450 for the year ended June 30, 2017.

#### NOTE L - NEW ACCOUNTING STANDARDS IMPLEMENTATION

#### GASB 74/75

Governmental Accounting Standard Board Statement No. 74/75 "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" (GASB 74/75) revises existing guidance for governments that provide their employees with postemployment benefits other than pensions. A principal change is the requirement to record a government's pro rata share of unfunded actuarial accrued liability (UAAL) on its financial statements for multiemployer cost sharing plan. The Authority is a participating member of the New Mexico Retiree Health Care Fund (RHCF) administered by the Retiree Health Care Authority (RHCA), a multiemployer cost-sharing plan. Information to implement this standard will be developed by RHCA and the State of New Mexico. The implementation date for GASB 74/75 is fiscal year 2017. The FY 18 government wide financial statements will contain a material liability for participation in RHCF.

#### GASB 84

The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. The requirements of this Statement will be effective for FY 19.



The first day of shotcreting in April 2017 on the West I-40 Phase IV project

## **NOTES TO FINANCIAL STATEMENTS**

June 30, 2017

## **NOTE M – TAX ABATEMENTS**

The following are Industrial Revenue Bonds affecting the Authority:

Other Entities Disclosure - AMAFCA - Fiscal Year Ended June 30, 2017				
Agency number for Agency making the disclosure	5001	5001	5001	5001
Abating Agency Name	Bernalillo County	Bernalillo County	Bernalillo County	Bernalillo County
Abating Agency Type	County	County	County	County
Tax Abatement Agreement Name	Desert Willow Apartments Project	SBS Technologies, Inc. Corporate Headquarters Project	West Publishing Corporation Project	Sennheiser New Mexico LLC Project
Name of agency affected by	Albuquerque Metro Arroyo	Albuquerque Metro Arroyo	Albuquerque Metro Arroyo	Albuquerque Metro Arroyo
abatement agreement	Flood Control Authority	Flood Control Authority	Flood Control Authority	Flood Control Authority
(Affected Agency)	Flood Control Authority	Flood Control Authority	Flood Control Authority	Flood Control Authority
Agency number of Affected	4003	4003	4003	4003
Agency type of Affected	Special District	Special District	Special District	Special District
Recipient(s) of tax abatement	Desert Willow Limited Partnership	Brunacini Development LTD. CO.	West Publishing Corporation, Southwest Tiburon LLC	Sennheiser New Mexico LLC
Tax abatement program (name and brief description)	Multifamily Housing Refunding Revenue Bonds Series 2008), replacing Series 1998.	Taxable Industrial Revenue Bonds (Series 2004)	Taxable Industrial Revenue Bonds (Series 2004A)	Taxable Industrial Revenue Bonds (Series 2004)
Specific Tax(es) Being Abated	Real Property Tax	Real Property, Personal Property, Gross Receipts/Compensating Tax	Real Property, Personal Property, Gross Receipts/Compensating Tax	Real Property, Personal Property, Gross Receipts/Compensating Tax
Authority under which abated tax would have been paid to Affected Agency	NMSA §7-37-6	NMSA §7-37-6	NMSA §7-37-6	NMSA §7-37-6
Gross dollar amount, on an accrual basis, by which the Affected Agency's tax revenues were reduced during the reporting period as a result of the tax abatement		Real Property tax : \$2,752.52 Personal Property tax : \$0	Personal Property tax : \$0	Real Property tax : \$0 Personal Property tax : \$0
agreement	Real Property tax: \$2,662.54	Gross Receipts tax : \$0	Gross Receipts tax : \$0	Gross Receipts tax : \$0
For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by the Affected Agency in association with the foregone	none	none	none	none
If the Abating Agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal	N/A	N/A	N/A	N/A

## **NOTES TO FINANCIAL STATEMENTS**

June 30, 2017

5001	5001	5001	5001	5001
Bernalillo County	Bernalillo County	Bernalillo County	Bernalillo County	Bernalillo County
County	County	County	County	County
Tempur Production USA, Inc. Project	Verizon Wireless (VAW) LLC Facilities Project	New Mexico Food Distributors, Inc. Project	CFV Solar Test Laboratory, Inc. Project	US Foods, Inc. Project
Albuquerque Metro Arroyo Flood Control Authority	Albuquerque Metro Arroyo Flood Control Authority	Albuquerque Metro Arroyo Flood Control Authority	Albuquerque Metro Arroyo Flood Control Authority	Albuquerque Metro Arroyo Flood Control Authority
4003	4003	4003	4003	4003
Special District	Special District	Special District	Special District	Special District
Tempur Production USA, Inc.	Verizon Wireless (VAW) LLC, Coors/Central Realty LLC	New Mexico Food Distributors, Inc.	CFV Solar Test Laboratory, Inc.	US Foods, Inc.
Taxable Industrial Revenue Bonds (Series 2005A and 2005B)	Taxable Industrial Revenue Bonds (Series 2006A)	Taxable Variable Rate Revenue Bonds (Series 2004)	Taxable Industrial Revenue Bonds (Series 2010)	Taxable Industrial Revenue Bonds (Series 2011)
Real Property, Personal Property, Gross Receipts/Compensating Tax	Real Property, Personal Property, Gross Receipts/Compensating Tax	Real Property, Personal Property Tax	Real Property, Personal Property Tax	Real Property, Personal Property Tax
NMSA §7-37-6	NMSA §7-37-6	NMSA §7-37-6	NMSA §7-37-6	NMSA §7-37-6
Real Property tax : \$13,737.94 Personal Property tax : \$1,592.82 Gross Receipts tax : \$0	Real Property tax : \$7,753.96 Personal Property tax : \$0 Gross Receipts tax : \$0	Real Property tax : \$793.92 Personal Property tax : \$449.92	Real Property tax : \$0 Personal Property tax : \$0	Real property tax : \$4,770.38 Personal Property tax : \$0
none	none	none	none	none
N/A	N/A	N/A	N/A	N/A

## **NOTES TO FINANCIAL STATEMENTS**

Other Entities Disclosure - AMAFCA - Fiscal Year Ended June 30, 2017				
Agency number for Agency making the disclosure (Abating Agency)	5001	5001	5001	5001
Abating Agency Name	Bernalillo County	Bernalillo County	Bernalillo County	Bernalillo County
Abating Agency Type	County	County	County	County
Tax Abatement Agreement Name	Vitality Works, Inc. Project	Friedman Recycling Project	Admiral Beverage Corporation Project	Silver Moon Lodge Project
Name of agency affected by abatement agreement (Affected Agency)	Albuquerque Metro Arroyo Flood Control Authority	Albuquerque Metro Arroyo Flood Control Authority	Albuquerque Metro Arroyo Flood Control Authority	Albuquerque Metro Arroyo Flood Control Authority
Agency number of Affected Agency	4003	4003	4003	4003
Agency type of Affected Agency	Special District	Special District	Special District	Special District
Recipient(s) of tax abatement	Vitality Works, Inc.	Friedman Recycling of Albuquerque, LLC	Admiral Beverage Corporation	Silver Moon Lodge LLLP
Tax abatement program (name and brief description)	Taxable Industrial Revenue Bonds (Series 2011)	Taxable Industrial Revenue Bonds (Series 2012A and 2012B and 2012C)	Taxable Industrial Revenue Bonds (Series 2012)	New Mexico Multifamily Housing Revenue Bonds (Series 2013A and 2013B)
Specific Tax(es) Being Abated	Real Property, Personal Property, Gross Receipts/Compensating Tax	Real Property, Personal Property, Gross Receipts/Compensating Tax	Real Property, Personal Property, Gross Receipts/Compensating Tax	Real Property Tax
Authority under which abated tax would have been paid to Affected Agency	NMSA §7-37-6	NMSA §7-37-6	NMSA §7-37-6	NMSA §7-37-6
Gross dollar amount, on an accrual basis, by which the Affected Agency's tax revenues were reduced during the reporting period as a result of the tax abatement agreement For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by the Affected Agency in association with the foregone tax revenue, list the amount of payments received in the current fiscal year	Real Property tax : \$2,714.84 Personal Property tax : \$0 Gross Receipts tax : \$0 none	Real Property tax \$729.79 Personal Property tax : \$0 Gross Receipts tax : \$0 none	Real Property tax : \$7,966.43 Personal Property tax \$138.09 Gross Receipts tax : \$0 none	Real Property tax : \$2,370.12 none
If the Abating Agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission	N/A	N/A	N/A	N/A

## **NOTES TO FINANCIAL STATEMENTS**

5001	5001	5001	5001	5001
Bernalillo County	Bernalillo County	Bernalillo County	Bernalillo County	Bernalillo County
County	County	County	County	County
Glenrio Project	Rodgers/JSR Holdings Project	United Poly Systems Project dated 2014)	The Tortilla Building, LLC Project	Hotel Chaco Project
Albuquerque Metro Arroyo Flood Control Authority	Albuquerque Metro Arroyo Flood Control Authority	Albuq. Metro Arroyo Flood Control Authority	Albuquerque Metro Arroyo Flood Control Authority	Albuquerque Metro Arroyo Flood Control Authority
4003	4003	4003	4003	4003
Special District	Special District	Special District	Special District	Special District
Glenrio LLLP	The Tortilla Building, LLC		Hotel Chaco, LLC	
New Mexico Multifamily Housing Revenue Bonds (Series 2013)	Taxable Industrial Revenue Bonds (Series 2014)	Taxable Industrial Revenue Bonds	Industrial Development Project	Taxable Industrial Revenue Bonds (Series 2015A)
Real Property Tax	Real Property, Personal Property, Gross Receipts/Compensating Tax	Real Property, Personal Property, Gross Receipts/Compensating Tax	Real Property, Personal Property, Gross Receipts/Compensating Tax	Real Property, Personal Property, Gross Receipts/Compensating Tax
NMSA §7-37-6	NMSA §7-37-6	NMSA 7-37-6	NMSA §7-37-6	NMSA §7-37-6
Real Property tax : \$46.80	Real Property tax \$370.68 Personal Property tax : \$0 Gross Receipts tax : \$0	Real Property tax : \$0 Personal Property tax : \$0 Gross Receipts tax : \$0	Real Property tax : \$1,512.39 Personal Property tax : \$0 Gross Receipts tax : \$0	Real Property tax : \$256.91 Personal Property tax : \$0 Gross Receipts tax : \$0
none	none none		none	none
N/A	N/A	N/A	N/A	N/A

## **NOTES TO FINANCIAL STATEMENTS**

Other Entities Disclosure - AMAFCA - Fiscal			
Year Ended June 30, 2017			
Agency number for Agency making the disclosure (Abating Agency)	5001	5001	5001
Abating Agency Name	Bernalillo County	Bernalillo County	Bernalillo County
Abating Agency Type	County	County	County
	·	·	·
	NM Food Distributors Project (dated 12/29/2015)	The Village at Avalon Project (dated 12/1/2015)	Harrington Project 2015
Tax Abatement Agreement Name			
Name of agency affected by abatement agreement (Affected Agency)	Albuq. Metro Arroyo Flood Control Authority	Albuq. Metro Arroyo Flood Control Authority	Albuq. Metro Arroyo Flood Control Authority
Agency number of Affected Agency	4003	4003	4003
Agency type of Affected Agency	Special District	Special District	Special District
Recipient(s) of tax abatement	NM Food Distributors inc	Village at Avalon Apartments	Harrington Properties
Tax abatement program (name and brief description)	Taxable Industrial Revenue Bonds (Series 2015)	Series 2015 Multifamily Housing Revenue Bonds.	Taxable Industrial Revenue Bonds
Specific Tax(es) Being Abated	Real Property, Personal Property, Gross Receipts/Compensating Tax	Real Property Tax	Real Property Tax
Authority under which abated tax would have been paid to Affected Agency	NMSA §7-37-6	NMSA 7-37-6	NMSA 7-37-6
Gross dollar amount, on an accrual basis, by which the Affected Agency's tax revenues were reduced during the reporting period as a	Real Property tax : \$1,024.37 Personal Property tax : \$0		
result of the tax abatement agreement	Gross Receipts tax : \$0	Real Property tax : \$50.34	Real Property tax : \$469.35
For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by the Affected Agency in association with the foregone tax revenue, list the amount of payments received in the current fiscal year	none	none	none
If the Abating Agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission	N/A	N/A	N/A

## **NOTES TO FINANCIAL STATEMENTS**

5001	5001	5001	5001
Bernalillo County	Bernalillo County	Bernalillo County	Bernalillo County
County	County	County	County
Wagner Equipment Project (dated 12/1/2015)	General Mills Operations Project (dated 11/1/2016)	Valencia Retirement Apartments Project (1/1/2000)	Cottonwood Apartment Project
Albuq. Metro Arroyo Flood Control Authority	Albuq. Metro Arroyo Flood Control Authority	Albuq. Metro Arroyo Flood Control Authority	Albuq. Metro Arroyo Flood Control Authority
4003	4003	4003	4003
Special District	Special District	Special District	Special District
Wagner Equipment Co	General Mills Operations LLC	Valencia Limited Partnership	GSL Properties
Taxable Industrial Revenue Bonds (Series 2015)	Taxable Industrial Revenue Bonds (Series 2016)	Multi-Family Refunding Revenue Bonds (Senior Series 2001A) and MFRR Bonds (Jr Subord Series 2001C)	Multi-Family Refunding Revenue Bonds (Series 2006A) and Taxable Multi-Family Housing Revenue Bonds
Real Property Tax	Personal Property, Gross Receipts/Compensating Tax	Real and Personal Property Tax	Real and Personal Property Tax
NMSA 7-37-6	NMSA 7-37-6	NMSA 7-37-6	NMSA 7-37-6
Real Property tax : \$783.17 none	Personal Property tax : \$0 Gross Receipts tax : \$0 none	Real Property tax : \$3,069.54 Personal Property tax : \$0 none	Real Property tax : \$3,757.00 Personal Property tax : \$0 none
N/A	N/A	N/A	N/A

## **NOTES TO FINANCIAL STATEMENTS**

Other Entities Disclosure - AMAFCA - Fiscal				
Year Ended June 30, 2017				
Agency number for Agency making the disclosure (Abating Agency)	452	452	6004	6004
(	New Mexico Hospital Equipment	New Mexico Hospital	553	
Abating Agency Name	Loan Council	Equipment Loan Council	City Of Albuquerque	City Of Albuquerque
Abating Agency Type	State Agency	State Agency	Municipal Government	Municipal Government
		Lease Agreement (New Mexico		
	Lease Agreement (New Mexico	Hospital Equipment Loan		
	Hospital Equipment Loan	Council/Lovelace Health		
	Council/Lovelace Health System, Inc. dated 10/1/2011; 'Lovelace Heart	System, Inc. dated 12/1/2007; 'Lovelace Women's Hospital		
Tax Abatement Agreement Name	Hospital')	Project')	General Tech IRB	El Encanto/Bueno Foods IRB
Name of agency affected by abatement	Albuq. Metro Arroyo Flood Control	Albuq. Metro Arroyo Flood		AMAFCA Operating and Debt
agreement (Affected Agency)	Authority	Control Authority	AMAFCA Operating and Debt	. 0
Agency number of Affected Agency	4003	4003	4003	4003
Agency type of Affected Agency	Soil & Water Conservation	Soil & Water Conservation	Flood Control District	Flood Control District
Recipient(s) of tax abatement	Lovelace Health System, Inc.	Lovelace Health System, Inc.	General Tech	El Encanto/Bueno Foods
Tax abatement program (name and brief	New Mexico Hospital Equipment Loan Act (New Mexico Statue 58-23- 29)	New Mexico Hospital Equipment Loan Act (New Mexico Statue 58-23-29)	State of New Mexico Statutes Article 32 Industrial Revenue Bonds City of Albuquerque Code of Ordinances § 3-2-15 INDUSTRIAL REVENUE BOND PROJECTS	State of New Mexico Statutes Article 32 Industrial Revenue Bonds City of Albuquerque Code of Ordinances § 3-2-15 INDUSTRIAL REVENUE BOND PROJECTS
description)				
• •			Ordinance Specific to Recipient	Ordinance Specific to Recipient
			O-1998-49	O-1996-47
			Total Taxable Value of property taxes is reduced, by City ownership of property. It also allows for abatement of State Compensating Tax and Investment tax credit (ITC), on equipment purchases	Total Taxable Value of property taxes is reduced, by City ownership of property. It also allows for abatement of State Compensating Tax and Investment tax credit (ITC), on equipment purchases
Specific Tax(es) Being Abated	Property Tax	Property Tax	Property Tax	Property Tax
				• •
Authority under which abated tax would have				
been paid to Affected Agency	NMSA 7-38	NMSA 7-38	Article VIII state statutes property tax	Article VIII state statutes property tax
			AMAFCA	AMAFCA
Gross dollar amount, on an accrual basis, by which the Affected Agency's tax revenues were reduced during the reporting period as a				
result of the tax abatement agreement	Est. Property Tax = \$7,354.70	This cannot be Estimated	\$ 1,611.33	\$ 2,144.66
For any Payments in Lieu of Taxes (PILOTs) or				
similar payments receivable by the Affected Agency in association with the foregone tax	none	none	none	none
revenue, list the amount of payments received	none	none	none	none
in the current fiscal year				
If the Abating Agency is omitting any information required in this spreadsheet or by	N/A	N/A	N/A	N/A
GASB 77, cite the legal basis for such omission	<u> </u>	<u> </u>	I	

## **NOTES TO FINANCIAL STATEMENTS**

6004	6004	6004	6004		
City Of Albuquerque	City Of Albuquerque	City Of Albuquerque	City Of Albuquerque		
Municipal Government	Municipal Government	Municipal Government	Municipal Government		
General Mills IRB	General Tech IRB	Hotel Adaluz IRB	Hotel Parq IRB		
AMAFCA Operating and Debt					
4003	4003	4003	4003		
Flood Control District	Flood Control District	Flood Control District	Flood Control District		
General Mills	General Tech	Hotel Adaluz	Hotel Parq		
			·		
State of New Mexico Statutes Article 32 Industrial Revenue Bonds	State of New Mexico Statutes Article 32 Industrial Revenue Bonds	State of New Mexico Statutes Article 32 Industrial Revenue Bonds	State of New Mexico Statutes Article 32 Industrial Revenue Bonds		
City of Albuquerque Code of Ordinances § 3-2-15 INDUSTRIAL REVENUE BOND PROJECTS	City of Albuquerque Code of Ordinances § 3-2-15 INDUSTRIAL REVENUE BOND PROJECTS	City of Albuquerque Code of Ordinances § 3-2-15 INDUSTRIAL REVENUE BOND PROJECTS	City of Albuquerque Code of Ordinances § 3-2-15 INDUSTRIAL REVENUE BOND PROJECTS		
Ordinance Specific to Recipient					
O-2008-64	O-1998-49	O-2007-62	O-2008-61		
Total Taxable Value of property taxes is reduced, by City ownership of property. It also allows for abatement of State Compensating Tax and Investment tax credit (ITC), on equipment purchases	Total Taxable Value of property taxes is reduced, by City ownership of property. It also allows for abatement of State Compensating Tax and Investment tax credit (ITC), on equipment purchases	Total Taxable Value of property taxes is reduced, by City ownership of property. It also allows for abatement of State Compensating Tax and Investment tax credit (ITC), on equipment purchases	Total Taxable Value of property taxes is reduced, by City ownership of property. It also allows for abatement of State Compensating Tax and Investment tax credit (ITC), on equipment purchases		
Property Tax	Property Tax	Property Tax	Property Tax		
Article VIII state statutes property tax					
AMAFCA	AMAFCA	AMAFCA	AMAFCA		
\$ 1,994.60	\$ 1,611.33		\$ 4,075.49		
PILOT- Payment in Lieu of taxes is a part of the agreement it is based on 4% of abatement and in 2017 was \$ 33,202	none	PILOT- Payment in Lieu of taxes is a part of the agreement it is based on 2.5% of tax abatemnt And in 2017 was \$6,177.94	PILOT- Payment in Lieu of taxes is a part of the agreement it is based on 3.5% of tax abatemnt And in 2017 was \$5,936		
No Information is being omited	N/A	N/A	N/A		

## **NOTES TO FINANCIAL STATEMENTS**

Other Entities Disclosure - AMAFCA - Fiscal Year Ended June 30, 2017			
Agency number for Agency making the disclosure (Abating Agency)	6004	6004	6004
Abating Agency Name	City Of Albuquerque	City Of Albuquerque	City Of Albuquerque
Abating Agency Type	Municipal Government	Municipal Government	Municipal Government
			·
Tax Abatement Agreement Name	Karsten IRB	Ktech (currently owned by Raytheon) IRB	MCT IRB
Name of agency affected by abatement	AMAFCA Operating and Debt	AMAFCA Operating and Debt	AMAFCA Operating and Debt
agreement (Affected Agency)			
Agency number of Affected Agency	4003	4003	4003
Agency type of Affected Agency	Flood Control District	Flood Control District	Flood Control District
Recipient(s) of tax abatement	Karsten	Ktech (currently owned by Raytheon)	мст
Tax abatement program (name and brief	State of New Mexico Statutes Article 32 Industrial Revenue Bonds City of Albuquerque Code of Ordinances § 3- 2-15 INDUSTRIAL REVENUE BOND PROJECTS	State of New Mexico Statutes Article 32 Industrial Revenue Bonds City of Albuquerque Code of Ordinances § 3-2-15 INDUSTRIAL REVENUE BOND PROJECTS	State of New Mexico Statutes Article 32 Industrial Revenue Bonds City of Albuquerque Code of Ordinances § 3-2-15 INDUSTRIAL REVENUE BOND PROJECTS
description)			
	Ordinance Specific to Recipient	Ordinance Specific to Recipient	Ordinance Specific to Recipient
	O-1997-41	Ordinance 2002 -47	Ordinance 2005-110 and 108
	Total Taxable Value of property taxes is reduced, by City ownership of property. It also allows for abatement of State Compensating Tax and Investment tax credit (ITC), on equipment purchases	Total Taxable Value of property taxes is reduced, by City ownership of property. It also allows for abatement of State Compensating Tax and Investment tax credit (ITC), on equipment purchases	Total Taxable Value of property taxes is reduced, by City ownership of property. It also allows for abatement of State Compensating Tax and Investment tax credit (ITC), on equipment purchases
Specific Tax(es) Being Abated  Authority under which abated tax would have	Property Tax	Property Tax	Property Tax
been paid to Affected Agency	Article VIII state statutes property tax	Article VIII state statutes property tax	Article VIII state statutes property tax
	AMAFCA	AMAFCA	AMAFCA
Gross dollar amount, on an accrual basis, by which the Affected Agency's tax revenues			
were reduced during the reporting period as a	0.001.00	4 470 50	6 005100
result of the tax abatement agreement For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by the Affected Agency in association with the foregone tax revenue, list the amount of payments received in the current fiscal year	\$ 2,331.88	\$ 4,473.58	\$ 2,351.96
If the Abating Agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission	N/A	N/A	N/A

# NOTES TO FINANCIAL STATEMENTS

6004	6004	6004	6004
City Of Albuquerque	City Of Albuquerque	City Of Albuquerque	City Of Albuquerque
Municipal Government	Municipal Government	Municipal Government	Municipal Government
Sun Healthcare IRB	T-Mobile IRB	Roses Southwest Papers IRB	Emcore IRB
AMAFCA Operating and Debt			
4003	4003	4003	4003
Flood Control District	Flood Control District	Flood Control District	Flood Control District
Sun Healthcare	T-Mobile	Roses Southwest Papers	Emcore
State of New Mexico Statutes Article 32 Industrial Revenue Bonds City of Albuquerque Code of Ordinances § 3-2-15 INDUSTRIAL REVENUE BOND PROJECTS	State of New Mexico Statutes Article 32 Industrial Revenue Bonds City of Albuquerque Code of Ordinances § 3-2-15 INDUSTRIAL REVENUE BOND PROJECTS	State of New Mexico Statutes Article 32 Industrial Revenue Bonds City of Albuquerque Code of Ordinances § 3-2-15 INDUSTRIAL REVENUE BOND PROJECTS	State of New Mexico Statutes Article 32 Industrial Revenue Bonds City of Albuquerque Code of Ordinances § 3-2-15 INDUSTRIAL REVENUE BOND PROJECTS
Ordinance Specific to Recipient			
O-1997-83	O-1997-9	O-1998-15 (no Longer active)	O-2008-36
Total Taxable Value of property taxes is reduced, by City ownership of property. It also allows for abatement of State Compensating Tax and Investment tax credit (ITC), on equipment purchases	Total Taxable Value of property taxes is reduced, by City ownership of property. It also allows for abatement of State Compensating Tax and Investment tax credit (ITC), on equipment purchases	Total Taxable Value of property taxes is reduced, by City ownership of property. It also allows for abatement of State Compensating Tax and Investment tax credit (ITC), on equipment purchases	Total Taxable Value of property taxes is reduced, by City ownership of property. It also allows for abatement of State Compensating Tax and Investment tax credit (ITC), on equipment purchases
Property Tax	Property Tax	Property Tax	Property Tax
Article VIII state statutes property tax AMAFCA	Article VIII state statutes property tax AMAFCA	Article VIII state statutes property tax AMAFCA	Article VIII state statutes property tax AMAFCA
\$ 5,236.51	\$ 2,273.78	\$ 1,675.76	\$ 5,592.09
none	none	none	none
N/A	N/A	N/A	N/A



66

# REQUIRED SUPPLEMENTAL INFORMATION



 $Black\ Arroyo\ Dam\ Water\ Quality\ Structure\ during\ summer\\ monsoon$ 

#### SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

June 30, 2017

#### Last 10 Fiscal Years\* 2017 2016 2015 Measurement Measurement Measurement Date Date Date (As of and for (As of and for (As of and for the Year Ended the Year Ended the Year Ended June 30, 2016) June 30, 2015) June 30, 2014) AMAFCA's porportion of the net pension liability 0.04%0.15%0.15% AMAFCA's proportionate share of the net pension liability 2,645,731 1,583,015 1,213,094 AMAFCA's covered-employee payroll 1,421,285 1,360,284 1,275,604 AMAFCA's proportionate share of the net pension liability as a percentage of its covered-employee payroll 186.2% 116.4% 95.1% Plan fiduciary net position as a percentage of total pension liability 69% 77% 81%

<sup>\*</sup> The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, AMAFCA will present information for those years for which information is available.

#### SCHEDULE OF PERA CONTRIBUTIONS

June 30, 2017

#### Last 10 Fiscal Years\* As of and for As of and for As of and for the Year Ended the Year Ended the Year Ended 2017 2016 2015 Contractually required contribution 135,406 136,173 143,209 Contributions in relation to the contractually required contribution 135,406 136,173 143,209 Contribution deficiency (excess) AMAFCA's covered-employee payroll 1,482,897 1,421,285 1,360,284 Contributions as a percentage of covered-employee payroll 9.1% 9.6% 10.5%

#### Notes to Required Supplementary Information

Changes of benefit terms. The PERA Fund COLA and retirement eligibility changes in recent years are described in Note 1 of the PERA FY16 audit available at: <a href="http://www.nmpera.org/financial-overview/comprehensive-annual-financial-report">http://www.nmpera.org/financial-overview/comprehensive-annual-financial-report</a>.

Changes of assumptions. The Public Employees Retirement Association (PERA) of New Mexico Actuarial Valuation as of June 30, 2016 report is available at: <a href="http://www.nmpera.org/financial-overview/comprehensive-annual-financial-report">http://www.nmpera.org/financial-overview/comprehensive-annual-financial-report</a>.

<sup>\*</sup> The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, AMAFCA will present information for those years for which information is available.

# SUPPLEMENTARY INFORMATION



Calabacillas Arroyo at Coors Road, Northwest Albuquerque, 1998 improvements

## **BUDGETARY COMPARISON SCHEDULES - BUDGET AND ACTUAL**

**Debt Service Fund** 

For the Fiscal Year ended June 30, 2017										
		Budget		Budget Budget Original Final		ctual Amount		Variance Positive (Negative)		
Revenues		_						_		
Property taxes Investment and other	\$	9,547,405 10,000	\$	9,547,405 10,000	\$	10,013,570 34,545	\$	466,165 24,545		
Total revenues		9,557,405		9,557,405		10,048,115		490,710		
Expenditures Debt service:										
Interest and fixed charges		1,085,170		1,085,170		1,085,169		1		
Bond principal		9,300,000		9,300,000		9,300,000				
Total expenditures		10,385,170		10,385,170		10,385,169		1		
Excess (deficiency) of revenues over expenditures before other financing sources and uses		(827,765)		(827,765)		(337,054)		490,711		
Other financing sources and uses Bond Premiums						1,154,972		1,154,972		
Total other financing and uses	_					1,154,972		1,154,972		
Net change in fund balance		(827,765)		(827,765)		817,918		1,645,683		
Fund Balance, beginning of year		12,961,595		12,961,595		12,961,595				
Fund Balance, end of year	\$	12,133,830	\$	12,133,830	\$	13,779,513	\$	1,645,683		

#### **BUDGETARY COMPARISON SCHEDULES - BUDGET AND ACTUAL**

**Capital Projects Fund** 

# For the Fiscal Year ended June 30, 2017

				,	
	Budget Original	_		ctual Amount	Variance Positive (Negative)
Revenues	 5 11 <u>6</u> 11111		1 11111	 angetan's Duese	 (1108)
Investment	\$ 15,000	\$	15,000	\$ 114,402	\$ 99,402
Revenue from jointly funded projects	800,000		800,000	592,813	(207,187)
Other revenues	 			 31,132	 31,132
Total revenues	815,000		815,000	738,347	(76,653)
Expenditures					
Capital outlay and noncapitalizable					
construction costs **	37,243,500		37,243,500	9,493,579	27,749,921
Bond issuance costs	160,000		160,000	93,245	 66,755
Total expenditures	37,403,500		37,403,500	9,586,824	27,816,676
Deficiency of revenues over					
expenditures before other					
financing uses	(36,588,500)		(36,588,500)	(8,848,477)	27,740,023
Other financing sources and uses					
Transfers to other funds	-		-	-	-
Proceeds from bond sale	 12,500,000	_	25,000,000	 12,588,745	 (12,411,255)
Total other financing sources					
and uses	 12,500,000		25,000,000	 12,588,745	 (12,411,255)
Net change in fund balance	\$ (24,088,500)	\$	(11,588,500)	\$ 3,740,268	\$ 15,328,768
Fund Balance, beginning of year	24,213,767		24,213,767	24,213,767	
Fund Balance, end of year	\$ 125,267	\$	12,625,267	\$ 27,954,035	\$ 15,328,768

<sup>\*\*</sup> This line item includes the total budgeted costs for all the Authority's capital projects. These projects are generally completed over multiple fiscal years. In addition, projects included in the current year budget may not incur costs until subsequent fiscal years.

## **BUDGETARY COMPARISON SCHEDULES - BUDGET AND ACTUAL**

**Acquisitions & Savings Fund** 

# For the Fiscal Year ended June 30, 2017

	Budget Budget Original Final		ual Amount getary Basis	Variance Positive (Negative)		
Revenues						
Interest income	\$ 	\$		\$ 	\$	-
Total revenues	-		-	-		-
Expenditures						
Capital Outlay	 			 		-
Total expenditures	 			 		_
Excess of revenues over expenditures before other financing sources and uses	-		-	-		-
Other financing sources and uses Transfers from other funds Transfers to other funds	 308,521		308,521	308,521		- -
Total other financing sources and uses	 308,521		308,521	308,521		_
Net change in fund balance	\$ 308,521	\$	308,521	\$ 308,521	\$	-
Fund Balance, beginning of year	 			 		-
Fund Balance, end of year	\$ 308,521	\$	308,521	\$ 308,521	\$	_

## **BUDGETARY COMPARISON SCHEDULES - BUDGET AND ACTUAL**

**Acquisitions & Savings Fund** 

For the	Fisc	cal Year	end	ded June	30	, 2017		
	Budget Original		Budget Final		Actual Amount Budgetary Basis		Variance Positive (Negative)	
Revenues								
Interest income	\$	-	\$	-	\$	1,212	\$	1,212
Total revenues		-		-		1,212		1,212
Expenditures								
Office improvements		-		-		-		-
•								
Total expenditures		-		-		-		-
Excess of revenues over expenditures before other financing sources and uses		-		-		1,212		1,212
Other financing sources and uses								
Transfers from other funds		50,000		50,000		-		50,000
Transfers to other funds		(150,000)		(305,809)		(305,809)		
Total other financing sources and uses		(100,000)		(255,809)		(305,809)		50,000
Net change in fund balance	\$	463,316	\$	(255,809)	\$	(304,597)	\$	1,212
Fund Balance, beginning of year		463,316		463,316		304,597		158,719

\$ 926,632 \$ 207,507 \$ - \$

Fund Balance, end of year

159,931

# ADDITIONAL INFORMATION: SUPPLEMENTAL SCHEDULES



 $Stormwater\ surges\ through\ the\ Hahn\ Arroyo\ Debris\ Catcher, \\ captured\ on\ AMAFCA's\ Arroyo\ Cam$ 

**AGENCY FUNDS** 

June 30, 2017

Agency funds are used to account for assets held by the Authority as an agent for other governments and/or other funds. The Authority has no budgetary control over these funds and acts solely as an agent. Agency funds are purely custodial (assets equal liabilities) and thus do not involve the measurement of result of operations.

**Ditch and Water Safety Task Force Fund** – This fund is used to promote water and ditch safety among children and is financed by contributions from several agencies.

**Storm Water Quality Coordinator Fund** – This is used to promote better water quality in the Albuquerque area and is financed by contributions from several agencies.

**Area Wide Agency Fund** – This is used to account for the pooling of funds by various entities when a single construction contract is bid/awarded to complete multiple small projects and the work performed is for the benefit and paid for by each entity.

Boca Negra Dam - This is used for the Boca Negra project which began in fiscal year 2013.

Middle Rio Grande MS4 CMC Fund – This is used to account for the pooling of funds by various entities to meet compliance requirements related to the MS4 Permit and the sampling of storm water.

# **SCHEDULE OF ASSETS AND LIABILITIES**

Agency Funds June 30, 2017

#### **ASSETS**

	Sa	h & Water fety Task rce Fund	orm Water Quality oordinator		Area Wide Agency	Mid Rio nde CMC	a Negra Dam	 Total Agency Funds
Cash in bank Savings	\$	83,065 5,466	\$ 109,135	\$	1,147,567	\$ 68,949	\$ -	\$ 1,408,716 5,466
Total assets	\$	88,531	\$ 109,135	\$	1,147,567	\$ 68,949	\$ -	\$ 1,414,182
			I	JABl	ILITIES			
Funds held for others	\$	88,531	\$ 109,135	\$	1,147,567	\$ 68,949	\$ -	\$ 1,414,182
Total liabilities	\$	88,531	\$ 109,135	\$	1,147,567	\$ 68,949	\$ -	\$ 1,414,182

# SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES

#### All Agency Funds

## For the Fiscal Year ended June 30, 2017

Ditch and Water Safety Task Force Fund	Ju	ne 30, 2016		Additions		Deletions	Ju	ne 30, 2017
Assets								
Cash in bank Swim pass savings	\$	61,047 7,360	\$	62,735 9,502	\$	40,717 11,396	\$	83,065 5,466
Total assets	\$	68,407	\$	72,237	\$	52,113	\$	88,531
Liabilities								
Deposits held for others	\$	68,407	\$	72,237	\$	52,113	\$	88,531
Total liabilities	\$	68,407	\$	72,237	\$	52,113	\$	88,531
Storm Water Quality Coordinator								
Assets Cash in bank	\$	72,231	\$	110,000	\$	73,096	\$	109,135
Total assets	\$	72,231	\$	110,000	\$	73,096	\$	109,135
Liabilities Deposits held for others	\$	72,231	\$	110,000	\$	73,096	\$	109,135
Total liabilities	\$	72,231	\$		\$	73,096		
	Ф	72,231	Ф	110,000	Ф	73,090	\$	109,135
Area Wide Agency Assets								
Cash in bank	\$	1,293,560	\$	1,841,406	\$	1,987,399	\$	1,147,567
Total assets	\$	1,293,560	\$	1,841,406	\$	1,987,399	\$	1,147,567
Liabilities								
Deposits held for others	\$	1,293,560	\$	1,841,406	\$	1,987,399	\$	1,147,567
Total liabilities	\$	1,293,560	\$	1,841,406	\$	1,987,399	\$	1,147,567
Mid Rio Grande CMC Assets								
Cash in bank	\$		\$	132,000	\$	63,051	\$	68,949
Total assets	\$	-	\$	132,000	\$	63,051	\$	68,949
Liabilities Deposits held for others	\$	_	\$	132,000	\$	63,051	\$	68,949
Total liabilities	\$		\$	132,000	\$	63,051	\$	68,949
Boca Negra Dam	Ψ		Ψ	132,000	Ψ	03,031	Ψ	00,212
Assets Cash in bank	\$	675	\$	_	\$	675	\$	_
Total assets	\$	675	\$		\$	675	\$	
	Ψ	073	Ψ		Ψ	073	Ψ	
Liabilities Deposits held for others	\$	675	\$		\$	675	\$	
Total liabilities	\$	675	\$	-	\$	675	\$	_
All Agency Funds								
Assets  Cash in bank and savings	\$	1,434,873	\$	2,155,643	\$	2,176,334	\$	1,414,182
Total assets	\$	1,434,873	\$	2,155,643	\$	2,176,334	\$	1,414,182
Liabilities								
Deposits held for others	\$	1,434,873	\$	2,155,643	\$	2,176,334	\$	1,414,182
Total liabilities	\$	1,434,873	\$	2,155,643	\$	2,176,334	\$	1,414,182



An aerial view of the Calabacillas Arroyo, including the recently constructed Grade Control Structure 6a

# STATISTICAL SECTION

June 30, 2017

This part of the Comprehensive Financial Annual Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Authority's overall financial health.

CONTENTS

Financial Trends 85 – 91

These schedules present information to help the reader understand how the Authority's financial performance and well-being have changed over time.

Revenue Capacity 92-99

These schedules present information to help the reader assess the Authority's most significant revenue source, the property tax

**Debt Capacity** 100-105

These schedules present information to help the reader assess the affordability of the Authority's current level of outstanding debt and the Authority's ability to issue additional debt in the future

#### **Demographic and Economic Information**

106 - 109

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Authority's financial activities take place.

#### **Operating Information**

111 - 113

These schedules contain service and infrastructure data to help the reader understand how the information in the Authority's financial report relates to the services the Authority provides and the activities it performs.

## **NET POSITION BY COMPONENT**

Last Ten Fiscal Years

June 30, 2017

#### (ACCRUAL BASIS OF ACCOUNTING)

(ACCRUA	L BASIS OF ACCU	JUNIING)	
	2017	2016	2015
Governmental activities			
Net investment in capital assets	\$ 195,818,843	\$ 176,226,208	\$ 174,423,162
Restricted	15,892,539	37,175,362	30,502,239
Unrestricted	15,234,484	1,542,075	4,513,789
Total governmental activities net of position	\$ 226,945,866	\$ 214,943,645	\$ 209,439,190
	2014	2013	2012
Governmental activities			
Net investment in capital assets	\$ 177,326,784	\$ 150,275,632	\$ 144,580,212
Restricted	26,366,396	21,466,796	18,901,784
Unrestricted	2,805,452	8,681,344	8,417,573
Total governmental activities net of position	\$ 206,498,632	\$ 180,423,772	\$ 171,899,569
	2011	2010	2009
Governmental activities			
Net investment in capital assets	\$ 137,992,865	\$ 129,335,815	\$ 126,781,820
Restricted	15,925,629	17,843,384	12,918,808
Unrestricted	8,535,442	8,393,767	8,750,587
Total governmental activities net of position	\$ 162,453,936	\$ 155,572,966	\$ 148,451,215
	2008		
Governmental activities			
Niet im metusent im semitel ees ets	A 440 004 040		
Net investment in capital assets	\$ 112,324,319		
Restricted	10,939,476		
•			

## **CHANGES IN NET POSITION**

**Last Ten Years** 

June 30, 2017

(ACCRUAL BASIS OF ACCOUNTING)

Expenses	2017	2016	2015	2014
Governmental activities:				
Flood Control	\$ 4,469,817	\$ 4,142,305	\$ 4,043,625	\$ 3,922,228
Planning, Engineering, and R&D	995,714	945,377	854,293	691,081
General Government	1,616,442	1,576,782	1,539,855	1,448,259
Capital outlay - intergovernmental	3,455,378	2,061,209	4,626,779	2,899,224
Interest on long-term debt	840,647	717,601	649,688	815,980
Total government activities expenses	11,377,998	9,443,274	11,714,240	9,776,772
Program Revenues				
Government activities:				
Capital Grants and contributions				
Jointly Fund Projects and Contributions	8,755,303	892,157	1,479,355	1,461,863
Net (expenses)/revenue				
Governmental activities	\$ (2,622,695)	\$ (8,551,117)	\$(10,234,885)	\$ (8,314,909)
General Revenue				
Governmental activities:				
Property taxes	\$13,691,862	\$ 13,256,530	\$ 13,086,450	\$13,020,812
Investment/interest income	190,102	76,431	34,209	24,384
Loss on sale of capital assets	-	-		
Other	55,762	843,958	54,784	40,978
Total governmental activities	13,937,726	14,176,919	13,175,443	13,086,174
Change in Net Position				
Governmental activities	11,315,031	5,625,802	2,940,558	4,771,265
Prior period adjustment	-	121,347	21,516,445	212,848
Total primary government	\$11,315,031	\$ 5,747,149	\$ 24,457,003	\$ 4,984,113

## **CHANGES IN NET POSITION**

Last Ten Years June 30, 2017

2013	2012	2011	2010	2009	2008
\$ 3,771,101	\$ 3,927,829	\$ 3,813,293	\$ 3,554,648	\$ 3,367,206	\$ 3,362,045
684,870	944,721	883,423	927,230	724,056	709,363
1,218,857	898,335	1,274,906	1,326,432	1,095,945	938,160
2,236,304	5,891,635	2,187,045	7,163,048	847,913	16,779,638
813,079	775,004	854,393	969,396	1,056,856	897,986
8,724,211	12,437,524	9,013,060	13,940,754	7,091,976	22,687,192
4,112,179	9,140,207	3,533,343	7,945,467	11,462,047	9,518,946
\$ (4,612,032)	\$ (3,297,317)	\$ (5,479,717)	\$ (5,995,287)	\$ 4,370,071	\$(13,168,246)
\$13,085,894	\$12,712,512	\$12,570,792	\$12,797,745	\$ 12,196,883	\$ 11,702,730
36,683	2,496	50,103	34,419	216,496	890,359
13,658	27,952	(260,210)	23,896	49,569	30,681
13,136,235	12,742,960	12,360,685	12,856,060	12,462,948	12,623,770
8,524,203	9,445,643	6,880,968	6,860,773	16,833,019	(544,476)
-	-	-	260,980	-	-
\$ 8,524,203	\$ 9,445,643	\$ 6,880,968	\$ 7,121,753	\$ 16,833,019	\$ (544,476)

#### **FUND BALANCES OF GOVERNMENTAL FUNDS**

**Last Ten Years** 

June 30, 2017

#### (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2017	2016	2016 2015	
General Fund				
Post GASB 54				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	2,333,899	2,468,364	4,880,067	5,050,383
Committed	6,128,300	6,126,497	3,900,000	3,900,000
Assigned	-	-	-	-
Unassigned	128,770	113,135	44,107	69,291
Pre GASB 54				
Reserved	-	-	-	-
Unreserved - designated	-	-	-	-
Unreserved - undesignated	-	-	-	-
Total general fund	\$ 8,590,969	\$ 8,707,996	\$ 8,824,174	\$ 9,019,674
All other governmental funds				
Post GASB 54				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	41,733,548	37,175,362	30,502,239	26,730,103
Committed	308,521	304,597	463,316	362,848
Assigned	, -	, -	-	-
Unassigned	-	_	_	_
Pre GASB 54				
Reserved	-	-	_	-
Unreserved - designated	-	-	_	-
Unreserved - undesignated	-	_	_	_
Total all other governmental funds	\$42,042,069	\$37,479,959	\$30,965,555	\$27,092,951
Total Fund Balance	\$50,633,038	\$46,187,955	\$39,789,729	\$36,112,625

\*The Authority implemented GASB 54 in FY11 and at that point began separately tracking funds that were not from property taxes.

## **FUND BALANCES OF GOVERNMENTAL FUNDS**

Last Ten Years June 30, 2017

2013	2012	2011 2010		2009	2008
\$ -	\$ -	\$ 77,948	\$ 200	\$ 200	\$ 200
5,168,739	4,843,926	4,622,213	-	-	-
3,900,000	3,900,000	3,900,000	3,900,000	4,400,000	4,400,000
-	-	-	-	-	-
28,651	43,629	17,239	-	-	-
_	_	_	200	200	200
-	-	-	3,900,000	4,400,000	4,400,000
-	-	-	4,486,838	4,280,944	3,978,869
\$ 9,097,390	\$ 8,787,555	\$ 8,617,400	\$12,287,238	\$13,081,344	\$12,779,269
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
21,337,478	18,843,173	15,917,070	-	-	-
108,733	58,611	8,559	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	17,843,384	12,918,808	10,939,476
-	-	-	-	-	-
\$21,446,211	\$18,901,784	\$15,925,629	\$17,843,384	\$12,918,808	\$10,939,476
\$30,543,601	\$27,689,339	\$24,543,029	\$30,130,622	\$26,000,152	\$23,718,745

## CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

**Last Ten Years** 

(MODIFIED ACCRUAL BASIS OF ACCOUNTING)							
•	2017	2016	2015 <sup>°</sup>	2014			
Revenues							
Property taxes	\$ 13,703,472	\$ 13,427,765	\$ 13,224,992	\$ 12,976,637			
Investment/interest income	190,102	76,431	34,209	24,384			
Jointly funded projects	592,813	30,200	100,000	185,204			
Other	55,762	773,458	32,071	42,758			
Total revenues	14,542,149	14,307,854	13,391,272	13,228,983			
	· · · · · · · · · · · · · · · · · · ·						
Expenditures							
General government	1,554,037	1,544,459	1,468,858	1,340,434			
Flood control	1,058,458	1,064,564	1,114,205	1,246,737			
Planning, engineering, and R&D	995,714	945,377	854,293	693,349			
Capital outlay	9,754,160	7,970,856	10,085,097	7,432,365			
Debt service:							
Principal	9,300,000	8,675,000	8,400,000	8,975,000			
Interest	1,085,169	923,055	822,994	851,047			
Bond issuance costs	93,245	104,120	108,574	95,610			
Reappraisal fees	-	-	132,092	129,884			
Total expenditures	23,840,783	21,227,431	22,986,113	20,764,426			
Excess (deficiency) of							
revenues over expenditures	(9,298,634)	(6,919,577)	(9,594,841)	(7,535,443)			
Other financing sources (uses)							
Transfers in	458,521	400,000	100,000	254,000			
Transfers out	(458,521)	(400,000)	(100,000)	(254,000)			
	(100,0=1)	(100,000)	(100,000)	(== 1,===)			
Bonds issued	12,500,000	12,500,000	12,500,000	12,500,000			
Premium on bonds issued	1,243,717	817,803	775,885	604,468			
Perminate loss on investments			(3,940)	-			
Total other financing sources (uses)	13,743,717	13,317,803	13,271,945	13,104,468			
Net change in fund balances	\$ 4,445,083	\$ 6,398,226	\$ 3,677,104	\$ 5,569,025			
Debt service as a percentage of							
	740/	700/	7401	740/			
expenditures	74%	72%	71%	74%			

## CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Years June 30, 2017

2013	2012	2011	2010	2009	2008
\$ 12,998,307	\$ 12,705,720	\$ 12,580,848	\$ 12,767,918	\$ 12,169,223	\$ 11,648,101
36,694	2,496	50,103	34,419	216,496	890,359
260,272	852,329	901,418	1,774,595	907	2,433,627
39,694	27,952	17,239	23,896	49,569	30,680
13,334,967	13,588,497	13,549,608	14,600,828	12,436,195	15,002,767
1,236,167	666,738	1,056,770	1,132,573	936,744	776,820
1,199,220	1,400,072	1,314,552	1,214,256	1,237,454	1,226,836
684,870	944,721	883,423	927,230	724,056	709,363
8,892,813	8,668,139	12,675,587	7,378,424	8,099,940	16,229,987
7,775,000	8,100,000	8,350,000	8,275,000	7,650,000	6,200,000
888,673	861,750	951,510	1,043,306	1,161,820	741,619
82,746	65,157	61,276	57,697	56,768	56,674
128,190	126,888	125,866	127,643	86,756	84,981
20,887,679	20,833,465	25,418,984	20,156,129	19,953,538	26,026,280
(7,552,712)	(7,244,968)	(11,869,376)	(5,555,301)	(7,517,343)	(11,023,513)
50,000	206,828	41,553	676,093	175,000	-
(50,000)	(206,828)	(41,553)	(676,093)	(175,000)	-
10,000,000	10,000,000	10,000,000	10,000,000	9,750,000	10,750,000
406,974	391,278	181,984	185,771	48,750	53,596
-	-	-	· -	· -	-
10,406,974	10,391,278	10,181,984	10,185,771	9,798,750	10,803,596
\$ 2,854,262	\$ 3,146,310	\$ (1,687,392)	\$ 4,630,470	\$ 2,281,407	\$ (219,917)
72%	74%	73%	73%	74%	71%

#### ASSESSED VALUE AND ESTIMATE OF ACTUAL VALUE OF PROPERTY

Last Ten Fiscal Years
June 30, 2017

Fiscal Year	Real Property		Personal Property			
Ended	Residential	Commercial	Centrally			
June 30,	Property	Property	Asse sse d	Livestock		
2017	\$11,234,417,245	\$3,203,372,591	\$ 484,785,455	\$ 873,523		
2016	10,794,783,246	3,196,405,215	465,509,090	1,296,833		
2015	10,514,280,082	3,224,774,237	468,981,742	643,266		
2014	10,217,174,645	3,251,769,479	435,982,241	727,080		
2013	10,028,968,646	3,301,912,328	466,978,148	716,381		
2012	9,937,828,235	3,463,173,876	459,888,606	844,508		
2011	9,855,763,681	3,497,501,043	450,556,530	940,401		
2010	10,065,248,593	3,782,694,143	384,357,602	1,045,409		
2009	9,610,004,787	3,361,388,954	440,563,696	1,077,191		
2008	8,932,771,850	3,298,645,662	439,706,262	1,151,583		

The levies are requested by the Board of Directors and set by the Department of Finance and Administration, State of New Mexico.

The Bernalillo County Treasurer levies and collects the taxes and distributes to all taxing jurisdictions.

Source: County Assessor's Office and State Department of Finance and Administration

Note1 2007 Data was unavailable with the exception of "Total Taxable Assessed Value."

The remainder of the 2007 amounts are estimates based on the average of 2010-2008.

## ASSESSED VALUE AND ESTIMATE OF ACTUAL VALUE OF PROPERTY

Last Ten Fiscal Years

	Total	Estimated	Asse sse d
Total Taxable	Direct	Actual	Value as a
Asse sse d	Tax	Taxable	Percentage of
Value	Rate	Value	Actual Value
\$ 14,923,448,814	0.921	\$17,643,101,869	84.59%
14,457,994,384	0.926	17,179,125,152	84.16%
14,208,679,327	0.928	16,835,835,162	84.40%
13,905,653,445	0.929	16,517,673,706	84.19%
13,798,575,503	0.930	16,333,455,627	84.48%
13,861,735,225	0.926	16,386,042,070	84.59%
13,804,761,655	0.926	16,251,390,322	84.95%
14,233,345,747	0.970	16,545,240,152	86.03%
13,413,034,628	0.923	15,642,889,410	85.75%
12,672,275,357	0.919	14,798,225,717	85.63%



 $Settling\ basin\ for\ the\ North\ Diversion\ Channel$ 

#### PROPERTY TAX RATES: DIRECT AND OVERLAPPING (PER \$1,000 OF ASSESSED VALUATION)

Last Ten Fiscal Years

June 30, 2017

-	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Albuquerque Flood Control										
Operating	0.246	0.251	0.253	0.254	0.255	0.251	0.251	0.252	0.248	0.244
Debt service	0.675	0.675	0.675	0.675	0.675	0.675	0.675	0.675	0.675	0.675
Total direct rate	0.921	0.926	0.928	0.929	0.930	0.926	0.926	0.927	0.923	0.919
Rio Grande Conservancy										
District	4.874	4.672	4.433	4.221	4.230	4.231	4.244	4.238	4.246	4.250
Village of Los Ranchos										
de Albuquerque										
Debt service	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Bernalillo County (3)										
Operating	7.971	8.139	8.137	8.189	8.138	7.864	7.769	7.505	7.430	7.489
Debt service	1.265	1.265	1.265	1.246	0.897	0.897	0.555	0.880	0.880	0.888
Open space	0.200	0.200	-	-	-	0.100	0.100	0.100	0.100	0.100
Judgment	0.010	0.011	0.012	0.013	0.013	0.013	0.014	0.015	0.015	0.016
City of Albuquerque										
Operating	6.389	6.515	6.494	6.544	6.544	6.544	6.433	6.203	4.134	3.136
Debt Service	4.976	4.976	4.976	4.976	4.976	4.976	4.976	4.976	6.976	7.976
Albuquerque Public Schools										
Operating	0.320	0.330	0.325	0.327	0.325	0.319	0.315	0.304	0.303	0.304
Debt Service	4.061	4.089	3.787	3.883	3.416	4.020	4.317	4.316	4.304	4.308
Capital Improvement	1.953	1.977	1.987	2.000	2.000	2.000	2.000	2.000	1.999	2.000
Building	3.948	3.947	3.950	3.978	3.981	3.983	3.988	3.985	3.944	3.947
School District Ed. Tech Deb	0.378	0.347	0.644	0.430						
Central NM Community College										
Operating	2.830	2.860	2.871	2.882	2.848	2.770	2.717	2.632	2.596	2.584
Debt Service	1.000	0.550	0.550	0.550	0.550	0.550	0.550	0.550	0.550	0.550
Hospitals	6.247	6.360	6.357	6.400	6.400	6.400	6.400	6.400	6.429	6.428
Village of Tijeras										
Operating	1.327	1.305	1.316	1.316	1.315	1.310	1.316	1.271	1.283	1.265
Rio Rancho										
Operating	7.650	7.187	6.411	5.725	5.159	4.438	3.447	3.084	2.624	2.484
Debt Service	2.016	1.848	1.881	1.789	1.617	1.645	2.060	2.067	2.060	2.060
State of New Mexico	1.360	1.360	1.360	1.360	1.360	1.362	1.530	1.150	1.250	1.291

Note - When there are separate residential and non-residential rates, the direct rate is a combined porportion of the rates and not the actual mil lew rate

<sup>(1)</sup> County is no longer required to attach special district's schedules to the abstract-info is not available for property tax vallues.

<sup>(2)</sup> The Open Space mill levy was expired for fiscal years 2013, 2014, and 2015.

<sup>(3)</sup> All portions of the City of Rio Rancho that are in the AMAFCA Jurisdiction are undeveloped.

Source: County Assessor's Office, County Treasurer's Office and State Department of Finance and Administration





 $Construction\ and\ final\ view\ of\ the\ sediment\ retention\ structure$  on the Tijeras Arroyo

### PRINCIPAL PROPERTY TAXPAYERS

Current Year and Ten Years Ago

June 30, 2017

	2017			2007			
			Percentage of			Percentage of	
	Taxable		Total Taxable	Taxable		Total Taxable	
	Asse sse d		Asse sse d	Asse sse d		Assessed	
<u>Taxpayer</u>	Value	Rank	Value	Value	Rank	Value	
Public Service Company of							
New Mexico - Electric Services	196,758,172	1	1.318%	106,244,751	2	0.838%	
Qwest Corp (fka)	,,			,,			
U.S. West Communication Inc.	52,271,337	2	0.350%	114,279,353	1	0.902%	
New Mexico Gas Company (formerly							
PNM - Gas Services) (1)	40,714,618	3	0.273%	29,771,751	3	0.235%	
Comcast of NM Inc.	28,370,564	4	0.190%	-	-	-	
Southwest Airlines	21,728,600	5	0.146%	19,210,731	5	0.152%	
AT&T	21,481,749	6	0.144%	-	-	-	
Verizon Wireless	20,316,805	7	0.136%	11,860,836	10	0.094%	
GCC Rio Grande Inc.	12,062,049	8	0.081%	-	-	-	
BNSF	11,956,962	9	0.080%	-	-	-	
T-Mobile	8,774,035	10	0.059%				
AHS Albuquerque Regional Medical Cent	-	-	-	25,066,400	4	0.198%	
Simon Property Group, Ltd							
(Cottonwood Mall)	-	-	-	15,960,737	6	0.126%	
Voicestream PCS II Corp	-	-	-	13,826,083	7	0.109%	
HUB Trust (Real Estate)	-	-	-	13,780,721	8	0.109%	
Heitman Properties of NM (Retail)	-	-	-	12,881,412	9	0.102%	
Total	\$414,434,891	•	2.777%	\$362,882,775	•	2.864%	

Source: County Treasurer's Office

<sup>(1)</sup> PNM Gas Services became the new company, New Mexico Gas Company, in tax year 2010



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#### PROPERTY TAX LEVIES AND COLLECTIONS

**Last Ten Fiscal Years** 

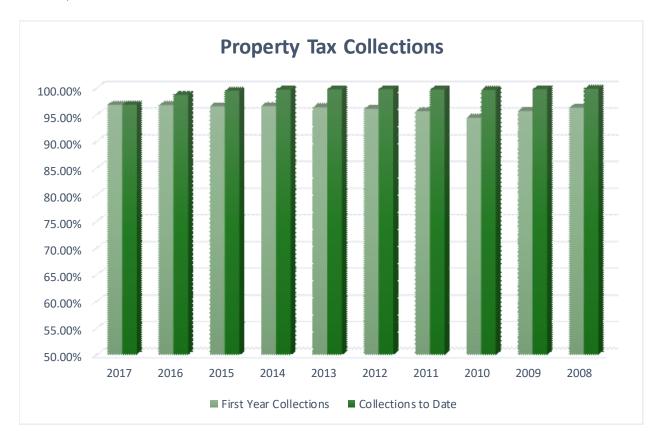
June 30, 2017

Fiscal Year Operational Tax Debt Service Tax			Total Tax	Collected Fiscal Year			Total Collections to Date			
Ended June 30,	Levy for Fiscal Year	Levy for	r Fiscal ar	Levy for Fiscal Year	Amount	Percentage of Levy	Sul	ections in osequent Years	Amount	Percentage of Levy
2017	\$ 3,719,996	\$ 10,0	099,783	\$ 13,819,779	\$ 13,384,425	96.85%	\$	-	\$ 13,384,425	96.85%
2016	3,668,745	9,	774,080	13,442,825	13,012,483	96.80%		258,176	13,270,659	98.72%
2015	3,629,814	9,0	601,007	13,230,821	12,777,699	96.58%		385,735	13,163,434	99.49%
2014	3,583,263	9,3	381,191	12,964,454	12,525,108	96.61%		399,655	12,924,763	99.69%
2013	3,548,623	9,	295,686	12,844,309	12,380,769	96.39%		430,361	12,811,130	99.74%
2012	3,469,730	9,	200,038	12,669,768	12,176,642	96.11%		463,920	12,640,562	99.77%
2011	3,456,560	9,	166,116	12,622,676	12,072,834	95.64%		514,301	12,587,135	99.72%
2010	3,586,958	9,4	446,644	13,033,602	12,306,293	94.42%		681,659	12,987,952	99.65%
2009	3,330,059	9,0	023,371	12,353,430	11,823,139	95.71%		501,728	12,324,867	99.77%
2008	3,098,328	8,	501,295	11,599,623	11,174,881	96.34%		408,749	11,583,630	99.86%

The levies are requested by the County Commission and set by the Department of Finance and Administration, State of New Mexico

The County Treasurer levies and collects the taxes and distributes to all taxing jurisdictions.

Source: County Treasurer's Office



#### **LEGAL DEBT MARGIN INFORMATION**

Last Ten Fiscal Years June 30, 2017

Debt Limit	<b>2016</b> \$ 80,000,000	<b>2016</b> \$ 80,000,000	<b>2015</b> \$ 80,000,000	<b>2014</b> \$ 80,000,000
Total net debt applicable to limit (1)	54,250,000	51,050,000	47,225,000	43,125,000
Legal debt margin	\$ 25,750,000	\$ 28,950,000	\$ 32,775,000	\$ 36,875,000
Total net debt applicable to the limit as a percenta of debt limit	ge 67.81%	63.81%	59.03%	53.91%



### LEGAL DEBT MARGIN INFORMATION

Last Ten Fiscal Years

June 30, 2017

2013	2012	2011	2010	2009		2008
\$ 80,000,000	\$ 80,000,000	\$ 80,000,000	\$ 80,000,000	\$ 80,000,000	\$	80,000,000
39,600,000	37,375,000	35,475,000	33,825,000	32,100,000		30,000,000
\$ 40,400,000	\$ 42,625,000	\$ 44,525,000	\$ 46,175,000	\$ 47,900,000	\$	50,000,000
<del>+ 10,100,000</del>	+ 12,020,000	+ 11,0=0,000	<del></del>	<del></del>	Ť	
49.50%	46.72%	44.34%	42.28%	40.13%		37.50%



A regional water quality structure was built in connection with the I-25/Paseo del Norte Interchange Reconstruction

#### **RATIOS OF GENERAL BONDED DEBT OUTSTANDING**

Last Ten Fiscal Years

June 30, 2017

				Percentage of Estimated			
Fire	General	Less: Amounts		Actual Taxable	D	Actual	
Fiscal Year	Obligation Bonds (1)	Available in Debt Service Fund	Total	Value (2) of Property	Per Capita (3)	Taxable Value	Population
2017	\$ 54,250,000	\$ 13,546,456	\$ 40,703,544	0.27%	60.13	14,923,448,814	676,953
2016	51,050,000	12,717,115	38,332,885	0.27%	56.54	14,457,994,384	677,970
2015	47,225,000	11,813,184	35,411,816	0.25%	52.23	14,288,261,509	677,970
2014	43,125,000	10,861,392	32,263,608	0.23%	47.76	14,020,986,394	675,551
2013	39,600,000	10,779,942	28,820,058	0.21%	42.75	13,888,651,975	674,221
2012	37,375,000	9,798,482	27,576,518	0.21%	40.95	13,324,011,770	673,460
2011	35,475,000	9,242,051	26,232,949	0.19%	39.10	13,804,761,655	670,968
2010	33,825,000	9,298,602	24,526,398	0.17%	36.91	14,233,345,747	664,425
2009	32,100,000	9,249,416	22,850,584	0.17%	35.56	13,413,034,629	642,527
2008	30,000,000	9,234,156	20,765,844	0.16%	32.68	12,672,275,357	635,444

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

#### Sources

<sup>1)</sup> Presented net of original issuance discounts and premiums

<sup>2)</sup> See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data.

<sup>3)</sup> Population data can be found in the Schedule of Demographic and Economic Statistics

<sup>4)</sup> The Authority only has general obligation bonds, no business type activities, and no component units.

### DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITES DEBT AS OF JUNE 30, 2016

June 30, 2017

	Debt Outstanding	Applicable to	_	AMAFCA Share of Debt
AMAFCA	\$54,250,000 (1)	100.00%	\$	54,250,000
Albuquerque Public Schools City of Albuquerque Bernalillo County Central New Mexico Community College Los Ranchos de Albuquerque State of New Mexico Subtotal Overlapping Debt Total Direct and Overlapping De	614,721,269 408,096,000 231,825,562 101,840,000 2,855,000 475,735,000	94.16% 100.00% 95.71% 83.81% 100.00% 26.22%	1,	578,804,958 408,096,000 221,872,517 85,354,399 2,855,000 124,723,941 421,706,814
Total Bileot and Overlapping Be	Di.		Ψ 1,	470,000,014
Ratios: AMAFCA direct debt to				
assessed valuation  Total direct and overlapping debt to				0.36%
assessed valuation  AMAFCA direct debt to				9.89%
actual valuation				0.11%
Total direct and overlapping debt to actual valuation				2.86%
AMAFCA debt per capita			\$	80.14
Direct and overlapping debt per capita			\$	2,180.29

Source: Debt outstanding data provided by each governmental unit.  $\label{eq:control} % \begin{center} \begin{$ 

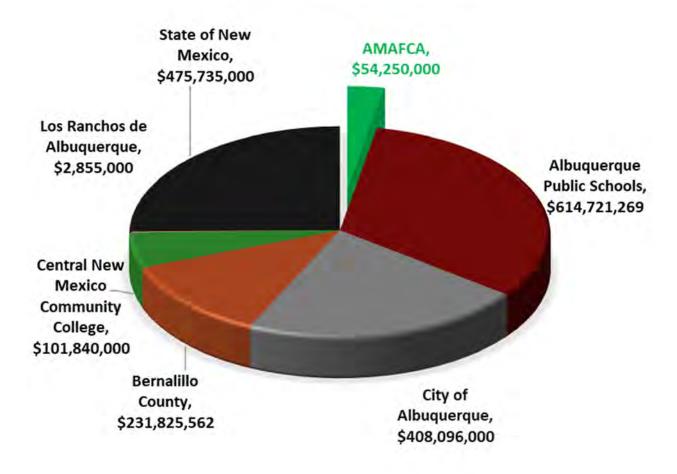
Note: Percentage of overlap based on most current assessed property valuation.

<sup>(1)</sup> Presented net of original issuance discounts and premiums

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITES DEBT AS OF JUNE 30, 2016

June 30, 2017

### **DEBT OUTSTANDING - BY ENTITY**



### **DEMOGRAPHIC AND ECONOMIC STATISTICS**

Last Ten Fiscal Years

June 30, 2017

	Personal	Per		
		Income	Capita	
Fiscal		(amounts expressed	Personal	Unemployment
<u>Year</u>	Population (1)	in thousands) (1)	<u>Income</u>	Rate (3)
2017	676,953	NA	NA	6.20%
2016	677,970	NA	NA	6.20%
2015	677,970	26,144,557	38,563	6.10%
2014	675,551	26,137,068	38,690	6.10%
2013	674,221	25,096,528	37,223	6.90%
2012	673,460	25,202,220	37,422	7.10%
2011	670,968	24,630,564	36,709	7.20%
2010	664,425	23,530,611	35,415	8.50%
2009	642,527	22,650,362	35,252	7.00%
2008	635,444	23,025,949	36,236	4.40%

Education (4)	<u> </u>	Percent	School Enrollment (2)	
Persons age 25 and Over	448,143	100.0%	⊟ementary School	44,817
9th-12th grade, no diplomas	54,673	12.2%	Mid-High Schools	19,599
High School Graduates	112,484	25.1%	High Schools	27,010
Some college, no degree	146,095	32.6%	Private and parochial schools	13,167
Bachelor degree	76,632	17.1%	Technical-vocational Institute	27,442
Graduate or professional deg	58,259	13.0%	University of New Mexico	27,060
Percentage completed high sc	hool	87.8%		
Percentage completed 4 year	college	30.1%		

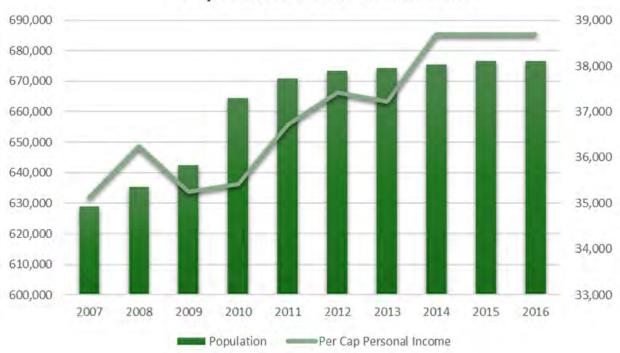
#### Sources:

- (1) NM Mid-Region Council of Governments
- (2) New Mexico Higher Education Department
- (3) New Mexico Department of Workforce Solutions
- (4) National Center for Education Statistics
- NA Information not available for these years

#### **DEMOGRAPHIC AND ECONOMIC STATISTICS**

Last Ten Fiscal Years
June 30, 2017

### Population & Personal Income



#### PRINCIPAL EMPLOYERS

For the Current Year and Ten Years Ago

June 30, 2017

	2016			2007			
			Percentage			Percentage	
			of Total County			of Total County	
Employer	<u>Employees</u>	Rank	<b>Employment</b>	<u>Employees</u>	Rank	<u>Employment</u>	
Albuquerque Public Schools	14,810	1	4.64%	14,480	1	4.30%	
Kirtland Air Force Base (1)	10,125	2	3.17%	13,740	2	4.08%	
Sandia National Labs	8,400	3	2.63%	7,720	3	2.29%	
Presbyterian	7,310	4	2.29%	6,670	5	1.98%	
UNM Hospital	6,021	5	1.89%	4,600	9	1.37%	
City of Albuquerque	6,940	6	2.17%	6,710	4	1.99%	
State of New Mexico	4,950	7	1.55%	5,490	6	1.63%	
University of New Mexico	4,210	8	1.32%	4,300	10	1.28%	
Lovelace (formerly Lovelace Sandia Health System)	4,000	9	1.25%	5,200	7	1.55%	
Bernalillo County	2,648	10	0.83%	-	-	-	
Intel Corporation	-	-	-	4,700	8	1.40%	
Total	69,414		21.75%	73,610		21.88%	
County Quarterly Census of Employment	319,115			336,429			

#### Sources:

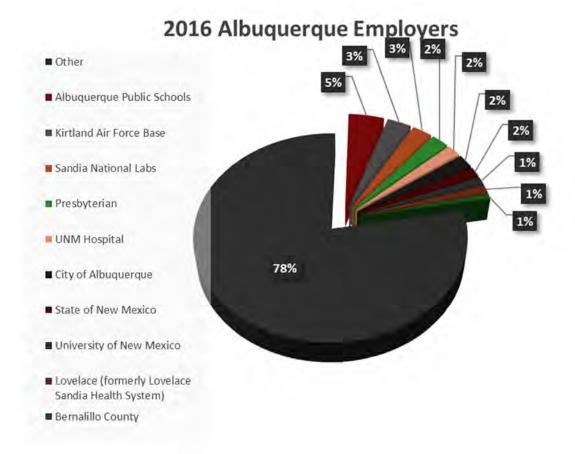
New Mexico Department of Workforce Solutions, Albuquerque Economic Development

Notes: (1) For 2014, Kirtland's employment number includes active duty military, guard reserve, civil service and contract employees. Sandia National Laboratories employees are located at Kirtland Air Force Base, but employment number is shown separately.

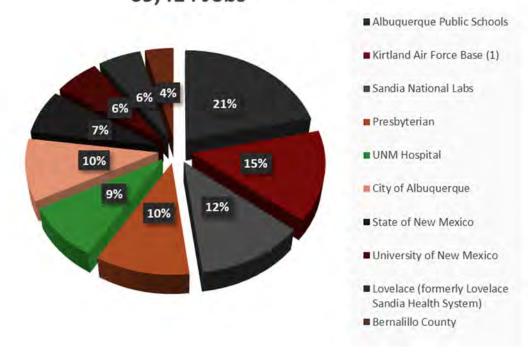
#### PRINCIPAL EMPLOYERS

For the Current Year and Ten Years Ago

June 30, 2017



# 2016 Albuquerque Top 10 Employers - 69,414 Jobs





 $Outfall\ for\ the\ Calabacillas\ Arroyo$ 

#### FULL-TIME EQUIVALENT AMAFCA EMPLOYEES BY FUNCTION

Last Ten Fiscal Years

June 30, 2017

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	2009	2008
Function										
General & Administrative	5	5	6	5	5	5	5	5	5	5
Planning & Engineering	6	5	5	5	5	5	5	5	5	4
Maintence	12	12	12	12	12	12	12	12	11	10
	23	22	23	22	22	22	22	22	21	19

**Note 1** In April of 2015, an AMAFCA had a G&A employee enter into early retirement. Therefore, as of June 30, 2015, AMAFCA was required to carry an extra G&A employee.

**Note 2** Starting in August of 2012, AMAFCA began utilizing an intern/graduate student that is an employee of the University of New Mexico. The time approximates a 1/2 FTE that is not included in the schedule above.

#### **OPERATING INDICATORS BY FUNCTION**

Last Ten Fiscal Years

June 30, 2017

	2017	<u>2016</u>	<u>2015</u>	<u>2014</u>
Finance				
General Operating Checks	771	773	867	812
Checks for Bond related Expenditures	182	198	226	218
Purchasing				
Number of RFPs and Bids Issued (1)	15 (2)	9	26	17
Number of On-Call Engineering Task Orders (	1 44(2)	47	66	61
Flood Control & Infrastructure				
Number of Citizen reported deficiencies (1) (3	5 (2)	1	31	21
Number of Dams & Ponds	69	69	69	67
Miles of Unlined Arroyos	40.2	40.2	40.1	40.1
Miles of Lined Arroyos	36.8	36.7	36.7	36.7
Miles of Pipe	11.4	11.3	11.2	11.0
Acres/sqr ft of maintained real property	2,236	2,236	2,236	2,204
Vehicle Miles Driven	131,178	154,347	141,143	148,836
Equipment Hours Incurred	3,120	2,529	3,360	2,368
Water Quality				
Number of Water Quality Structures	131	127	126	118
Cubic Yards of Sediment Removal (1)(4)	17,670 (2)	12,956 (2)	34,976	30,000
Cublic Yards of Trash/Debris Removal (1)(4)	2,876 (2)	750 (2)	2,399	3,025
Planning & Engineering				
LOMRs Completed (1)	3	1	1	2
Grading Plan Approvals (1)	97	94	66	56
Annual Rainfall (1)				
Annual - @ Albuquerque Sunport	7.63 (5)	6.68	11	9
Monsoon Season (July - September)	4.54 (5)	3.04	5	6

<sup>(1)</sup> Calendar Year

Source: All data provided by AMAFCA departments unless otherwise noted.

<sup>(2)</sup> Through issuance of the CAFR

<sup>(3)</sup> Calls received by the City of Albuquerque "311 Line" noting flooding or ponding caused by runoff The issue may not be at or pertaining to an AMAFCA facility.

<sup>(4)</sup> Prior to 2010, AMAFCA utilized other methods for tracking sediment and debris removal. Reporting these amounts would cause data to be uncomparable.

<sup>(5)</sup> Through September 30, 2017

### **OPERATING INDICATORS BY FUNCTION**

Last Ten Fiscal Years

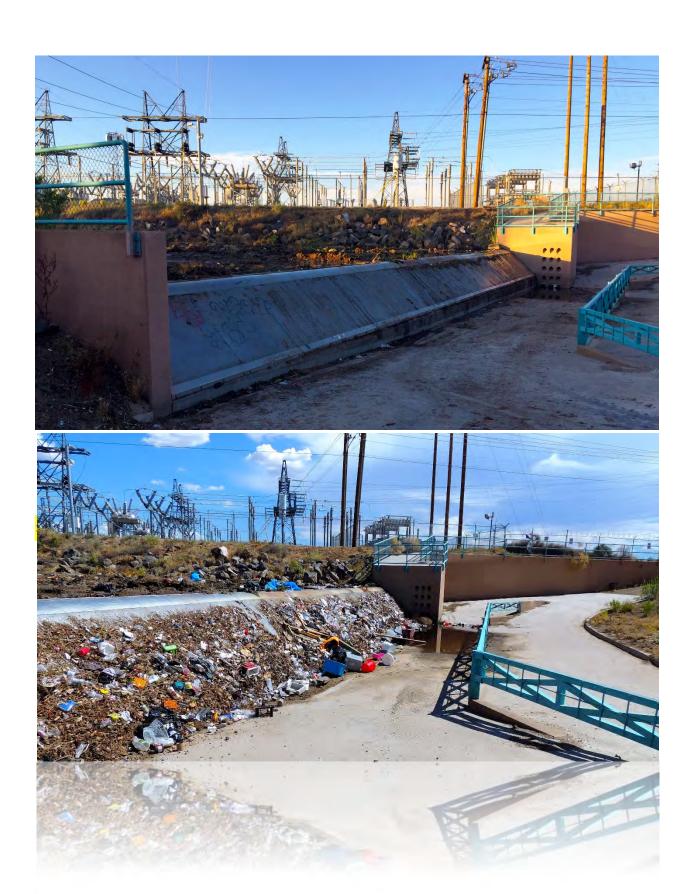
June 30, 2017

2013	2012	<u>2011</u>	<u>2010</u>	2009	2008
821	782	851	867	929	961
200	153	208	231	205	143
20	11	13	13	17	13
47	57	10	37	17	20
20	8	7	21	16	39
66	65	63	59	58	52
31.8	31.6	30.2	30.2	29.1	28.6
36.7	36.7	36.5	35.8	35.8	35.8
10.4	10.2	10.0	9.9	8.2	5.1
2,204	2,185	2,173	2,158	2,158	2,157
168,048	158,029	118,817	138,787	124,632	114,549
2,993	3,275	2,553	3,261	2,505	2,566
112	112	104	98	97	85
55,700	27,700	16,600	82,945	-	-
15,000	1,498	280	814	-	-
7	3	4	1	2	4
79	68	55	76	116	95
9	5	5	9	7	8
7	3	2	6	4	5



Converging flows in the Piedras Marcadas Arroyo

# STATE COMPLIANCE



Water Quality Structure, before and after a storm, captures debris before it reaches the river

### SCHEDULE OF INVESTMENTS, DEPOSITS, AND PLEDGED COLLATERAL

### June 30, 2017

New Mexico State Treasurer, Santa Fe, NM - Investments:		
Local Government Investment Pool		51,410,693
Wells Fargo Bank, Albuquerque, NM - Demand Deposit Accounts:		
Depository balances as of June 30, 2017		
Checking		
General account	\$	218,909
Construction/Capital Projects		74,059
Debt Service account		100,126
AMAFCA Unassigned account		129,227
Storm Quality Education		109,135
Area Wide Maintenance		257
MRG Stormwater MS4 CMC		68,949
Ditch & Water Safety Task Force Fund		83,065
		783,727
Savings		
Area Wide Maintenance Savings		1,147,309
Boca Negra Dam Savings		-
Ditch & Water Safety Task Force Swim Pass		5,466
Total depository balances		1,936,502
Less FDIC insurance coverage		(588,531)
Uninsured balance	\$	1,347,971
Collateralization required (50%)	\$	673,986
Fannie Mae, Interest Only Securities at market value		
par \$927829; interest rate 3.5%; maturity date 2/1/42		
CUSIP #3138E5G36	\$	371,923
par \$600,111; interest rate 3.5%; maturity date 7/1/43		
CUSIP #3138LVGA5		377,283
par \$47,254; interest rate 3.0%; maturity date 12/1/26		
CUSIP #31418ABC1		15,836
Total collateral	\$	765,042
Collateralization in deficit of requirement	\$	<u>-</u>

### **JOINT POWER AGREEMENTS**

June 30, 2017

The Authority has no Joint Powers Agreements.



Alamogordo | Albuquerque | Carlsbad | Clovis | El Paso | Hobbs | Lubbock | Roswell | Santa Fe

## REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

#### INDEPENDENT AUDITORS' REPORT

Timothy M. Keller New Mexico State Auditor Board of Directors and Management Albuquerque Metropolitan Arroyo Flood Control Authority Albuquerque, New Mexico

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and the budgetary comparison of the General Fund of the Albuquerque Metropolitan Arroyo Flood Control Authority (the Authority) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents and have issued our report thereon dated November 6, 2017.

#### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

#### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

RPC CPAs + Consultants, LLP Albuquerque, New Mexico

RPC CPAS + Consultants LLP

November 6, 2017

#### STATE OF NEW MEXICO

## ALBUQUERQUE METROPOLITAN ARROYO FLOOD CONTROL AUTHORITY SCHEDULE OF FINDINGS AND RESPONSES JUNE 30, 2017

#### Section I - Summary of Auditors' Results

Financial Statements:

Type of auditors' report issued
 Unmodified

2. Internal control over financial reporting:

a. Material weaknesses identified? None noted

b. Significant deficiencies identified not considered to be material weaknesses?

None noted

c. Noncompliance material to the financial statements noted?

None noted

Section II - Current Status of Prior Year Finding

NM 2016-001 Deficiency in Journal Entry Review Process Resolved

Section III - Financial Statement Findings in accordance with GAGAS

None

Section IV - Section 12-6-5 NMSA 1978 Findings

None

#### **EXIT CONFERENCE**

June 30, 2017

An exit conference was held on November 6, 2017, during a closed session of a special meeting and attended by the following:

### **AMAFCA Board Members**

Bruce M. Thomson Chair
Cynthia Borrego Vice Chair

Ronald D. Brown Secretary-Treasurer

### **AMAFCA Administrative Staff**

Jerry M. Lovato, P.E. Executive Engineer

Herman Chavez, CPA Finance & Administrative Manager

### RPC CPAs + Consultants, LLP Staff

Danny Martinez, CPA Partner