

Albuquerque Metropolitan Arroyo Flood Control Authority State of New Mexico

# JUNE 30, 2018 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, 2018

## Prepared by:

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



# INTRODUCTORY SECTION

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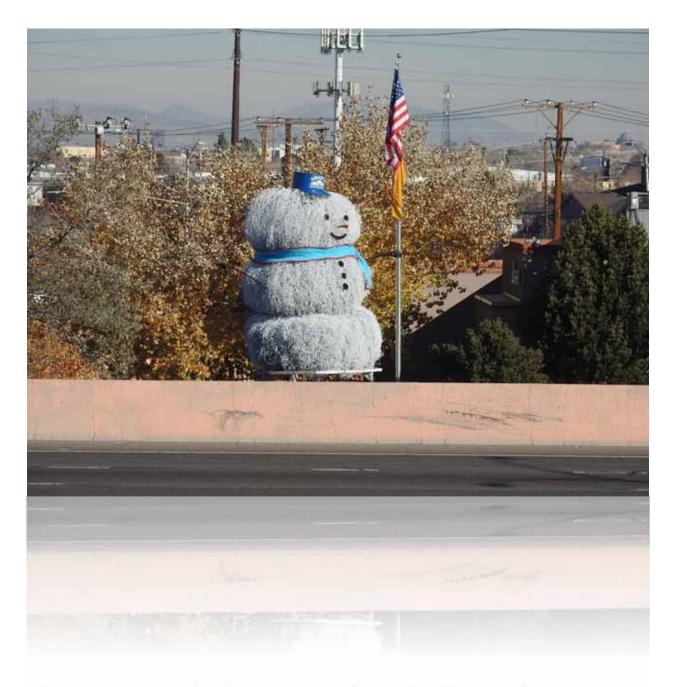
# June 30, 2018

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The 2018 AMAFCA Snowman salutes the flag while greeting travelers on I-40

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



Albuquerque Metropolitan Arroyo Flood

Control Authority

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

November 26, 2018

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, 2018.

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.

Carr, Riggs, & Ingram, LLC, have issued an unmodified ("clean") opinion on the Authority's financial statements for the year ended June 30, 2018. Carr, Riggs, & Ingram, LLC 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, 2018

The Authority is located within Bernalillo County and currently occupies 371 square miles, serves a population of approximately 675,000 and protects nearly \$15.4 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.

Although the Albuquerque urban area is still in recovery mode from the 2008 recession and lagging behind growth statistics, considering national indicators, the area continues to see slow but steady growth in both valuation and new development. We continue to see the County and City issue Industrial Revenue Bonds to spur private development, which in turn should lead to valuation increases throughout the region. We are also seeing growth in multi-family housing and health care facilities.

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

#### LETTER OF TRANSMITTAL

June 30, 2018

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. We continue to experience a 1-3% growth rate and anticipate the growth rate to remain unchanged for the foreseeable future. Property tax collections also remained steady (97% first year, over 99% total).

## 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 (fiscal year ending 6/30/2019) operating budget (\$1,103,658 at 6/30/18). AMAFCA is also required to maintain one and a half percent (1.5%) of its total infrastructure as an infrastructure emergency reserve (\$3,460,128 at 6/30/2018). As of June 30, 2018, the General Fund's cash and investments totaled approximately \$8,835,000. As of June 30, 2018, AMAFCA had approximately \$2.4M available that was in excess of its minimum reserve requirements, which is approximately 60% of our FY19 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 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)	\$ 1,103,658
Infrastructure Emergency Reserve (1.5% of total infrastructure)	3,460,128
Board of Directors Contingency	500,000
Executive Engineer Contingency	400,000
Insurance & Other Operating Reserve	200,000

#### LETTER OF TRANSMITTAL

June 30, 2018

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 86% for the fiscal year ended June 30, 2018).

## **Major initiatives**

Over the past few years and again continuing in 2018, AMAFCA has utilized various forms of instrumentation to collect and monitor water quality data throughout the watershed. This monitoring is an addition to the water quality compliance sampling done by AMAFCA and others to comply with EPA's MS4 Watershed Based Permit. The data collected, when coupled with AMAFCA's continued public education, outreach, involvement and participation, suggests that progress in being made in the watershed relative to flood protection and water quality. In particular, E.coli is no longer listed as an impairment on NMED's most recent 303(d) list for 2 of the 3 assessment units along the Rio Grande.

# **Awards and Acknowledgements**

Fiscal years ended June 30, 2016 and 2017, 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 in both years. 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, CPA

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, 2017

Executive Director/CEO

Christopher P. Morrill



## **OFFICIAL ROSTER**

June 30, 2018

# **Board Members**

Ronald D. Brown
Bruce M. Thomson
Deborah L. Stover
Tim Eichenberg
Cynthia D. Borrego

Chair Vice-Chair Secretary-Treasurer Assistant Secretary-Treasurer Director

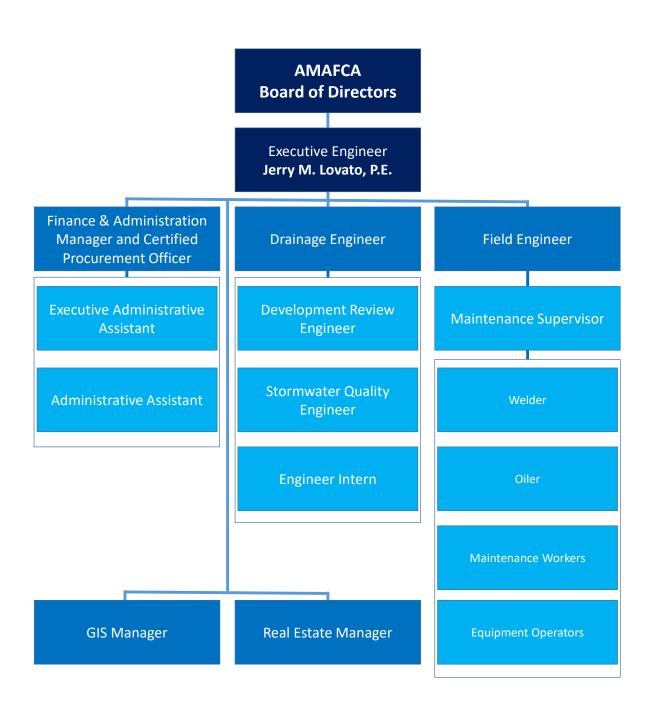
# **Administrative Staff**

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

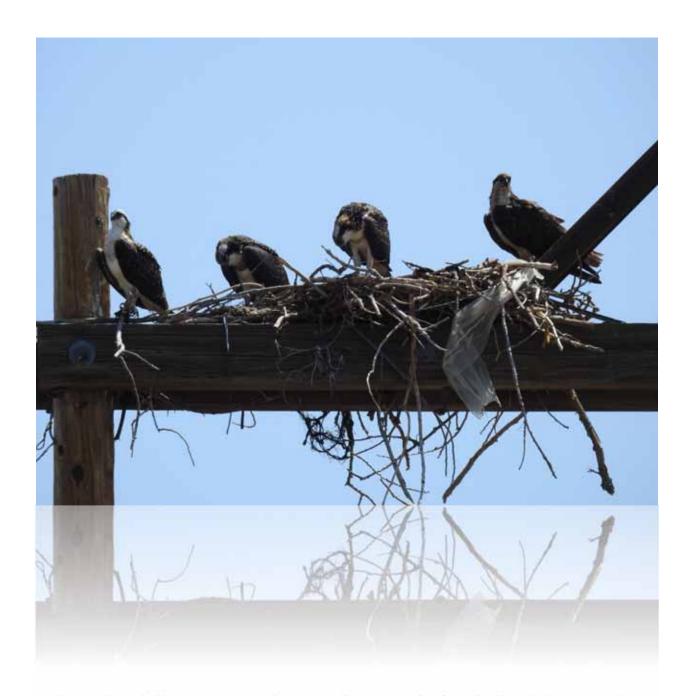


### **ORGANIZATIONAL CHART**

June 30, 2018



# FINANCIAL SECTION



A family of Osprey watch over the North Outfall of the North Diversion Channel



#### INDEPENDENT AUDITORS' REPORT

Carr, Riggs & Ingram, LLC 2424 Louisiana Boulevard NE Suite 300 Albuquerque, NM 87110

(505) 883-2727 (505) 884-6719 (fax) CRIcpa.com

Wayne Johnson
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, 2018, 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, 2018, 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 16, the Schedule of Proportionate Share of the Net Pension Liability, Schedule of PERA Contributions, Schedule of Proportionate Share of the OPEB, Schedule of OPEB 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, and Acquisitions & Savings 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 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 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, Budgetary Comparison Schedules of the Debt Service, Capital Projects, and Acquisition & Savings Funds 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

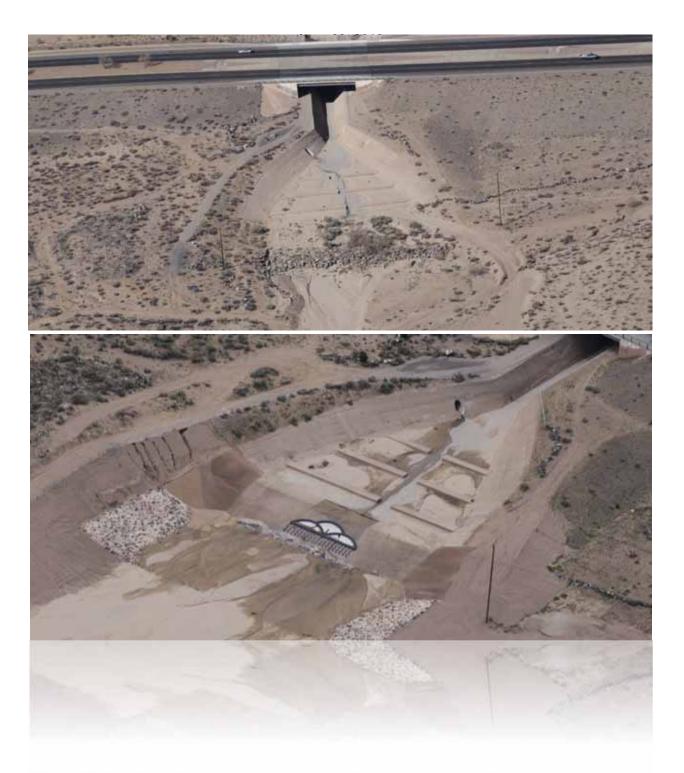
In accordance with *Government Auditing Standards*, we have also issued our report dated November 26, 2018 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the Authority's 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.

Carr, Riggs & Ingram, LLC Albuquerque, New Mexico

Can, Rigge & Ingram, L.L.C.

November 26 2018

# State of New Mexico Albuquerque Metropolitan Arroyo Flood Control Authority REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS



The AMAFCA logo becomes a water quality feature on Calabacillas Arroyo at Grade Control Structure 1a1

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

Required Supplementary Information

June 30, 2018

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, 2018

# **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 has set aside approximately \$5.1M for reserves, which is approximately \$550K more than minimum requirements. The following are some of the highlights that lead to this position:

- The financial position of the Authority is strong. As of June 30, 2018, the Authority's cash and investments available for flood control was about \$3.6M, which is approximately 86% of its fiscal year 2019 budget.
- The Authority added approximately \$8.4M to its June 30, 2017 Construction in Progress, and closed out approximately \$10.7M in projects, adding about \$7.3M of it to infrastructure. The Authority has approximately \$4.7M of on-going flood control projects as of June 30, 2018.
- The Authority is one of the highest rated government agencies in the state of New Mexico; for the 16<sup>th</sup> 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 increased by approximately \$1.8M 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 a decrease of its net pension liability of approximately \$330k, to a total net pension liability of approximately \$2.3M.
- The Authority implemented GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The implementation created a liability for future healthcare of about \$1.6M.
- The Authority early implemented GASB 84, *Fiduciary Activities*. This statement changes the presentation of the custodial (previously agency) funds from an "in & out" method to a modified accrual method. It also changes how it is presented in the report.
- The Authority also implemented GASB 83, *Certain Asset Retirement Obligations*. An analysis of the Authority's capital assets was complete and determined that there are no liabilities that are required to be recorded related to this standard.

## **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.

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

**Required Supplementary Information** 

June 30, 2018

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, 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 custodial 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, 2018

## The Authority as a whole:

Net Position: Table A-1 summarizes the Authority's net position for the fiscal year ended June 30, 2018 and 2017. 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, 2018.

Table A-1
The Authority's Net Position

	Government Activities June 30, 2018	Government Activities June 30, 2017
Current assets	\$ 54,455,550	\$ 52,595,526
Capital assets, net of depreciation	237,907,298	235,465,963
	292,362,848	288,061,489
Deferred outflow of resources	1,464,997	1,011,300
Total assets & deferred outflow of		
resources	\$ 293,827,845	\$ 289,072,789
Current liabilities	\$ 12,195,116	\$ 14,758,323
Non-current liabilities	51,605,757	47,343,258
Total liabilities	63,800,873	62,101,581
Deferred inflow of resources	509,830	26,261
Net Position		
Net investment in capital assets	212,351,685	195,818,843
Restricted for:		
Debt service	11,480,764	13,779,513
Capital projects	2,071,286	2,113,026
Unrestricted	3,613,407	15,233,565
Total net position	229,517,142	226,944,947
Total liabilities, deferred inflows of		
resources, and net position	\$ 293,827,845	\$ 289,072,789

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

**Required Supplementary Information** 

June 30, 2018

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, 2018, the Authority's operating mill levy was 0.171 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, 2018, 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, 2018 were \$14,066,842 as compared to \$13,691,862 for the fiscal year ended June 30, 2017. The budget used conservative property values and collection rates in estimating revenues. The first year and total collections on property taxes remain strong, with first year collections being about 97% and eventually collecting about 99.7%.

**Changes in Net Position:** The Authority's changes in net position on the Statement of Activities for fiscal year 2018 was \$4,329,158, of which approximately \$800K 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 \$69k increase in fund balance for the year ended June 30, 2018. The Authority anticipated a loss (budgeted a \$700K loss) but was able to control costs and revenues exceeded expectations. The Authority continues to budget at a deficit to utilize cash on deposit and to fund these deficits.

The Debt Service fund shows a \$2.3M decrease in fund balance. This is due to having excess cash at the end of fiscal year 2017 and using that cash to make debt payment on August 1, 2017.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 \$4.4M 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 \$8.5M. The Authority has entered into agreements with outsides entities that calls for the Authority to provide joint funding of approximately \$10M for flood control projects. Funding for those projects have been set aside but as of June 30, 2018, but the outside entities have not met the requirements that require the Authority to pay the funding.

The Acquisitions & Savings Fund showed a \$8k increase to fund balance. In fiscal year 2018, the Acquisitions & Savings Fund received transfers from the General Fund totaling \$208k and either

## MANAGEMENT'S DISCUSSION & ANALYSIS (UNAUDITED)

**Required Supplementary Information** 

June 30, 2018

acquired assets or services of approximately 132k. The Authority has a detailed plan in place to use these funds on future known expenditures.

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

	Government Activities Year Ended June 30, 2018	Government Activities Year Ended June 30, 2017, as Restated
Program Revenues		
Revenue from jointly funded projects	\$ 106,915	\$ 592,813
General revenues		
Property taxes	14,066,842	
Capital asset contributions	800,449	, ,
Investment	451,289	190,102
Other	27,603	55,762
Total revenues	15,453,098	23,390,178
Expenses		
Flood control	4,070,051	4,480,695
Planning, engineering, R&D	4,303,616	4,451,092
General government	1,560,467	1,616,442
Interest on long-term debt	910,834	840,647
Total expenses	10,844,968	11,388,876
Change in net position	4,608,130	12,001,302
Beginning net position, as restated	224,909,012	212,907,710
Ending net position	\$ 229,517,142	\$ 224,909,012

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

Required Supplementary Information

June 30, 2018

# **Budgetary Performance**

## **General Operating Fund Budget**

The General Fund property tax revenues exceeded budgeted amounts by approximately \$116,000. 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, 2018 was approximately \$119k.

The Authority continued its history trend of being under budget for expenditures. For the year ended June 30, 2018, the Authority was approximately 14% under budget. It should be noted that the Facilities Operations & Maintenance was about 12% under budget due to fuel costs and contract services 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 15% 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 24%. This is related to our restructuring of our insurance coverages by raising our deductibles (our fulling funding reserve allowed us to do this) and having a strong safety record that lowered our Workers Compensation Insurance.

The general fund did have minor budget adjustments. The adjustments were required to cover new service contracts as well as increased costs for legal ads.

# Capital Assets - Debt Administration

## **Capital Assets**

AMAFCA currently maintains facilities with an accumulative cost in excess of \$290,000,000. The facilities include 71 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 \$485,000,000.

Major projects completed/closed out or accepted for maintenance during fiscal year 2018 were:

West I-40 Ph. IV (\$4.4M)

The overall West I-40 Diversion Project has a long history as a collaborative effort between AMAFCA, other government agencies and private developers. The project illustrates the importance of creating large area-wide plans, coordinating work with private developers and enlisting the help of other government agencies.

The West I-40 Diversion Channel Phase IV Project completed the final portion of the West I-40 Diversion, which intercepts and diverts flood flows along the north side of Interstate 40 from the top of Nine Mile Hill to the Rio Grande, a seven-mile diversion facility. This last phase not only included an important drainage facility but will also contained a unique volcano water quality feature, which

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

**Required Supplementary Information** 

June 30, 2018

will serve as part of the El Pedergal ("The Stoney Place") enhancement facilities for travelers and visitors driving into and out of the city.

West I-40 Diversion Channel Phase IV Project:

- Over 4000' of channel
- Over 6000' of multi-use trail
- Used reclaimed rocks and boulders from the existing area for the Volcano and other features
- One water quality "volcano" which erupts when it rains

The beginnings of the overall West I-40 Diversion Project were presented at the August 22, 1974 AMAFCA Board meeting, where the Board adopted the West Albuquerque Metropolitan Area Drainage Management Plan. AMAFCA commissioned the plan to analyze the watershed and facilitate the efficient use of funding for future drainage infrastructure on the West Mesa area of Albuquerque. Work on the overall West I-40 Diversion Project spanned nearly 45 years and included contributions from AMAFCA, NMDOT, Federal Highway Administration (FHWA), City of Albuquerque and Bernalillo County along with many private developers

## Valle de Oro, 2<sup>nd</sup> Street Channels (\$1.7M)

As identified in the Southeast Valley Drainage and Water Quality Management Plan, new drainage outfalls are needed to help provide flood relief to the valley area which has limited drainage conveyances. In the Valle de Oro National Wildlife Refuge plan, stormwater will enter Valle de Oro and pass through several water quality structures/areas which will utilize naturalistic cleaning devices to gather trash, debris, sediment, and pollutants before they discharge to the Rio Grande Bosque.

AMAFCA constructed this first phase of a series of improvements that will collect and convey water to Valle de Oro Wildlife Refuge. The project included construction of 1500 feet of channel, 800 feet of pipe, and two 10'x8' concrete box culverts to help convey stormwater runoff in parallel to the MRGCD irrigation system and Second Street.

### AMAFCA Telemetry (\$850K)

In FY 2018 deployed phase I of the Telemetry Project. The goal of the project is to provide remote measurement of the status of the AMAFCA flood control system. These data are collected at the AMAFCA office and then served to a public facing web page, providing near real time monitoring of rainfall and water levels. Highlights include:

- Real time video monitoring of the North Diversion Channel at a confluence near the AMAFCA offices.
- A radar gauge to monitor the water level in the North Diversion Channel.
- Five locations (Amole Dam, Don Felipe Dam, McCoy Dam, Piedras Marcadas Dam, and Raymac Dam) were selected for water level and rainfall measurement in near real time. This will provide an operational picture for each dam and allow quick decision making regarding the operation of each of these facilities.

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

**Required Supplementary Information** 

June 30, 2018

At the Hahn Arroyo water quality structure, water level and rainfall are also measured. This
location also provides a camera that produces still images at set intervals for observation of
the water quality structure.

Please see Note D - Changes in Capital Assets (page 45) for more information on Capital Assets.

## **Debt Administration**

The Authority is one of the highest rated government agencies in the state of New Mexico; for the 16<sup>th</sup> 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.

The Authority's legal debt limit is \$80,000,000. Total bonded debt is made up of seven series of general obligation bonds (Series 2011, 2012, 2014, 2015, 2016, 2017 and 2018) which are scheduled to be retired gradually over the next ten years. The total proceeds of these seven series of bonds are \$82,500,000. At June 30, 2018, the Authority's outstanding principal debt was \$54,625,000 resulting in a legal debt margin of 69% of the \$80,000,000 total general obligation bonding capacity. Total outstanding principal and interest at June 30, 2018 was \$61,576,578 versus \$60,293,214 at June 30, 2017. The increase is due to the sale of the \$12,500,000 bond issue. The Authority paid \$12,125,000 in principal and \$1,328,014 for the period ending June 30, 2018.

In June 2018, the Authority sold the first \$12.5M of the \$25M authorized in 2016. The effective interest rate on that sale was 2.40%.

In November 2018, authorization was granted by the voters for the Authority to issue up to \$25M of additional debt.

On August 1, 2018, the Authority paid \$10,030,000 of principal, leaving a remaining balance of \$44,595,000, and \$1,494,573 of interest.

Please see Note E – General Obligation Bonds Payable & Premiums (page 49) 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 property tax year 2018 as passed by the Board of Directors is 0.852 (.177 for operations and .675 for debt) for residential, which is the same as property tax year 2017. This rate was adjusted by NM Department of Finance and Administration (NMDFA) to 0.847 for residential through the Yield Control Act. The total non-residential ad valorem property tax rate in fiscal year 2018 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 and has not seen a rate increase since 1991.

The Authority's fiscal year 2019 adopted budget for the general fund includes estimated property tax revenues of about \$3,798,000, which is an increase from the fiscal year 2018 actual property tax

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

**Required Supplementary Information** 

June 30, 2018

revenues of about \$3,739,000. 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 total budgeted expenditures remained steady, having a minimal decrease of about \$40k. This appears contrary to the local economy. Locally, we are noticing price increases in health insurance (12%) and in fuel, materials and general construction costs (2-5%). To plan for those increased costs, the Authority continues to identify areas to can with stand budget cuts so specific areas with increased costs can afford steady or increased budgets. This approach as allowed the Authority to maintain a relatively steady budget overall.

In anticipation of NMDFA requiring the Authority (FY20) to utilize is Local Government Budget Management System (LGBMS), starting in FY19, the Authority began budgeting utilizing the requirements of LGBMS. This had no effect how the FY19 budget was developed but required a "crosswalk" to LGBMS categories.

## 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, 2018

## **ASSETS**

	Governmental
	Activities
CURRENT ASSETS	
Cash and cash equivalents	\$ 129,052
Investments	53,500,753
Property tax receivables, net of allowance	825,745
Total current assets	54,455,550
CAPITAL ASSETS	
Capital assets not being depreciated	58,620,557
Capital assets being depreciated, net	179,286,741
Total capital assets	237,907,298
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources - pension	1,296,296
Contributions subsequent to measurement - pension	139,436
Contributions subsequent to measurement - OPEB	29,265
Total deferred outflows of resources	1,464,997
Total assets and deferred outflows of resources	\$ 293,827,845

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

## FINANCIAL STATEMENTS

**Government-Wide Statement of Net Position** 

June 30, 2018

## LIABILITIES AND NET POSITION

LIABILITIES AND NET POSITION	
	Governmental
	Activities
LIABILITIES	
Current liabilities	
Accounts payable	\$ 977,526
Accrued payroll and taxes	41,658
Other liabilities	26,253
Compensated absences payable, current portion	57,262
Bonds payable, current portion	10,507,377
Accrued interest payable	585,040
Total current liabilities	12,195,116
Noncurrent liabilities	
Compensated absences payable - expected to	
be paid after one year	80,062
Bonds payable, net of current portion	47,475,511
Net pension liability	2,313,958
Net OPEB Healthcare liability	1,614,275
Net OPEB life insurance liability	121,951
Total noncurrent liabilities	51,605,757
Total liabilities	63,800,873
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources - pension	142,426
Deferred inflows of resources - OPEB	367,404
Total deferred inflows of resources	509,830
NET POSITION	
Net investment in capital assets	212,351,685
Restricted	
Debt service	11,480,764
Capital projects	2,071,286
Unrestricted	3,613,407
Total net position	229,517,142
Total liabilities, deferred inflows, and net position	\$ 293,827,845

\*The accompanying notes are an integral part of these financial statements.



## **FINANCIAL STATEMENTS**

# Government-Wide Statement of Activities For Fiscal Year Ended June 30, 2018

		Expenses	Cont Rev	m Revenues Capital ributions and venue from atly Funded Projects	R	Net (Expense) Revenue and Changes in Net Position
Governmental activities:						
Flood control	\$	(4,070,051)	\$	-	\$	(4,070,051)
Planning, engineering, research						
and development		(4,303,616)		106,915		(4,196,701)
General government		(1,560,467)		-		(1,560,467)
Long-term debt, interest and fees		(910,834)				(910,834)
Total governmental activities	\$	(10,844,968)	\$	106,915		(10,738,053)
General revenues:						
Property taxes						14,066,842
Capital asset contributions						800,449
Investment						451,289
Other						27,603
Total general revenues						15,346,183
Changes in net position						4,608,130
Net position, beginning of year as previously	y rep	orted				226,944,947
Restatement of prior years for implementation		(2,035,935)				
Net position, beginning of year as restated						224,909,012
Net position, end of year					\$ 2	229,517,142

\*The accompanying notes are an integral part of these financial statements.

## FINANCIAL STATEMENTS

## Balance Sheet - Governmental Funds

## June 30, 2018

### **ASSETS**

	General Fund		Debt Service Fund	Ca	upital Projects Fund	equisitions Savings Fund	G	Total overnmental Funds
ASSETS	• • • •			_				• • •
Petty cash	\$ 200	\$	=	\$	=	\$ =	\$	200
Cash in bank	90,959		2,494		35,159	240		128,852
Investments	8,744,087		11,249,680		33,118,465	388,521		53,500,753
Property taxes (net) & other receivables	 252,196		573,549		-	 -		825,745
Total assets	\$ 9,087,442	\$	11,825,723	\$	33,153,624	\$ 388,761	\$	54,455,550
	LIABILITIE	S AN	ND FUND BAI	LAN	CES			
LIABILITIES								
Accounts payable	\$ 220,188	\$	=	\$	757,338	\$ =	\$	977,526
Accrued payroll and taxes	41,658		-		-	-		41,658
Other liabilities	1,253		-		25,000	-		26,253
							_	
Total liabilities	263,099		-		782,338	-		1,045,437
Deferred Inflows	 165,165		344,959				_	510,124
Total liabilities and deferred inflows	428,264		344,959		782,338	-		1,555,561
FUND BALANCES								
Restricted								
Flood control construction								
and maintenance	2,316,874		-		_	_		2,316,874
Debt service	-		11,480,764		_	_		11,480,764
Capital projects	_		,,		32,371,286	_		32,371,286
Committed								,-,-,-
Subsequent year's expenditures	1,103,658		-		_	_		1,103,658
Contingencies	5,102,477							5,102,477
Building and improvements	-		-		-	388,761		388,761
Unassigned						,		,
General	136,169		<u>-</u>			 		136,169
Total fund balances	8,659,178		11,480,764		32,371,286	388,761		52,899,989
Total liabilities and fund balances	\$ 9,087,442	\$	11,825,723	\$	33,153,624	\$ 388,761	\$	54,455,550

## FINANCIAL STATEMENTS

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

June 30, 2018

Total fund balance - governmental funds	\$ 52,899,989
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.	510,124
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	301,539,641
Less accumulated depreciation	(63,632,343)
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 - contributions subsequent to measurement	139,436
Deferred outflows - related to net pension liability	1 206 206
investment earnings Net pension liability	1,296,296 (2,313,958)
Deferred Inflows - related to net pension liability	(142,426)
The net OPEB liabilities and related items are not reported in the funds,	
the following are adjustments related to the net OPEB liabilities:	
Deferred outflows - contributions subsequent to measurement	29,265
Net OPEB liability - heathcare	(1,614,275)
Deferred Inflows - related to net OPEB liability - healthcare	(367,404)
Net OPEB liability - life insurance	(121,951)
Some liabilities are not due and payable in the current	
period and, therefore, are not reported in the funds:	
Compensated absences payable	(137,324)
Accrued interest payable	(585,040)
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	
fund financial statements.	
General obligation bonds	(54,625,000)
Total bond premium	(5,305,665)
Less accumulated amortization	1,947,777
Net position of governmental activities (Statement of Net Position)	\$ 229,517,142

## **FINANCIAL STATEMENTS**

Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds
For Fiscal Year Ended June 30, 2018

	General Fund		Debt Service Fund		Capital Projects Fund		Acquisitons & Savings Fund		Total Governmental Funds	
REVENUES			_				_		_	
Property taxes	\$	3,738,823	\$	10,307,408	\$	-	\$	-	\$	14,046,231
Investments		95,740		58,661		292,817		4,071		451,289
Revenue from jointly funded projects		-		-		106,915		-		106,915
Other		27,603		-	_					27,603
Total revenues		3,862,166		10,366,069		399,732		4,071		14,632,038
EXPENDITURES										
Current										
General government		1,529,457		-		-		-		1,529,457
Flood control		1,143,984		-		-		-		1,143,984
Planning, engineering, research										
and development		877,167		-		-		30,000		907,167
Capital outlay		34,430		-		8,482,481		101,831		8,618,742
Debt service										
Bond principal retirement		-		12,125,000		-		-		12,125,000
Interest and fixed charges		-		1,328,014		-		-		1,328,014
Bond issuance costs				-		95,362		-		95,362
Total expenditures		3,585,038		13,453,014		8,577,843		131,831		25,747,726
Excess (deficiency) of revenues										
over expenditures		277,128		(3,086,945)		(8,178,111)		(127,760)		(11,115,688)
OTHER FINANCING SOURCES AND USES										
Operating transfers in		_		_		_		208,000		208,000
Operating transfers out		(208,000)		-		-		-		(208,000)
Face amount from bond sales		-		_		12,500,000		-		12,500,000
Bond premium issuance				788,196		95,362				883,558
Total other financing sources and uses		(208,000)		788,196		12,595,362		208,000		13,383,558
Net change in fund balances		69,128		(2,298,749)		4,417,251		80,240		2,267,870
Fund balances, beginning of year		8,590,050		13,779,513		27,954,035		308,521		50,632,119
Fund balances, end of year	\$	8,659,178	\$	11,480,764	\$	32,371,286	\$	388,761	\$	52,899,989

<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, 2018

Net change in fund balances - governmental funds	\$ 2,267,870
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	12,125,000
Bond premium is not amortized for fund financial statement purposes, but is for governmental activities - current year amortization	532,112
Bond premiums are included as other revenues for fund financial statement purposes, but are capitalized for governmental activities	(883,558)
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	22,719 (19,570)
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 (net of subsequent contributions), and deferred revenues. The net adjustment for the year was:	640,041
In the governmental funds, OPEB expense is the actual contributions made to NMRHCA and for life insurance, in the entity wide statements, amounts are shown as a net OPEB liability, deferred outflows, and deferred inflows. The net adjustment for the year was:	(38,430)
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:	20,611
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	5,222,293 (3,581,407)
In the statement of activities, turnkey contributed projects are recorded as revenues. These revenues are not recorded in the governmental fund statements.	800,449
Changes in net position of governmental activities (statement of activities)	\$ 4,608,130

\*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, 2018

	Budget Original	Budget Final	Actual Amount Budgetary Basis	Variance Positive (Negative)
Revenues				
Property taxes	\$ 3,623,259	3,623,259	3,738,823	115,564
Revenue - other	40,000	40,000	123,343	83,343
Total revenues	3,663,259	3,663,259	3,862,166	198,907
Expenditures				
Salary and related payroll costs	2,462,403	2,462,403	2,166,705	295,698
Facilities operations and maintenance	604,063	624,063	547,177	76,886
Stormwater quality	325,400	325,400	275,928	49,472
Planning, Engineering, and R&D	134,868	134,868	96,981	37,887
General & Administrative	292,156	294,056	220,926	73,130
Professional Services	76,300	76,300	62,024	14,276
Information Technology	110,563	129,563	93,283	36,280
Governmental affairs	144,820	147,320	122,014	25,306
Total expenditures	4,150,573	4,193,973	3,585,038	608,935
Excess (deficiency) of revenues over expenditures before other financing sources and uses	(487,314)	(530,714)	277,128	807,842
Other financing sources and uses				
Transfers from other funds	-	-	-	-
Transfers to other funds	(208,000)	(208,000)	(208,000)	-
Emergency contingency				
Total other financing and uses	(208,000)	(208,000)	(208,000)	
Net change in fund balance	(695,314)	(738,714)	69,128	807,842
Fund Balance, beginning of year	8,590,050	8,590,050	8,590,050	
Fund Balance, end of year	\$ 7,894,736	7,851,336	8,659,178	807,842

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



## FINANCIAL STATEMENTS

# Statement of Fiduciary Net Position - Fiduciary Funds June 30, 2018

		Ditc	h & Water			St	ormwater		Total	
	Agency &	gency & Safety Task		N	Mid Rio Quality			Custodial		
	Area Wide		Force	Gra	nde CMC	Co	oordinator		Funds	
ASSETS										
Cash in bank	\$ 1,269,116	\$	69,927	\$	34,483	\$	112,851	\$	1,486,377	
Total assets	 1,269,116		69,927		34,483		112,851		1,486,377	
LIABILITIES										
Accounts payable	 393,245		3,383		-		18,120		414,748	
Total liabilities	 393,245		3,383				18,120		414,748	
NET POSITION										
Restricted										
Other Organizations	 875,871		66,544		34,483		94,731		1,071,629	
Total net position	\$ 875,871	\$	66,544	\$	34,483	\$	94,731	\$	1,071,629	

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

## FINANCIAL STATEMENTS

Statement of Changes in Fiduciary Net Position – Fiduciary Funds

June 30, 2018

	Agency & Area Wide		Sa	h & Water fety Task Force	y Task Mid Rio		Stormwater Quality Coordinator		Total Custodial Funds	
ADDITIONS Contributions										
Project funding	\$	1,560,000	\$		\$		\$		\$	1,560,000
Participation	Þ	1,500,000	Ą	31,750	Þ	-	φ	160,211	Φ	191,961
Investments		1,360		2				100,211		1,362
Other		1,300				-		10,015		10,015
Oulei								10,013		10,013
Total additions		1,561,360		31,752		-		170,226		1,763,338
DEDUCTIONS										
Construction		1,412,950		-		-		-		1,412,950
Profressional services		169,785		36,869		26,144		25,332		258,130
Educational outreach		-		-		-		120,770		120,770
Lab costs		-		-		8,322		-		8,322
Other		295		600		-				895
Total deductions		1,583,030		37,469		34,466		146,102		1,801,067
Net increase(deficiency) in										
fiduciary net position		(21,670)		(5,717)		(34,466)		24,124		(37,729)
Net Position, beginning of year		1,147,567		88,531		68,949		109,135		1,414,182
Restatement, note M		(250,026)		(16,270)		-		(38,528)		(304,824)
Net Position, beginning of year, as restated		897,541		72,261		68,949		70,607		1,109,358
Net position, end of year	\$	875,871	\$	66,544	\$	34,483	\$	94,731	\$	1,071,629



### **NOTES TO FINANCIAL STATEMENTS**

June 30, 2018

# 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, 2018

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, 2018.

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. During the year ended June 30, 2018, the Authority adopted GASB Statement No. 75 Accounting and Financial Reporting for Postemployment Benefits Other than Pensions, GASB Statement No. 81 Irrevocable Split-Interest Agreements, GASB Statement No. 85 Omnibus, and GASB Statement No. 86 Certain Debt Extinguishment Issues. These four Statements are required to be implemented as of June 30, 2018, if applicable. During the year ended June 30, 2018, the Authority early implemented GASB Statement No. 83 Certain Asset Retirement Obligations, and GASB Statement 84 Fiduciary Activities.

GASB Statement No. 75 is intended to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. GASB Statement No. 75 has materially impacted the financial statements and additional disclosures are included in the notes to the financial statements to highlight the effects.

### **NOTES TO FINANCIAL STATEMENTS**

#### June 30, 2018

GASB Statement No. 84 is intended to improve the usefulness of fiduciary activity information primarily for assessing the accountability of governments on their role as fiduciaries.

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.

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, 2018.

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, and the Acquisitions & Savings 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, 2018.

#### NOTES TO FINANCIAL STATEMENTS

#### June 30, 2018

The Authority's Fiduciary Funds (Custodial 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 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.

*Fiduciary Funds.* The Authority had Custodial funds during the year ended June 30, 2018. The *Custodial funds* are used to account for assets that the Authority holds for others – including:

#### NOTES TO FINANCIAL STATEMENTS

June 30, 2018

**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.

**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.

**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.

**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.

#### 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.

#### 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.

#### NOTES TO FINANCIAL STATEMENTS

June 30, 2018

#### 5. 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, 2018 was properly approved by the Authority's Board and by the Local Government Division. It was subsequently amended.

#### Investments

The Authority has invested funds in the New Mexico State Treasurer's Local Government Investment Pool (Pool). The investments are valued at amortized costs 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 \$137,324 have been recorded in the government-wide financial statements. Of the \$137,324, \$57,252 is considered the current portion while \$80,072 is considered

#### NOTES TO FINANCIAL STATEMENTS

#### June 30, 2018

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, 2018 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.

								Du	e Within
	June	e 30, 2017	F	Additions	Deletions	June	2018	Oı	ne Year
Compensated absences payable	\$	160,043	\$	110,287	\$ 133,006	\$	137,324	\$	57,262

### 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 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
Telemetry Equipment	5 to 40 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.

#### NOTES TO FINANCIAL STATEMENTS

June 30, 2018

### 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's debt related to Capital Outlay is \$55,855,613. The Authority includes unpsent bond proceeds in the amount of \$30,300,000 in the calculation of net investment in capital assets.

**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:

- 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.

### **NOTES TO FINANCIAL STATEMENTS**

June 30, 2018

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 (\$4,414,632) 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. Significant estimates in the Authority's financial statements include the allowance for uncollectible accounts, expected useful lives of capital assets, current portion of accrued compensated absences, and actuarial estimates included in the calculation of the net pension liability and net OPEB liability.

#### 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, 2018 is attributable to the following:

Delinquent property taxes

\$ 510,124

#### 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's. 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. OPEB - Healthcare

For purposes of measuring the net OPEB Healthcare liability, deferred outflows of resources and deferred inflows of resources related to this OPEB, and OPEB expense, information about the fiduciary net position of the New Mexico Retiree Health Care Authority (NMRHCA) and additions to and deductions from NMRHCA's fiduciary net position have been determined on the same basis

### **NOTES TO FINANCIAL STATEMENTS**

#### June 30, 2018

as they are reported by NMRCHA's. For this purpose, NMRCHA recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

#### 16. OPEB – Life Insurance

For purposes of measuring the net liability related to OPEB for life insurance, the Authority utilized an alternative measurement method based on a valuation date of June 30, 2017. The Authority participates in the same plan as the City of Albuquerque and demographics of the Authority is similar to the City of Albuquerque, therefore, the Authority utilized the valuation report prepared for the City. Using the valuation report, the Authority calculated a per participant liability of \$3,695 and applied it to the Authority's 33 total members (22 active and 11 retired) to calculate the liability as of June 30, 2018 of \$121,951.

The plan is administered through The Hartford, Group Benefits Division. The Authority covers the full cost of retiree life insurance coverage. The current premium rate is \$0.35 per \$1,000 of life insurance for retired employees, regardless of age. The total expense for the authority for the year ended June 30, 2018 was \$3,517. The Authority contributed \$1,096 to the plan for the year ended June 30, 2018. The face amount of life insurance coverage is based on each employee's annual compensation in the year preceding retirement. Coverage amounts, for those retiring after 2008 are equal to:

Final Basic Annual Pay Coverage

\$25,000 but less than \$50,000 ½ basic annual pay

Over \$50,000 \$25,000

Those retiring prior to 2008 are on a detailed coverage scale utilizing 12 final basic annual pay categories with coverage ranging from \$3,00 - \$25,000.

#### 17. 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.

## 18. Asset Retirement Obligations

For the year ended June 30, 2018, the Authority implemented GASB 83. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. The Authority has no such assets or liabilities.

### **NOTES TO FINANCIAL STATEMENTS**

June 30, 2018

## 19. Subsequent Events

Subsequent events have been evaluated through November 26, 2018, 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, 2018. Management believes no material subsequent events have arisen that would require adjustment or disclosure.

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

June 30, 2018

#### **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, 2018, 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, 2018:

Wells Fargo, Albuquerque, NM - all are demand deposit accounts except	
for Ditch and Water Safety accounts	
Cash balances per depository at June 30, 2018:	
Checking and unassigned accounts	\$ 181,195
Construction / Capital Projects	114,371
Debt Service Account	2,494
Acquistions & Savings Account	240
Storm Quality Education	156,415
Ditch & Water Safety Task Force	69,927
Mid Rio Grande MS4 CMC	34,484
Area Wide Maintenance	446
Area Wide Maintenance Savings	 1,268,670
Total deposits	1,828,242
Less outstanding checks and adjustments, all accounts	(213,013)
Less agency funds - cash and savings accounts	 (1,486,377)
Net carrying value at June 30, 2018	\$ 128,852
Shown as:	
General Fund	\$ 90,959
Debt Service Fund	2,494
Capital Projects Fund	35,159
Acquisitions & Savings Fund	 240
Total cash per government-wide financial statements	\$ 128,852

### **NOTES TO FINANCIAL STATEMENTS**

June 30, 2018

*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, 2018, 100% of the Authority's deposits were insured. See Schedule of Pledged Collateral on page 123.

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, 2018

New MexiGROW LGIP	<b>AAAm rated</b>	\$53,500,753	50 day WAM (R) and
			100 day WAM (F)

Following are the investment amounts by fund that are included in the State Treasurer Local Government Investment Pool as of June 30, 2018:

General Fund	\$ 8,744,087
Debt Service Fund	11,249,680
Capital Projects Fund	33,118,465
Acquisitions & Savings Fund	 388,521
Total governmental funds	\$ 53,500,753

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, 2018

#### 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, 2018, 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 1.171 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, 2018:

Receivables	
Current property taxes	\$ 315,621
Delinquent property taxes, net of allowance	
of \$91,838 for doubtful accounts	510,124
Total receivables	\$ 825,745

Of the property taxes noted above, \$87,031 in the General Fund and \$228,590 in the Debt Service Fund are considered available financial resources and considered fully collectible. Delinquent property taxes of \$510,124 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, 2018

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

A summary of changes in capital assets follows:

	June 30, 2017	Additions	Transfers	Sales or Other Dispositions	June 30, 2018
Capital assets not being depreciated	Julie 30, 2017	Additions	Transicis	Dispositions	Julie 30, 2018
Infrastructure:					
Land acquisition	\$ 53,885,875	\$ -	\$ -	\$ -	\$ 53,885,875
Building & yard - construction in progress	42,679	<u>-</u>	Ψ -	Ψ -	42,679
Construction in progress	6,944,101	8,482,481	(7,338,130)	(3,396,449)	4,692,003
Total capital assets not being					
depreciated	60,872,655	8,482,481	(7,338,130)	(3,396,449)	58,620,557
Capital assets being depreciated					
Operations:					
Furniture and fixtures	106,549	34,430	_	-	140,979
Maintenance tools and automotive					
equipment	2,079,444	54,644	-	-	2,134,088
Stormwater quality equipment	27,656	-	-	-	27,656
Telemetry Equipment	-	-	850,979	-	850,979
Office and maintenance buildings	1,755,418	47,187	-	-	1,802,605
Infrastructure:					
Utility relocations	2,036,609	-	-	-	2,036,609
Dams, channels and other					
improvements	228,638,568	800,449	6,487,151		235,926,168
Total capital assets being depreciated	234,644,244	936,710	7,338,130		242,919,084
Total capital assets	295,516,899	9,419,191	-	(3,396,449)	301,539,641
Less accumulated depreciation					
Furniture and fixtures	(88,976)	(9,137)	-	-	(98,113)
Maintenance tools and automotive equipment	(1,407,247)	(154,767)	-	-	(1,562,014)
Stormwater quality equipment	(2,766)	(5,531)	-	-	(8,297)
Telemetry Equipment	-	(69,542)	-	-	(69,542)
Office and maintenance buildings	(623,758)	(44,592)	-	-	(668,350)
Infrastructure	(57,928,189)	(3,297,838)			(61,226,027)
Total accumulated depreciation	(60,050,936)	(3,581,407)			(63,632,343)
Capital assets, net of accumulated					
depreciation	\$235,465,963	\$ 5,837,784	\$ -	\$ (3,396,449)	\$ 237,907,298

## **NOTES TO FINANCIAL STATEMENTS**

## June 30, 2018

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

Depreciation was charged as follows to these functions:

General government	\$ 53,729
Flood control	 3,527,678
	_
Total depreciation	\$ 3,581,407

Construction in progress as of June 30, 2018, consisted of the following:

Project	June 30, 2017	Additions	Transfers to Capital Assets	Deletions	June 30, 2018
Agency Area-wide					
Engineering	-	-	-	-	_
Construction	-	1,560,000	-	(1,560,000)	-
SE Valley Drain SD DMP					
Land	-	-	-	-	-
Engineering	265,644	-	-	(265,644)	-
Black Mesa Phase 1a					
Land	-	-	-	-	_
Engineering	832,449	191,577	-	-	1,024,026
Construction	-	-	-	-	-
SW Valley Flood Reduction Phase II					
Land	3,650	-	-	-	3,650
Engineering	104,034	63,855	-	-	167,889
Construction	-	-	-	-	-
Boca Negra EAP					
Engineering	294,853	-	-	-	294,853
Calabacillas West Branch DMP					
Engineering	348,483	5,363	-	-	353,846
Upper Piedras Marcadas Watershed					
Engineering	263,169	6,402	-	(269,571)	-
Amole-Hubbell Dam System Analysis					
Engineering	129,443	8,349	-	-	137,792

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## NOTES TO FINANCIAL STATEMENTS

## June 30, 2018

			Transfers to		
Project	June 30, 2017	Additions	Capital Assets	Deletions	June 30, 2018
Telemetry Project Phase I					<del>,</del>
Engineering	330,666	49,613	(380,279)	-	-
Construction	252,048	218,652	(470,700)	-	=
Valle De Oro Drainage Design					
Engineering	400,004	7,683	-	-	407,687
Construction	-	-	-	-	-
San Mateo to Moon Mini DMP					
Engineering	243,332	32,241	-	(275,573)	=
West I-40 Phase IV					
Engineering	451,422	100,692	(515,519)	(36,595)	-
Construction	2,095,011	2,043,934	(3,920,981)	(217,964)	=
Pino Dam EAP Phase II					
Engineering	16,437	5,656	-	-	22,093
Tijeras Arroyo Facility Plan					
Engineering	252,188	37,475	-	(289,663)	-
Construction	-	-	-	-	=
Calabacillas Facility Plan 2016					
Engineering	235,214	51,796	-	(287,010)	-
Construction	-	-	-	-	-
Boca Negra DMP Update					
Engineering	108,197	118,827	-	-	227,024
Construction	-	-	-	-	-
Louisiana Gibson Drainage					
Engineering	119,427	295,285	-	-	414,712
Construction	-	191,990	-	-	191,990
Hamilton Dam					
Engineering	22,520	-	-	-	22,520
Construction	-	-	-	-	-
AMAFCA Misc Project 2017					
Engineering	66,798	21,361	(88,159)	-	-
Construction	-	258,233	(258,233)	-	
Bear Arroyo WQ Improvements					
Engineering	52,808	219,965	-	-	272,773
Construction	-	-	-	-	-

## **NOTES TO FINANCIAL STATEMENTS**

## June 30, 2018

			Transfers to		
Project	June 30, 2017	Additions	Capital Assets	Deletions	June 30, 2018
Calabacillas 1A1 Grade Control Structo	ure				
Engineering	38	239,777	-	-	239,815
Construction	-	695,989	-	-	695,989
South Pino Assessment					
Engineering	37,075	-	-	-	37,075
Construction	-	-	-	-	-
Las Ventanas Water Quality					
Engineering	-	70,879	-	-	70,879
Construction	-	-	-	-	-
Tijeras Sediment Structure Ph II					
Engineering	-	63,267	-	-	63,267
Construction	-	-	-	-	-
VDO Drainage 2nd Street Channels					
Engineering	19,191	290,058	(309,249)	-	-
Construction	-	1,423,773	(1,395,010)	(28,763)	-
Montano Levee Improvement Project					
Engineering	-	12,028	-	(12,028)	-
Construction	-	-	-	-	-
Miscellaneous AMAFCA Construction	Project 2018				
Engineering	-	31,645	-	-	31,645
Construction	-	-	-	-	-
Chamisa Pond Expansion					
Engineering	-	11,056	-	-	11,056
Construction	-	-	-	-	-
Dallas Regional Storm Drain					
Engineering	-	1,422	-	-	1,422
Construction	-	-	-	-	-
Misc Project					
Non-capitalized expenditures		153,638		(153,638)	
Total construction in progress	\$ 6,944,101	\$8,482,481	\$ (7,338,130)	\$ (3,396,449)	\$ 4,692,003

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.

#### NOTES TO FINANCIAL STATEMENTS

June 30, 2018

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

Transfers to Infrastructure	\$ 6,487,151
Transfers to Telemetry	850,979
Add cooperative project contributions	800,449
2018 capital asset additions	\$ 8,138,579
Land	\$ -
Stormwater quality equipment	-
Telemetry	850,979
Utility relocations	-
Dams, channels and other improvements	7,287,600
2018 project additions	\$ 8,138,579

The Authority has commitments for construction, professional services, and joint funding agreements of approximately \$11,761,000 as of June 30, 2018. 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:

	Ji	une 30, 2017	Additions	Deletions	Jı	ane 30, 2018	Due Within One Year
General obligation bonds							
payable	\$	54,250,000	\$ 12,500,000	\$ (12,125,000)	\$	54,625,000	\$ 10,030,000
Bond premium		4,607,878	883,558	(185,771)		5,305,665	-
Bond premium amortization		(1,601,436)	(532,112)	185,771		(1,947,777)	477,377
Total	\$	57,256,442	\$ 12,851,446	\$ (12,125,000)	\$	57,982,888	\$ 10,507,377

All bonds are general-purpose obligation bonds, which are to be retired with future property tax levies for this purpose. Those property tax levies are accumulated in the Debt Service Fund, which is the fund used to make principal and interest payments. 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.

### **NOTES TO FINANCIAL STATEMENTS**

#### June 30, 2018

The legal debt limit for the Authority is \$80,000,000 while the total general obligation debt on June 30, 2018 was \$54,625,000. The resulting legal debt margin is \$25,375,000.

The following is the detail for each issue outstanding at June 30, 2018:

## Series 2011

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

	Annual Requirements							
Year ended June 30,	Principal		Principal Interest			Total		
2019	\$	1,925,000	\$	19,250	\$	1,944,250		
	\$	1,925,000	\$	19,250	\$	1,944,250		

## Series 2012

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

	Annual Requirements							
Year ended June 30,	Principal		rincipal Interest		Total			
2019 2020	\$	1,500,000 1,500,000	\$	45,000 15,000	\$	1,545,000 1,515,000		
	\$	3,000,000	\$	60,000	\$	3,060,000		

## Series 2014

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

	Annual Requirements							
Year ended June 30,		Principal Interest		rincipal Interest		Total		
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		
	\$	9,300,000	\$	584,250	\$	9,884,250		

## **NOTES TO FINANCIAL STATEMENTS**

June 30, 2018

### Series 2015

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

	Annual Requirements					
Year ended June 30,	Principal		Interest		Total	
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
	\$	10,100,000	\$	830,500	\$	10,930,500

### Series 2016

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

		Annual Requirements				
Year ended June 30,	Principal		Interest		Total	
	_		,			-
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
	\$	10,050,000	\$	1,343,500	\$	11,393,500

### Series 2017

Original amount: \$12,500,000 Interest rate - 4.0% to 5.0%

	Annual Requirements					
Year ended June 30,	-	Principal		Interest		Total
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
						_
	\$	7,750,000	\$	1,877,700	\$	9,627,700

### **NOTES TO FINANCIAL STATEMENTS**

June 30, 2018

## Series 2018

Original amount: \$12,500,000

Interest rate - 5.0%

	Annual Requirements					
Year ended June 30,		Principal		Interest		Total
		_				
2019	\$	2,645,000	\$	273,373	\$	2,918,373
2020		895,000		419,175		1,314,175
2021		940,000		373,300		1,313,300
2022		990,000		325,050		1,315,050
2023		1,035,000		274,425		1,309,425
2024		1,090,000		221,300		1,311,300
2025		1,145,000		165,425		1,310,425
2026		1,200,000		106,850		1,306,850
2027		1,260,000		57,980		1,317,980
2028		1,300,000		19,500		1,319,500
	\$	12,500,000	\$	2,236,378	\$	14,736,378

## Total All Series

	Annual Requirements						
Year ended June 30,		Principal	Interest			Total	
		_		_		_	
2019	\$	10,030,000	\$	1,494,573	\$	11,524,573	
2020		8,085,000		1,469,425		9,554,425	
2021		7,965,000		1,216,675		9,181,675	
2022		8,160,000		935,050		9,095,050	
2023		5,475,000		682,925		6,157,925	
2024		3,420,000		496,800		3,916,800	
2025		3,875,000		347,675		4,222,675	
2026		3,975,000		203,975		4,178,975	
2027		2,340,000		84,980		2,424,980	
2028		1,300,000		19,500		1,319,500	
	Φ.		Φ.		Φ.		
	\$	54,625,000	\$	6,951,578	\$	61,576,578	

Bond premiums of \$3,305,665 (\$883,558 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, 2018

#### 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), each employee and elected official of every affiliated public employer is required to be a member in the PERA Fund, unless specifically excluded.

Benefits provided. Benefits are generally available at age 65 with five or Benefits are generally available at age 65 with five or more years of service or after 25 years of service regardless of age for TIER I members. Provisions also exist for retirement between ages 60 and 65, with varying amounts of service required. Certain police and fire members may retire at any age with 20 or more years of service for Tier I members. Generally, the amount of retirement pension is based on final average salary, which is defined under Tier I as the average of salary for the 36 consecutive months of credited service producing the largest average; credited service; and the pension factor of the applicable coverage plan. Monthly benefits vary depending upon the plan under which the member qualifies, ranging from 2% to 3.5% of the member's final average salary per year of service. The maximum benefit that can be paid to a retiree may not exceed a range of 60% to 90% of the final average salary, depending on the division. Benefits for duty and non-duty death and disability and for post-retirement survivors' annuities are also available.

#### TIER II

The retirement age and service credit requirements for normal retirement for PERA state and municipal general members hired increased effective July 1, 2013 with the passage of Senate Bill 27 in the 2013 Legislative Session. Under the new requirements (Tier II), general members are eligible to retire at any age if the member has at least eight years of service credit and the sum of the member's age and service credit equals at least 85 or at age 67 with 8 or more years of service credit. General members hired on or before June 30, 2013 (Tier I) remain eligible to retire at any age with 25 or more years of service credit. Under Tier II, police and firefighters in Plans 3, 4 and 5 are eligible to retire at any age with 25 or more years of service credit. State police and adult correctional officers, peace officers and municipal juvenile detention officers will remain in 25-year retirement plans, however, service credit will no longer be enhanced by 20%. All public safety members in Tier II may retire at age 60 with 6 or more years of service credit. Generally, under Tier II pension factors were reduced by .5%, employee Contribution increased 1.5 percent and effective July 1, 2014 employer contributions were raised .05 percent. The computation of final average salary increased as the average of salary for 60 consecutive months.

### **NOTES TO FINANCIAL STATEMENTS**

#### June 30, 2018

**Contributions.** The Authority participates in the Municipal Plan 3. The plan requires an employee contribution percentage of 14.65% and employer contribution percentage of 9.55%. The Pension Factor per year of Service is 3.0% for Tier I members and 2.5% for Tier II members. The Pension Maximum as a Percentage of the Final Average Salary is 90%.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2018, the Authority reported a liability of \$2,313,958 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2017 using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date of June 30, 2017. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2017. The employer's name's proportion of the net pension liability was based on a projection of the Authority's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2017, the employer's name's proportion was 0.1684%, which was an increase of 0.0028% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the employer's name recognized a negative pension expense of \$500,555. At June 30, 2018, employer's name reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred		Deferred	
		outflows of Resources		nflows of esources
the Authority's contributions subsequent to the measurement date	\$	139,486	\$	-
Differences between expected and actual experience		90,923		118,514
Changes in assumptions		106,708		23,912
Net difference between projected and actual earnings on pension plan investments		189,846		-
Changes in proportion and differences between the Authority contributions and proportionate share				
of contributions		908,769		
Total	\$	1,435,732	\$	142,426

#### NOTES TO FINANCIAL STATEMENTS

#### June 30, 2018

\$139,486 reported as deferred outflows of resources related to pensions resulting from employer's name's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. 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:	
2019	\$ 497,573
2020	635,345
2021	76,384
2022	(55,482)
2023	-
Thereafter	-

Actuarial assumptions. The total pension liability in the June 30, 2017 actuarial valuation was determined using the following significant actuarial assumptions, applied to all periods included in the measurement:

Actuarial valuation date	June 30, 2016
Actuarial cost method	Entry age normal
Amortization method	Level percentage of pay
Amortization period	Solved for based on statutory rates
Asset valuation method	4 year smoothed Market Value
Actuarial assumptions:	
Investment rate of return	7.51% annual rate, net of investment
<ul> <li>Projected benefit payment</li> </ul>	100 years
Payroll growth	2.75% annual rate for the first 9 years, then 3.25% for all other years
<ul> <li>Projected salary increases</li> </ul>	2.75% to 14.00% annual rate
Includes inflation at	2.25% annual rate for the first 9 years, then 2.75% for all other years
Mortality Assumption	RP-2000 Mortality Tables (Combined table for healthy post-retirement, Employee table for active members and Disabled table for disabled retirees before retirement age) with projection to 2018
Experience Study Dates	July 1, 2008 to June 30, 2013 (demographic) and July 1, 2010 through June 30, 2016 (economic)

### **NOTES TO FINANCIAL STATEMENTS**

#### June 30, 2018

The total pension liability, net pension liability, and certain sensitivity information are based on an actuarial valuation performed as of June 30, 2016. The total pension liability was rolled-forward from the valuation date to the plan year ended June 30, 2017. These assumptions were adopted by the Board for use in the June 30, 2016 actuarial valuation.

The long-term expected rate of return on pension plan investments was determined using a building-block method 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 allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

		Long Term
	Target	Expected Real
ALL FUNDS - Asset Class	Allocation %	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:** A single discount rate of 7.51% was used to measure the total pension liability as of June 30, 2017. This single discount rate was based on a long-term expected rate of return on pension plan investments of 7.51%, compounded annually, net of expense. Based on the stated assumptions and the projection of cash flows, the plan's fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

The projections of cash flows used to determine this single discount rate assumed that plan member and employer contributions will be made at the current statutory levels.

**Sensitivity of the employer name's proportionate share of the net pension liability to changes in the discount rate**. The following presents the employer name's proportionate share of the net pension liability calculated using the discount rate of 7.51 percent, as well as what the *employer name's* proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.51 percent) or 1-percentage-point higher (8.51 percent) than the current rate:

## **NOTES TO FINANCIAL STATEMENTS**

June 30, 2018

	1%	Current	1%
	Decrease	Discount Rate	Increase
	(6.51%)	(7.51%)	(8.51%)
the Authority's proportionate share of the			
net pension liability	\$ 3,626,737	\$ 2,313,958	\$ 1,222,200

**Pension plan fiduciary net position.** Detailed information about the pension plan's fiduciary net position is available in the separately issued FY 17 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, 2018

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

*Plan Description.* Employees of the Authority are provided with OPEB through the Retiree Health Care Fund (the fund)- a cost-sharing multiple-employer defined benefit OPEB plan administered by the New Mexico Retiree Health Care Authority (NMRHCA). NMRHCA was formed February 13, 1990, under the New Mexico Retiree Health Care Act (the Act) of New Mexico Statutes Annotated as amended (NMSA 1978), to administer the Fund under Section 10-7C-1-19 NMSA 1978. The Fund was created to provide comprehensive group health insurance coverage for individuals (and their spouses, dependents and surviving spouses) who have retired or will retire from public service in New Mexico.

NMRHCA is an independent agency of the State of New Mexico. The funds administered by NMRHCA are considered part of the State of New Mexico financial reporting entity and are OPEB trust funds of the State of New Mexico. NMRHCA's financial information is included with the financial presentation of the State of New Mexico.

**Benefits Provided.** The Fund is a multiple employer cost sharing defined benefit healthcare plan that provides eligible retirees (including terminated employees who have accumulated benefits but are not yet receiving them), their spouses, dependents and surviving spouses and dependents with health insurance and prescription drug benefits consisting of a plan, or optional plans of benefits, that can be contributions to the Fund and by co-payments of eligible retirees.

Employees covered by benefit terms. At June 30, 2017, the Fund's measurement date, the following employees were covered by the benefit terms:

#### Plan membership

Current retirees and surviving spouses	51,208
Inactive and eligible for deferred benefit	11,478
Current active members	97,349
Total	<u>160,035</u>
Active Membership	
State general	19,593
State police and corrections	1,886
Municipal general	21,004
Municipal police	3,820
Municipal FTRE	2,290
Educational Retirement Board	<u>48,756</u>
Total	<u>97,349</u>

Contributions. Employer and employee contributions to the Fund total 3% for non-enhanced retirement plans and 3.75% of enhanced retirement plans of each participating employee's salary as required by Section 10-7C-15 NMSA 1978. The contributions are established by statute and are not based on an actuarial calculation. All employer and employee contributions are non-refundable under any circumstance, including termination of the employer's participation in the Fund. Contributions to the Fund from the Authority were \$29,265 for the year ended June 30, 2018.

#### NOTES TO FINANCIAL STATEMENTS

June 30, 2018

*OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflow of Resources Related to OPEB.* At June 30, 2018 the Authority reported a liability of \$1,614,275 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined y an actuarial valuation as of that date. The Authority's proportion of the net OPEB liability was based on actual contributions provided to the Fund for the year ending June 30, 2017. At June 30, 2017, the Authority's proportion was .0346 percent.

For the year ended June 30, 2018, the Authority recognized OPEB expense of \$38,430. At June 30, 2018, the Authority reported outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
the Authority's contributions subsequent to the measurement date	\$	29,265	\$	-
Differences between expected and actual experience		-		61,947
Changes in assumptions		-		282,235
Net difference between projected and actual earnings on pension plan investments		-		23,222
Changes in proportion and differences between the Authority contributions and proportionate share of contributions				
Total	\$	29,265	\$	367,404

Deferred outflows of resources totally \$29,265 represent Authority contributions to the Fund made subsequent to the measurement date and will be recognized as a reduction of net OPEB liability in the year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

Year ended June 30:	
2019	\$ 78,113
2020	78,113
2021	78,113
2022	78,113
2023	54 952

#### NOTES TO FINANCIAL STATEMENTS

#### June 30, 2018

**Actuarial Assumption.** The total OPEB liability was determined by an actuarial valuation using the following actuarial assumptions:

Actuarial valuation date	June 30, 2017
Actuarial cost method	Entry age normal, level percent of pay
Asset valuation method	Market value of assets
Actuarial assumptions:	
<ul> <li>Inflation</li> </ul>	2.25 % for PERA members
Projected payroll increases	3.50%
Investment rate of return	7.25%, net of OPEB plan investment expense and margin for adverse deviation including inflation
Health care cost trend rate	8% graded down to 4.5% over 14 years for Non- Medicare medical plan costs and 7.5% graded down to 4.5% over 12 for Medicare medical plan costs

Rate of Return. The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which the expected future real rates of return (net of investment fees and inflation) are developed for each major asset class. These returns 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, adding expected inflation and subtracting expected investment expenses and a risk margin. The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expenses, used in the derivation of the long-term expected investment rate of return assumptions.

The best estimates for the long-term expected rate of return is summarized as follows:

	Long Term
Asset Class	Rate of Return
U.S. core fixed income	4.10
U.S. equity - large cap	9.10
Non U.S emerging markets	12.20
Non U.S developed equities	9.80
Private equity	13.80
Credit and structured finance	7.30
Real estate	6.90
Absolute return	6.10
U.S. equity - small/mid cap	9.10

**Discount Rate.** The discount rate used to measure the Fund's total OPEB liability is 3.81% as of June 30, 2017. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at rates proportional to the actuary determined contribution rates. For this purpose, employer contributions that are intended to fund benefits of current plan members and their

## **NOTES TO FINANCIAL STATEMENTS**

June 30, 2018

beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries are not included. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members through the fiscal year ending June 30, 2028. Thus, the 7.25% discount rate was used to calculate the net OPEB liability through 2029. Beyond 2029, the index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher. Thus, 3.81% is the blended discount rate.

Sensitivity of the net OPEB liability to changes in the discount rate and healthcare cost trend rates. The following presents the net OPEB liability of the Authority, as well as the Authority's net OPEB liability would be if it were calculated using a discount rate that is 1-pecentage-point lower (2.81% or 1-percentage-point higher (4.81%) than the current discount rate:

1%	Current	1%
Decrease	Discount Rate	Increase
(2.81%)	(3.81%)	(4.81%)
\$ 1,902,677	\$ 1,614,275	\$ 1,306,471

The following present the net OPEB liability of the Authority, as well as what the Authority's net OPEB liability would be if there were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage point higher than the current healthcare cost trend rates:

1%	Current	1%
Decrease	Trend Rate	Increase
\$ 1,372,134	\$ 1,614,275	\$ 1,803,145

*OPEB pan fiduciary net position.* Detailed information about the OPEB plan's fiduciary net position is available in NMRHCA's audited financial statements for the year ended June 30, 2017.

*Payable Changes in the Net OPEB Liability.* At June 30, 2018, the Authority did not have any reported payables for outstanding contributions due to NMRHCA.

## **NOTES TO FINANCIAL STATEMENTS**

June 30, 2018

#### **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	\$208,000

#### 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 \$3,460,128 as of June 30, 2018. This reserve was fully funded as of June 30, 2018.

**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, 2018 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, 2018 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, 2018 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, 2018

## **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, 2018 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	6/30/18
e.	Premium paid	\$29,139

#### **Property**

a.	Name of insurance agent	New Mexico Self-Insurers' Fund
b.	Policy Number	4020P
c.	Amount of coverage	Scheduled Values
d.	Expiration date	6/30/18
e.	Premium paid	\$6,028

#### **General Liability**

or a	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	6/30/18
e.	Premium paid	\$13.214

#### **Auto 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	6/30/18			
e.	Premium paid	\$33,804			
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	6/30/18
e.	Premium paid	\$250

## **Civil Rights**

IIII	gnts	
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	6/30/18
e.	Premium paid	\$5,748

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

## **NOTES TO FINANCIAL STATEMENTS**

June 30, 2018

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, 2018, 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, 2019.

#### **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 \$917,583 at June 30, 2018 was recorded by the Authority. An estimated allowance for doubtful accounts of \$91,838 was also provided in conjunction with this receivable, resulting in a net amount recorded of \$825,745.

Depreciation on capital assets is a second significant estimate. Depreciation expense totaled \$3,315,450 for the year ended June 30, 2018.

The Net Pension Liability and related deferred inflows and outflows are based on an actuarial study, see Note F for details.

The Net OPEB liability and related deferred inflows are based on an actuarial study, see Note G for details.

The current portion of Compensated Absences is estimated based on anticipated usage of accrued hours. The Authority estimates that employees will utilize the hours they have accrued up to 40 hours in the subsequent year.

#### NOTE L - NEW ACCOUNTING STANDARDS IMPLEMENTATION

The Authority has evaluated pronouncements through GASB 90 and do not believe any have a significant impact to the Authority's financial statements.

## **NOTES TO FINANCIAL STATEMENTS**

June 30, 2018

#### **NOTE M – RESTATEMENTS**

GASB 74/75

For the year ended June 30, 2018, the Authority implemented GASB Statement No. 74/75 "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." The Statement 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. The Authority also participates in an Life Insurance program for retirees. The Authority FY 18 government wide financial statements contain a restatement to beginning equity to establish the liability related to this standard as of June 30, 2017. The restatement is as follows:

Net adjustment for OPEB – Healthcare	\$ 1,917,501
Net adjustment for OPEB – Life insurance	 118,434
Total	\$ 2,035,935

#### GASB 84

For the year ended June 30, 2018, the Authority implemented GASB Statement No.84 "Fiduciary Activities." 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. As part of implementing GASB 84, the Authority converted the accounting of these funds from a cash to modified accrual basis. As part of this conversion, restated beginning Net Position to included accounts payables that were not included as part of the cash method. The adjustments to each fiduciary fund is as follows:

Agency & Area Wide - Accounts Payable	\$ 250,026
Ditch & Water Safety Task Force –	
Accounts Payable	16,270
Stormwater Quality Coordinator –	
Accounts Payable	 38,528
Total	\$ 304,824

## **NOTES TO FINANCIAL STATEMENTS**

June 30, 2018

## **NOTE N – TAX ABATEMENTS**

The following are Industrial Revenue Bonds affecting the Authority:

Other Entities Disclosure - AMAFCA - Fiscal Year Ended June 30, 2018					
Agency number for Agency making the disclosure (Abating Agency)	5001	5001	5001	5001	5001
Abating Agency Name	Bernalillo County	Bernalillo County	Bernalillo County	Bernalillo County	Bernalillo County
Abating Agency Type	County	County	County	County	County
Tax Abatement Agreement Name	Desert Willow Apartments Project	CCC&S Family Project (dated 11/1/2016)	Lease Agreement between Bernalillo County and Lowe's Home Centers, Inc.	SBS Technologies, Inc. Corporate Headquarters Project	West Publishing Corporation Project
Name of agency affected by abatement	Albuquerque Metro Arroyo	Albuquerque Metro Arroyo	Albuquerque Metro Arroyo	Albuquerque Metro Arroyo	Albuquerque Metro Arroyo
agreement (Affected Agency)	Flood Control Authority	Flood Control Authority	Flood Control Authority	Flood Control Authority	Flood Control Authority
Agency number of Affected Agency	4003	4003	4003	4003	4003
Agency type of Affected Agency	Special District	Special District	Special District	Special District	Special District
Recipient(s) of tax abatement	Desert Willow Limited Partnership	CCC&S Family LLC	Lowe's Home Centers, Inc.	Brunacini Development LTD. CO.	West Publishing Corporation, Southwest Tiburon LLC
Tax abatement program (name and brief description)	Multifamily Housing Refunding Revenue Bonds Series 2008), replacing Series 1998.	IRB - Taxable Industrial Revenue Bonds, Series 2016	IRB - Taxable Industrial Revenue Bonds (Series 2011)	Taxable Industrial Revenue Bonds (Series 2004)	Taxable Industrial Revenue Bonds (Series 2004A)
Specific Tax(es) Being Abated	Real Property Tax	Real and personal property tax exemption	Personal property tax exemption	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	NMSA §7-37-6
		Real Property tax :	Real Property tax :		
Gross dollar amount, on an accrual basis, by which the Affected Agency's tax revenues were reduced during the reporting period as a			Personal Property tax :		
result of the tax abatement agreement	Real Property tax : \$2,662.54	Real Property tax : \$781.59	\$4382.62	Real Property tax : \$2,752.52	Real Property tax : \$2.453 17
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	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	N/A	N/A

# NOTES TO FINANCIAL STATEMENTS

5001	5001	5001	5001	5001	5001
Bernalillo County	Bernalillo County	Bernalillo County	Bernalillo County	Bernalillo County	Bernalillo County
County	County	County	County	County	County
Sennheiser New Mexico LLC Project	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	Albuquerque Metro Arroyo	Albuquerque Metro Arroyo	Albuquerque Metro Arroyo	Albuquerque Metro Arroyo	Albuquerque Metro Arroyo
Flood Control Authority	Flood Control Authority	Flood Control Authority	Flood Control Authority	Flood Control Authority	Flood Control Authority
4003	4003	4003	4003	4003	4003
Special District	Special District	Special District	Special District	Special District	Special District
Sennheiser New Mexico LLC	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 2004)	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, 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	NMSA §7-37-6
Real Property tax : \$0 Personal Property tax : \$0 none	Real Property tax : \$13,737.94 Personal Property tax : \$3,304.26 none	Real Property tax : \$7,596.04 none	Real Property tax : \$1,142.88 Personal Property tax : \$449.92 none	Real Property tax : \$0 Personal Property tax : \$0 none	Real property tax : \$4,70.84 Personal Property tax : \$0 none
N/A	N/A	N/A	N/A	N/A	N/A

## **NOTES TO FINANCIAL STATEMENTS**

Other Entities Disclosure - AMAFCA - Fiscal Year Ended June 30, 2018				
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	Albuquerque Metro Arroyo	Albuquerque Metro Arroyo	Albuquerque Metro Arroyo	Albuquerque Metro Arroyo
agreement (Affected Agency)	Flood Control Authority	Flood Control Authority	Flood Control Authority	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 : \$2,688.81 none	Real Property tax \$729.52 none	Real Property tax : \$5,423.92 Personal Property tax \$138.09 none	Real Property tax : \$2,317.19 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	Albuquerque Metro Arroyo	Albuq. Metro Arroyo Flood	Albuquerque Metro Arroyo	Albuquerque Metro Arroyo
Flood Control Authority	Flood Control Authority	Control Authority	Flood Control Authority	Flood Control Authority
4003	4003	4003	4003	4003
Special District  Glenrio LLLP	Special District  JSR Holdings, LLC	Special District  Gold Mesa Investments	Special District The Tortilla Building, LLC (lesee) and Flagship Food Group North America LLC (sublesee)	Special District  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 : \$4,566.31	Real Property tax \$370.68	Personal Property tax : \$934.26	Real Property tax : \$2,121.54 Personal Property tax : \$1,287.17	Real Property tax : \$256.91
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, 2018					
Agency number for Agency making the disclosure (Abating Agency)	5001	5001	5001	5001	5001
Abating Agency Name	Bernalillo County	Bernalillo County	Bernalillo County	Bernalillo County	Bernalillo County
Abating Agency Type	County	County	County	County	County
Abating Agency Type	County	County	County	County	County
Tax Abatement Agreement Name	The Village at Avalon Project (dated 12/1/2015)	Harrington Project 2015	Wagner Equipment Project (dated 12/1/2015)	General Mills Operations Project (dated 11/1/2016)	NM Food Distributors Project (dated 12/29/2015)
	Alberta Adados Assessa Florad	Albert Market America Florid	Album Adama Amaria Fland	Album Adatus America Florid	Album Adatus America Florad
Name of agency affected by abatement	Albuq. Metro Arroyo Flood	Albuq. Metro Arroyo Flood	Albuq. Metro Arroyo Flood	Albuq. Metro Arroyo Flood	Albuq. Metro Arroyo Flood
agreement (Affected Agency)	Control Authority	Control Authority	Control Authority	Control Authority	Control Authority
Agency number of Affected Agency	4003	4003	4003	4003	4003
Agency type of Affected Agency	Special District	Special District	Special District	Special District	Special District
Recipient(s) of tax abatement	Village at Avalon Apartments	Harrington Properties	Wagner Equipment Co	General Mills Operations LLC	Karsten Tortilla Factory
Tax abatement program (name and brief description)	Series 2015 Multifamily Housing Revenue Bonds.	Taxable Industrial Revenue Bonds	Taxable Industrial Revenue Bonds (Series 2015)	Taxable Industrial Revenue Bonds (Series 2016)	Taxable Industrial Revenue Bonds (Series 2015)
Specific Tax(es) Being Abated	Real Property Tax	Real Property Tax	Real Property Tax	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	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 : \$1,836.64 none	Real Property tax : \$341.11 none	Real Property tax : \$783.17 none	Personal Property tax : \$0 Gross Receipts tax : \$0 none	Real Property tax : \$1,024.37 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	N/A

# NOTES TO FINANCIAL STATEMENTS

5001	5001	5001	5001	5001	5001
Bernalillo County	Bernalillo County	Bernalillo County	Bernalillo County	Bernalillo County	Bernalillo County
County	County	County	County	County	County
Los Poblanos Project (dated 3/1/2016)	MCT Balloon Fiesta Industrial Park Project (dated 12/31/2016)	New Beginnings Senior Living Project (dated 12/1/2016)	One Central Entertainment Hub Project	Rio Bravo Brewing Project dated 2/1/2016)	Rio Vista Apartments Project (dated 11/1/2016)
Albuq. Metro Arroyo Flood Control Authority	Albuq. Metro Arroyo Flood Control Authority	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	4003	4003
Special District	Special District	Special District	Special District	Special District	Special District
Rembe Family, LLC	Mart-Nair Investments (Affiliated with MCT Industries and MCT Devel)	New Beginnings Senior Living LLC	One Central Associates	DRB Properties and Rio Bravo Brewing Co	Rio Housing Associates
IRB - Taxable Industrial Revenue Bonds (Series 2016)	IRB - Taxable Industrial Revenue Bonds, Series 2016 B	IRB - Taxable Industrial Revenue Bonds (Series 2016)	IRB - Taxable Industrial Revenue Bonds, Series 2016B	IRB - Taxable Industrial Revenue Bonds (Series 2016)	IRB - Taxable Industrial Revenue Bonds (Series 2016)
Real and personal property tax exemption	Real and personal property tax exemption	Real and personal property tax exemption	Real and personal property tax exemption	Real and personal property tax exemption	Real and personal property tax exemption
NMSA 7-37-6	NMSA 7-37-6	NMSA 7-37-6	NMSA 7-37-6	NMSA 7-37-6	NMSA 7-37-6
Real Property tax : \$2,392.07 Personal Property tax : \$65.59	Real Property tax : \$,4193.10	Real Property tax : \$58.82	Real Property tax : \$174.97	Real Property tax : \$336.58 Personal Property tax : \$439.03	Real Property tax : \$667.74
none	none	none	none	none	none
N/A	N/A	N/A	N/A	N/A	N/A

## **NOTES TO FINANCIAL STATEMENTS**

Other Entities Disclosure - AMAFCA - Fiscal Year Ended June 30, 2018				
Agency number for Agency making the disclosure (Abating Agency)	5001	5001	5001	452
Abating Agency Name	Bernalillo County	Bernalillo County	Bernalillo County	New Mexico Hospital Equipment Loan Council
Abating Agency Type	County	County	County	State Agency
Tax Abatement Agreement Name	Lease Agreement between Bernalillo County and UR Silver LLC	Valencia Retirement Apartments Project (1/1/2000)	Cottonwood Apartment Project	Lease Agreement (New Mexico Hospital Equipment Loan Council/Lovelace Health System, Inc. dated 10/1/2011; 'Lovelace Heart Hospital')
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	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	UR Silver LLC	Valencia Limited Partnership	GSL Properties	Lovelace Health System, Inc.
Tax abatement program (name and brief description)	IRB - Taxable Industrial Revenue Bonds (Series 2014A)	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	New Mexico Hospital Equipment Loan Act (New Mexico Statue 58-23- 29 )
Specific Tax(es) Being Abated	Real and personal property tax exemption	Real and Personal Property Tax	Real and Personal Property Tax	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 7-38
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	none	Real Property tax : \$3,024.01 none	Real Property tax : \$3,670.62 none	Est. Property Tax = \$7,548.51 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

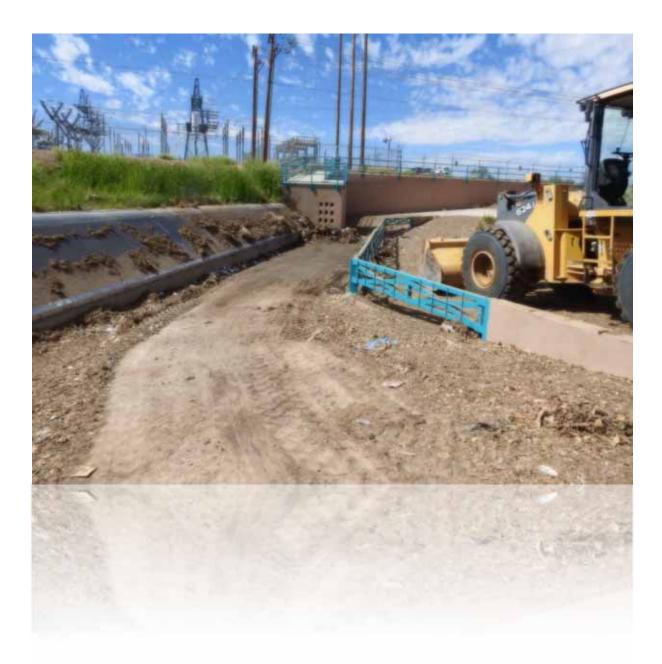
452	6004	6004	6004
New Mexico Hospital Equipment Loan Council	City Of Albuquerque	City Of Albuquerque	City Of Albuquerque
State Agency	Municipal Government	Municipal Government	Municipal Government
Lease Agreement (New Mexico Hospital Equipment Loan Council/Lovelace Health System, Inc. dated 12/1/2007; 'Lovelace Women's Hospital Project')	General Mills IRB	General Tech IRB	Hotel Adaluz IRB
Albuquerque Metro Arroyo Flood Control Authority	AMAFCA Operating and Debt	AMAFCA Operating and Debt	AMAFCA Operating and Debt
4003	4003	4003	4003
Special District	Flood Control District	Flood Control District	Flood Control District
Lovelace Health System, Inc.	General Mills	General Tech	Hotel Adaluz
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	State of New Mexico Statutes Article 32 Industrial Revenue Bonds City of Albuquerque Code of Ordinances § 3-2-15 INDUSTRIAL REVENUE BOND PROJECTS
Property Tax	Property Tax	Property Tax	Property Tax
	The recipient can also apply for abatement of compensating tax on purchase of equpments and investment tax credits from the state of new mexico. There was no abatement for non-property taxes in the current year	The recipient can also apply for abatement of compensating tax on purchase of equpments and investment tax credits from the state of new mexico. There was no abatement for non-property taxes in the current year	The recipient can also apply for abatement of compensating tax on purchase of equpments and investment tax credits from the state of new mexico. There was no abatement for non-property taxes in the current year
NMSA 7-38	Article VIII state statutes property tax	Article VIII state statutes property tax	Article VIII state statutes property tax
	AMAFCA	AMAFCA	AMAFCA
	AND THE	and the	ANNUAL MATERIAL PROPERTY AND ASSESSMENT MATERIAL PROPERTY AND ASSESSMENT ASSE
This cannot be Estimated	\$15,750.00	\$1,869.00	\$5,933.00
none	none	none	none
N/A	N/A	N/A	N/A

## **NOTES TO FINANCIAL STATEMENTS**

Other Entities Disclosure - AMAFCA - Fiscal Year Ended June 30, 2018				
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	Hotel Parq IRB	Karsten IRB	Ktech (currently owned by Raytheon) IRB	
Name of agency affected by abatement	AMAFCA Operating and Debt	AMAFCA Operating and Debt	AMAFCA Operating and Debt	
agreement (Affected Agency)	4000	4000	4000	
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	Hotel Parq	Karsten	Ktech (currently owned by Raytheon)	
Tax abatement program (name and brief description)	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	
Specific Tax(es) Being Abated	Property Tax	Property Tax	Property Tax	
	The recipient can also apply for abatement of compensating tax on purchase of equpments and investment tax credits from the state of new mexico. There was no abatement for non-property taxes in the current year	The recipient can also apply for abatement of compensating tax on purchase of equpments and investment tax credits from the state of new mexico. There was no abatement for non-property taxes in the current year	The recipient can also apply for abatement of compensating tax on purchase of equpments and investment tax credits from the state of new mexico. There was no abatement for non-property taxes in the current year	
Authority under which abated tax would have 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				
result of the tax abatement agreement	\$4,072.00	\$2,301.00	\$4,431.00	
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	

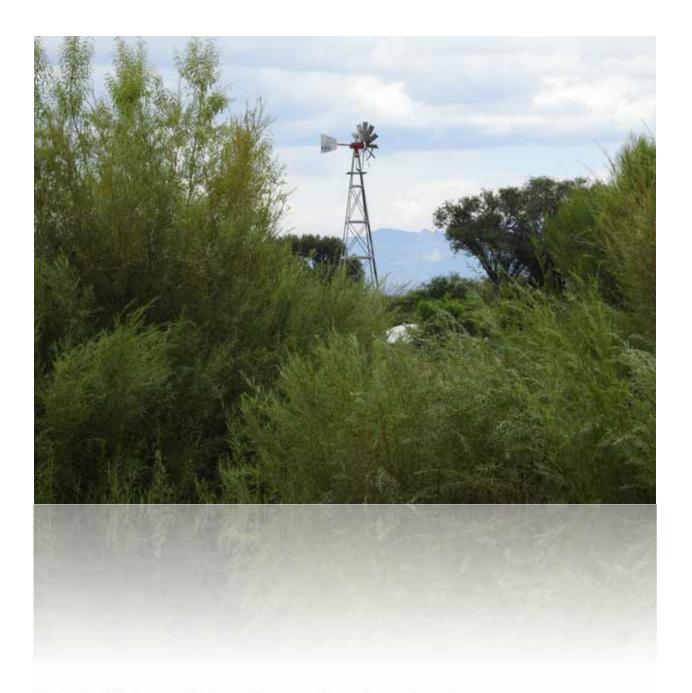
# NOTES TO FINANCIAL STATEMENTS

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	CVI Laser	El Encanto/Bueno Foods IRB	Emcore IRB
AMAFCA Operating and Debt	AMAFCA Operating and Debt	AMAFCA Operating and Debt	AMAFCA Operating and Debt
4003	4003	4003	4003
Flood Control District	Flood Control District	Flood Control District	Flood Control District
Sun Healthcare	CVI Laser	El Encanto/Bueno Foods	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
Property Tax	Property Tax	Property Tax	Property Tax
The recipient can also apply for abatement of compensating tax on purchase of equpments and investment tax credits from the state of new mexico. There was no abatement for non-property taxes in the current year	The recipient can also apply for abatement of compensating tax on purchase of equpments and investment tax credits from the state of new mexico. There was no abatement for non-property taxes in the current year	The recipient can also apply for abatement of compensating tax on purchase of equpments and investment tax credits from the state of new mexico. There was no abatement for non-property taxes in the current year	The recipient can also apply for abatement of compensating tax on purchase of equpments and investment tax credits from the state of new mexico
Article VIII state statutes property tax	Article VIII state statutes property tax	Article VIII state statutes property tax	Article VIII state statutes property tax
AMAFCA	AMAFCA	AMAFCA	AMAFCA
\$5,237.00	\$925.00	\$1,606.00	\$5,592.09
,		. ,	u-,
none	none	none	none
N/A	N/A	N/A	N/A



Maintenance crews clean out the Vineyard Water Quality Structure that keeps debris from entering the Rio Grande

# REQUIRED SUPPLEMENTAL INFORMATION



Windmill installed at Raven Pond to circulate water

## SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Last 10 Fisc	cal Years*			
	2018 Measurement Date (As of and for the Year Ended June 30, 2017)	2017 Measurement Date (As of and for the Year Ended June 30, 2016)	2016 Measurement Date (As of and for the Year Ended June 30, 2015)	2015 Measurement Date (As of and for the Year Ended June 30, 2014)
AMAFCA's porportion of the net pension liability	0.17%	0.17%	0.15%	0.15%
AMAFCA's proportionate share of the net pension liability	2,313,958	2,645,731	1,583,015	1,213,094
AMAFCA's covered-employee payroll	1,482,897	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	156.0%	186.2%	116.4%	95.1%
Plan fiduciary net position as a percentage of total pension liability	69%	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, 2018

Last 10 Fiscal Years*					
	As of and for the Year Ended 2018	As of and for the Year Ended 2017	As of and for the Year Ended 2016	As of and for the Year Ended 2015	
Contractually required contribution	140,816	135,406	136,173	143,209	
Contributions in relation to the contractually required contribution	140,816	135,406	136,173	143,209	
Contribution deficiency (excess)	-	-	-	-	
AMAFCA's covered-employee payroll	1,467,118	1,482,897	1,421,285	1,360,284	
Contributions as a percentage of covered-employee payroll	9.6%	9.1%	9.6%	10.5%	

<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.

## 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 FY17 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, 2017 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>.

## SCHEDULE OF PROPORTIONATE SHARE OF THE OPEB - HEALTHCARE LIABILITY

June 30, 2018

# Last 10 Fiscal Years\*

	Measurement Date (As of and for the Year Ended June 30, 2017)
AMAFCA's proportion of the net OPEB liability	0.04%
AMAFCA's proportionate share of the net pension liability	1,614,275
AMAFCA's covered-employee payroll	1,482,897
AMAFCA's proportionate share of the net pension liability as a percentage of its covered-employee payroll	108.9%
Plan fiduciary net position as a percentage of total pension liability	11.3%

<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 OPEB - HEALTHCARE CONTRIBUTIONS

June 30, 2018

Last 10 Fiscal Years*	
	As of and for the Year Ended 2018
Contractually required contribution	29,264
Contributions in relation to the contractually required contribution	29,264
Contribution deficiency (excess)	-
AMAFCA's covered-employee payroll	1,467,118
Contributions as a percentage of covered-employee payroll	2.0%

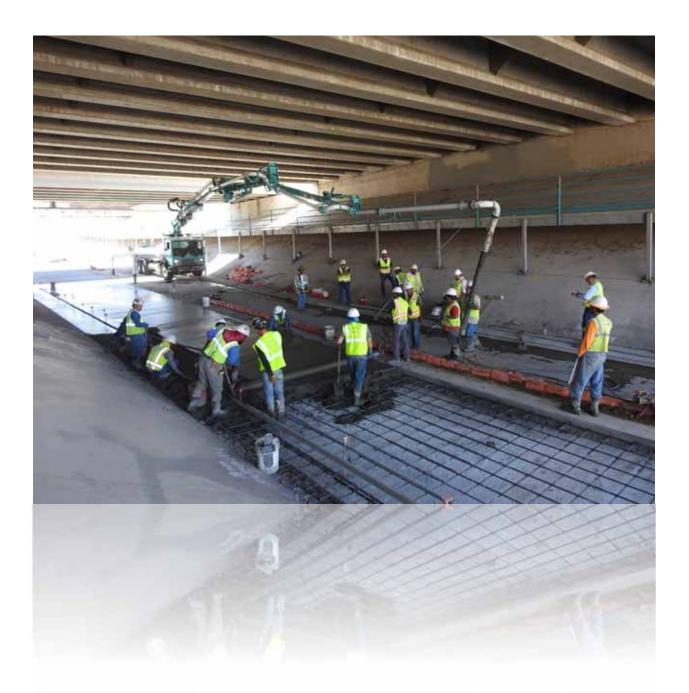
<sup>\*</sup> The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, AMAFCA will present information for those years for which information is available.

## 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 NMRHCA FY17 audit available at: <a href="http://nmrhca.org/financial-documents.aspx">http://nmrhca.org/financial-documents.aspx</a>.

*Changes of assumptions.* The NMRHCA Actuarial Valuation as of June 30, 2017 report is available at: <a href="http://nmrhca.org/gasb-reporting.aspx">http://nmrhca.org/gasb-reporting.aspx</a>.

# SUPPLEMENTARY INFORMATION



Contractors utilizing a concrete pumper truck to complete overlay of the North Diversion Channel

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

Debt Service Fund

For the Fiscal Year ended June 30, 2018						
		Budget Original	Budget Final	Actual Amount Budgetary Basis	Variance Positive (Negative)	
Revenues						
Property taxes	\$	9,799,729	9,799,729	10,307,408	507,679	
Investment and other		10,000	10,000	58,661	48,661	
Total revenues		9,809,729	9,809,729	10,366,069	556,340	
Expenditures						
Debt service:						
Interest and fixed charges		1,327,500	1,328,015	1,328,014	1	
Bond principal		12,125,000	12,125,000	12,125,000		
Total expenditures		13,452,500	13,453,015	13,453,014	1	
Excess (deficiency) of revenues over expenditures before other financing sources and uses		(3,642,771)	(3,643,286)	(3,086,945)	556,341	
Other financing sources and uses Bond Premiums		<u>-</u>		788,196	788,196	
Total other financing and uses			<u> </u>	788,196	788,196	
Net change in fund balance		(3,642,771)	(3,643,286)	(2,298,749)	1,344,537	
Fund Balance, beginning of year		13,779,513	13,779,513	13,779,513		
Fund Balance, end of year	\$	10,136,742	10,136,227	11,480,764	1,344,537	

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

Capital Projects Fund

For the Fiscal	Year ended	June 30, 2018
----------------	------------	---------------

Rudget	Dudgat	Actual Amount	Variance Positive
-	•		(Negative)
Original	1 11161	Dudgetary Basis	(regative)
\$ -	_	292.817	292,817
-	-	,	106,915
	_		-
-	-	399,732	399,732
53,642,000	53,642,000	8,482,481	45,159,519
160,000	160,000	95,362	64,638
53,802,000	53,802,000	8,577,843	45,224,157
(53,802,000)	(53,802,000)	(8,178,111)	45,623,889
-	-	-	-
25,000,000	25,000,000	12,595,362	(12,404,638)
25,000,000	25,000,000	12,595,362	(12,404,638)
(28,802,000)	(28,802,000)	4,417,251	33,219,251
27,954,035	27,954,035	27,954,035	
\$ (847,965)	(847,965)	32,371,286	33,219,251
	160,000 53,802,000 (53,802,000) 25,000,000 25,000,000 (28,802,000) 27,954,035	Original         Final           \$ -         -           -         -           -         -           -         -           -         -           53,642,000         53,642,000           160,000         160,000           53,802,000         53,802,000           (53,802,000)         (53,802,000)           25,000,000         25,000,000           25,000,000         25,000,000           (28,802,000)         (28,802,000)           27,954,035         27,954,035	Original         Final         Budgetary Basis           \$ -         292,817           -         106,915           -         -           -         399,732           53,642,000         53,642,000         8,482,481           160,000         160,000         95,362           53,802,000         53,802,000         8,577,843           (53,802,000)         (53,802,000)         (8,178,111)           -         -         -           25,000,000         25,000,000         12,595,362           25,000,000         25,000,000         12,595,362           (28,802,000)         (28,802,000)         4,417,251           27,954,035         27,954,035         27,954,035

<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 I	isca	l Year ei	nded June 3	0, 2018	
	I	Budget Driginal	Budget Final	Actual Amount Budgetary Basis	Variance Positive (Negative)
Revenues					
Interest income	\$			4,071	4,071
Total revenues		-	-	4,071	4,071
Expenditures					
Stormwater quality		8,000	8,000	-	8,000
Planning, Engineering, and R&D		30,000	30,000	30,000	-
Governmental Affairs		10,000	10,000	-	10,000
Capital Outlay - Building & Yard		150,000	150,000	47,187	102,813
Capital Outlay - Equipment & Vehicles		280,000	280,000	54,644	225,356
Total expenditures		478,000	478,000	131,831	346,169
Excess of revenues over					
expenditures before other					
financing sources and uses		(478,000)	(478,000)	(127,760)	350,240
Other financing sources and uses					
Transfers from other funds		208,000	208,000	208,000	-
Transfers to other funds		-	-	-	-
Total other frameing correspond					
Total other financing sources and uses		208,000	208,000	208,000	_
and uses		200,000	200,000	200,000	
Net change in fund balance		(270,000)	(270,000)	80,240	350,240
Fund Balance, beginning of year		308,521	308,521	308,521	
Fund Balance, end of year	\$	38,521	38,521	388,761	350,240



AMAFCA participates in the University of New Mexico internship program, allowing the intern assigned to AMAFCA to use AMAFCA facilities for their thesis research and analysis

# STATISTICAL SECTION

June 30, 2018

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 91 – 97

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

Revenue Capacity 98 – 105

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

Debt Capacity 106 – 111

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**

112 - 115

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**

117 - 119

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, 2018

## (ACCRUAL BASIS OF ACCOUNTING)

,	2018	2017	2016
Governmental activities			
Net investment in capital assets	\$ 212,351,685	\$ 195,818,843	\$ 176,226,208
Restricted	13,552,050	15,892,539	37,175,362
Unrestricted	3,613,407	15,233,565	1,542,075
Total governmental activities net of position	\$ 229,517,142	\$ 226,944,947	\$ 214,943,645
	2015	2014	2013
Governmental activities			
Net investment in capital assets	\$ 174,423,162	\$ 177,326,784	\$ 150,275,632
Restricted	30,502,239	26,366,396	21,466,796
Unrestricted	4,513,789	2,805,452	8,681,344
Total governmental activities net of position	\$ 209,439,190	\$ 206,498,632	\$ 180,423,772
	2012	2011	2010
Governmental activities			
Net investment in capital assets	\$ 144,580,212	\$ 137,992,865	\$ 129,335,815
Restricted	18,901,784	15,925,629	17,843,384
Unrestricted	8,417,573	8,535,442	8,393,767
Total governmental activities net of position	\$ 171,899,569	\$ 162,453,936	\$ 155,572,966
	2009		
Governmental activities			
	\$ 126,781,820		
Net investment in capital assets	Ψ 120,701,020		
Net investment in capital assets  Restricted	12,918,808		
·			

## **CHANGES IN NET POSITION**

**Last Ten Years** 

June 30, 2018

(ACCRUAL BASIS OF ACCOUNTING)

Expenses	2018	2017	2016	2015
Governmental activities:				
Flood Control	\$ 4,070,051	\$ 4,480,695	\$ 4,142,305	\$ 4,043,625
Planning, Engineering, and R&D	4,303,616	4,451,092	3,006,586	5,481,072
General Government	1,560,467	1,616,442	1,576,782	1,539,855
Interest on long-term debt	910,834	840,647	717,601	649,688
Total government activities expenses	10,844,968	11,388,876	9,443,274	11,714,240
Program Revenues				
Government activities:				
Capital Grants and contributions				
Jointly Fund Projects and Contributions	106,915	592,813	30,200	429,500
Net (expenses)/revenue				
Governmental activities	(10,738,053)	(10,796,063)	(9,413,074)	(11,284,740)
General Revenue				
Governmental activities:				
Property taxes	14,066,842	13,691,862	13,256,530	13,086,450
Capital asset contributions	800,449	8,859,639	861,957	1,049,855
Investment/interest income	451,289	190,102	76,431	34,209
Other	27,603	55,762	843,958	54,784
Total governmental activities	15,346,183	22,797,365	15,038,876	14,225,298
Change in Net Position				
Governmental activities	4,608,130	12,001,302	5,625,802	2,940,558
Prior period adjustment	(2,035,935)	-	121,347	21,516,445
Total primary government	\$ 2,572,195	\$ 12,001,302	\$ 5,747,149	\$ 24,457,003

### **CHANGES IN NET POSITION**

Last Ten Years June 30, 2018

2009	2010	2011	2012	2013	2014
\$ 3,367,206	\$ 3,554,648	\$ 3,813,293	\$ 3,927,829	\$ 3,771,101	\$ 3,922,228
1,571,969	8,090,278	3,070,468	6,836,356	2,921,174	3,590,305
1,095,945	1,326,432	1,274,906	898,335	1,218,857	1,448,259
1,056,856	969,396	854,393	775,004	813,079	815,980
7,091,976	13,940,754	9,013,060	12,437,524	8,724,211	9,776,772
007	1 774 505	001 419	952 220	260 272	195 204
907	1,774,595	901,418	852,329	260,272	185,204
(7,091,069	(12,166,159)	(8,111,642)	(11,585,195)	(8,463,939)	(9,591,568)
12,196,883	12,797,745	12,570,792	12,712,512	13,085,894	13,020,812
11,461,140	6,170,872	2,631,925	8,287,878	3,851,907	1,276,659
216,496	34,419	50,103	2,496	36,683	24,384
49,569	23,896	(260,210)	27,952	13,658	40,978
23,924,088	19,026,932	14,992,610	21,030,838	16,988,142	14,362,833
16,833,019	6,860,773	6,880,968	9,445,643	8,524,203	4,771,265
-	260,980	-	-		212,848
\$ 16,833,019	\$ 7,121,753	\$ 6,880,968	\$ 9,445,643	\$ 8,524,203	\$ 4,984,113

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

Last Ten Years June 30, 2018

### (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

		2018	2017	2016	2015
General	I Francis				
Po	ost GASB 54				
	Nonspendable	\$ -	\$ -	\$ -	\$ -
	Restricted	2,316,874	2,332,980	2,468,364	4,880,067
	Committed	6,206,135	6,128,300	6,126,497	3,900,000
	Assigned	-	-	-	-
	Unassigned	136,169	128,770	113,135	44,107
Pr	e GASB 54				
	Reserved	-	-	-	-
	Unreserved - designated	-	-	-	-
	Unreserved - undesignated	-	-	-	-
Total ge	eneral fund	\$ 8,659,178	\$ 8,590,050	\$ 8,707,996	\$ 8,824,174
	er governmental funds				
Po	ost GASB 54				
	Nonspendable	\$ -	\$ -	\$ -	\$ -
	Restricted	43,852,050	41,733,548	37,175,362	30,502,239
	Committed	388,761	308,521	304,597	463,316
	Assigned	-	-	-	-
	Unassigned	-	-	-	-
Pr	e GASB 54				
	Reserved	- 1	-	-	-
	Unreserved - designated	- 1	-	-	-
	Ormodorioa addignatea				
	Unreserved - undesignated	-	-	-	-
Total all	-	\$44,240,811	\$42,042,069	\$37,479,959	\$30,965,555

\*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, 2018

2014	2013	2012	2011	2010	2009	
\$ -	\$ -	\$ -	\$ 77,948	\$ 200	\$ 200	
5,050,383	5,168,739	4,843,926	4,622,213	Ψ 200	Ψ 200	
3,900,000	3,900,000	3,900,000	3,900,000	3,900,000	4,400,000	
5,500,000	5,300,000	3,300,000	5,500,000	5,500,000	-,400,000	
69,291	28,651	43,629	17,239	-	-	
-	-	-	-	200	200	
-	-	-	-	3,900,000	4,400,000	
-	-	-	-	4,486,838	4,280,944	
\$ 9,019,674	\$ 9,097,390	\$ 8,787,555	\$ 8,617,400	\$12,287,238	\$13,081,344	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
26,730,103	21,337,478	18,843,173	15,917,070	-	-	
362,848	108,733	58,611	8,559	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	17,843,384	12,918,808	
-	-	-	-	-	-	
-	-	-	-	-	-	
\$27,092,951	\$21,446,211	\$18,901,784	\$15,925,629	\$17,843,384	\$12,918,808	
	\$30,543,601	\$27,689,339	\$24,543,029	\$30,130,622	\$26,000,152	

### CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Years June 30, 2018

### (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

				2015
	\$ 14 046 231	\$ 13 703 472	\$ 13 427 765	\$ 13,224,992
ncome				34,209
				100,000
				32,071
	14,632,038	14,542,149	14,307,854	13,391,272
	4 500 457	1 554 027	1 514 450	1 460 050
				1,468,858
				1,114,205
g, and R&D	,			854,293
	8,618,742	9,754,160	7,970,856	10,085,097
	40.405.000	0.000.000	0.075.000	0.400.000
				8,400,000
				822,994
	95,362	93,245	104,120	108,574
;	-	-	-	132,092
	25,747,726	23,841,702	21,227,431	22,986,113
of				
penditures	(11,115,688)	(9,299,553)	(6,919,577)	(9,594,841)
urces (uses)				
	208 000	450 F24	400,000	100,000
	·		·	(100,000)
	(200,000)	(430,321)	(400,000)	(100,000)
	12,500,000	12,500,000	12,500,000	12,500,000
ssued				775,885
vestments	,	, -,	,,,,,,	(3,940)
sources (uses)	13,383,558	13,743,717	13,317,803	13,271,945
alances	\$ 2,267,870	\$ 4,444,164	\$ 6,398,226	\$ 3,677,104
ercentage of				
9	52%	44%	45%	40%
	g, and R&D  osts of openditures  urces (uses)  ssued vestments sources (uses)	tts	1,529,457 1,554,037 1,143,984 1,059,377 995,714 8,618,742 9,754,160 12,125,000 9,300,000 1,328,014 1,085,169 0sts 95,362 93,245 25,747,726 23,841,702 12,507,000 12,507,000 12,507,000 12,500,000 12,5	1,529,457

### CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Years June 30, 2018

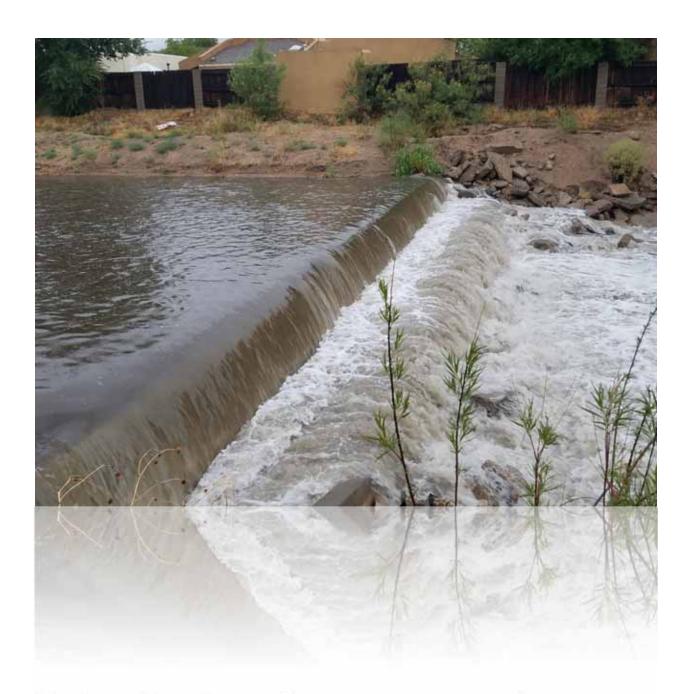
2014	2013	2012	2011	2010	2009
\$ 12,976,637	\$ 12,998,307	\$ 12,705,720	\$ 12,580,848	\$ 12,767,918	\$ 12,169,223
24,384	36,694	2,496	50,103	34,419	216,496
185,204	260,272	852,329	901,418	1,774,595	907
42,758	39,694	27,952	17,239	23,896	49,569
13,228,983	13,334,967	13,588,497	13,549,608	14,600,828	12,436,195
1,340,434	1,236,167	666,738	1,056,770	1,132,573	936,744
1,246,737	1,199,220	1,400,072	1,314,552	1,214,256	1,237,454
693,349	684,870	944,721	883,423	927,230	724,056
7,432,365	8,892,813	8,668,139	12,675,587	7,378,424	8,099,940
8,975,000	7,775,000	8,100,000	8,350,000	8,275,000	7,650,000
851,047	888,673	861,750	951,510	1,043,306	1,161,820
95,610	82,746	65,157	61,276	57,697	56,768
129,884	128,190	126,888	125,866	127,643	86,756
20,764,426	20,887,679	20,833,465	25,418,984	20,156,129	19,953,538
(7,535,443)	(7,552,712)	(7,244,968)	(11,869,376)	(5,555,301)	(7,517,343
(1,000,110)	(1,002,112)	(1,211,000)	(11,000,010)	(0,000,001)	(1,011,010
054.000	50,000	000,000	44.550	070.000	475.000
254,000	50,000	206,828	41,553	676,093	175,000
(254,000)	(50,000)	(206,828)	(41,553)	(676,093)	(175,000
12,500,000	10,000,000	10,000,000	10,000,000	10,000,000	9,750,000
604,468	406,974	391,278	181,984	185,771	48,750
-	-	-	-	-	
13,104,468	10,406,974	10,391,278	10,181,984	10,185,771	9,798,750
\$ 5,569,025	\$ 2,854,262	\$ 3,146,310	\$ (1,687,392)	\$ 4,630,470	\$ 2,281,407
47%	41%	43%	37%	46%	449

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

Fiscal Year	Real	Pr	operty		Personal	Pr	operty
Ended	Residential	Commercial			Centrally		
June 30,	Property		Property		Asse sse d		Livestock
2018	\$11,726,593,706		\$3,222,651,871	\$	487,992,412		\$ 792,044
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
The levies are re	quested by the Board of	f Dire	ectors and set by the [	) Оера	rtment of Finance	and	d Administration,
State of Ne	ew Mexico.						
The Bernalillo Co	unty Treasurer levies ar	nd co	ollects the taxes and d	istrib	utes to all taxing j	uris	dictions.

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

	Total	Estimated	Asse sse d
Total Taxable	Direct	Actual	Value as a
Asse sse d	Tax	Taxable	Percentage of
Value	Rate	Value	Actual Value
\$ 15,438,030,033	0.921	\$18,230,909,402	84.68%
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%



 $The\ Lower\ Bear\ Arroyo\ after\ a\ strong\ monsoon\ rain$ 

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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Albuquerque Flood Control										
Operating Operating	0.247	0.246	0.251	0.253	0.254	0.255	0.251	0.251	0.252	0.248
Debt service	0.247	0.675	0.675	0.233	0.234	0.233	0.231	0.231	0.232	0.246
Total direct rate	0.922	0.921	0.926	0.928	0.929	0.930	0.926	0.926	0.927	0.923
Rio Grande Conservancy										
District	5.140	4.874	4.672	4.433	4.221	4.230	4.231	4.244	4.238	4.246
Villaga et la a Barralia a										
Village of Los Ranchos										-
de Albuquerque	4.000	4 000	1.000	1.000	4.000	1.000	4.000	4.000	1.000	1.000
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	7.900	7.971	8.139	8.137	8.189	8.138	7.864	7.769	7.505	7.430
Debt service	1.265	1.265	1.265	1.265	1.246	0.897	0.897	0.555	0.880	0.880
Open space	0.195	0.200	0.200	-	-	-	0.100	0.100	0.100	0.100
Judgment	0.009	0.010	0.011	0.012	0.013	0.013	0.013	0.014	0.015	0.015
City of Albuquerque										
Operating	6.325	6.389	6.515	6.494	6.544	6.544	6.544	6.433	6.203	4.134
Debt Service	4.976	4.976	4.976	4.976	4.976	4.976	4.976	4.976	4.976	6.976
Albuquerque Public Schools										
Operating	0.322	0.320	0.330	0.325	0.327	0.325	0.319	0.315	0.304	0.303
Debt Service	4.101	4.061	4.089	3.787	3.883	3.416	4.020	4.317	4.316	4.304
Capital Improvement	1.937	1.953	1.977	1.987	2.000	2.000	2.000	2.000	2.000	1.999
Building	3.925	3.948	3.947	3.950	3.978	3.981	3.983	3.988	3.985	3.944
School District Ed. Tech Deb	0.384	0.378	0.347	0.644	0.430					
Central NM Community College	(fka TVI)									
Operating	2.825	2.830	2.860	2.871	2.882	2.848	2.770	2.717	2.632	2.596
Debt Service	1.000	1.000	0.550	0.550	0.550	0.550	0.550	0.550	0.550	0.550
Hospitals	6.405	6.247	6.360	6.357	6.400	6.400	6.400	6.400	6.400	6.429
Tiospitais	0.403	0.241	0.300	0.557	0.400	0.400	0.400	0.400	0.400	0.423
Village of Tijeras										
Operating	1.350	1.327	1.305	1.316	1.316	1.315	1.310	1.316	1.271	1.283
Rio Rancho										
Operating	7.650	7.650	7.187	6.411	5.725	5.159	4.438	3.447	3.084	2.624
Debt Service	2.051	2.016	1.848	1.881	1.789	1.617	1.645	2.060	2.067	2.060
State of New Mexico	1.360	1.360	1.360	1.360	1.360	1.360	1.362	1.530	1.150	1.250
Note: When there are congrete regidenti	al and non ro	aidential rates	the direct r	to in a samb	inad					
Note - When there are separate residenti porportion of the rates and not the			s, the unect fa	ac is a CUIID	micu					
(1) County is no longer required to attach			s to the abstr	act-info is no	t					
available for property tax vallues.	·									
(2) The Open Space mill levy was expired	for fiscal year	ars 2013, 201	4, and 2015.							
(3) All portions of the City of Rio Rancho	that are in the	e AMAFCA J	urisdiction are	undeveloped						
Source: County Assessor's Office, Coun	ty Treasurer's	s Office and S	State Departm	ent of						
Finance and Administration										





The Hubbell Dam was hit by a small forest fire in February 2018; as an indicator of the resiliency of this ecosystem when given proper care, it has already made a strong return to its pre-fire state

### PRINCIPAL PROPERTY TAXPAYERS

Current Year and Ten Years Ago

June 30, 2018

		2018			2009		
			Percentage of		F	Percentage of	
	Taxable		Total Taxable	Taxable	Total Taxabl		
	Asse sse d		Asse sse d	Asse sse d		Asse sse d	
<u>Taxpayer</u>	Value	Rank	Value	Value	Rank	Value	
Public Service Company of							
New Mexico - Electric Services	219,171,876	1	1.420%	116,979,142	2	0.872%	
Qwest Corp (fka)							
U.S. West Communication Inc.	46,060,892	2	0.298%	97,142,728	1	0.724%	
New Mexico Gas Company (formerly							
PNM - Gas Services) (1)	41,793,720	3	0.271%	39,527,720	3	0.295%	
Comcast of NM Inc.	33,780,329	4	0.219%	17,498,511	7	-	
Verizon Wireless	22,073,128	5	0.143%	14,771,926	9	0.110%	
Southwest Airlines	16,592,713	6	0.107%	23,890,766	4	0.178%	
Simon Property Group, Ltd							
(Cottonwood Mall)	15,960,737	7	0.103%	15,960,737	8	0.119%	
AT&T	15,441,237	8	0.100%	-	-	-	
Presbyterian Healthcare	14,638,889	9	0.095%	-	-		
Molina Healthcare	14,192,841	10	0.092%	-	-		
Mesa Del Sol LLC	-	-	-	23,040,098	5	0.172%	
GCC Rio Grande Inc.	-	-	-	20,165,175	6	0.150%	
HUB Trust (Real Estate)	-	-	-	14,261,573	10	0.106%	
Total	\$439,706,362		2.848%	\$383,238,376		2.727%	
Source: County Treasurer's Office							
(1) PNM Gas Services became the new con	npany, New Mexico G	Sas Compa	ıny, in tax year 2010				



### PROPERTY TAX LEVIES AND COLLECTIONS

				Collected	within the			
Fiscal Year	Operational Tax	ional Tax Debt Service Tax		of the Levy		Total Collections to Date		
Ended June 30,	Levy for Fiscal Year	Operational Levy for Fiscal Year	Debt Service Levy for Fiscal Year	Amount	Percentage of Levy	Collections in Subsequent Years	Amount	Percentage of Levy
2018	\$ 3,786,004	\$ 10,434,961	\$ 14,220,965	\$ 13,768,721	96.82%	\$ -	\$ 13,768,721	96.82%
2017	3,719,996	10,099,783	13,819,779	13,384,425	96.85%	259,040	13,643,465	98.72%
2016	3,668,745	9,774,080	13,442,825	13,012,483	96.80%	360,854	13,373,337	99.48%
2015	3,629,814	9,601,007	13,230,821	12,777,699	96.58%	415,116	13,192,815	99.71%
2014	3,583,263	9,381,191	12,964,454	12,525,108	96.61%	408,262	12,933,370	99.76%
2013	3,548,623	9,295,686	12,844,309	12,380,769	96.39%	435,655	12,816,424	99.78%
2012	3,469,730	9,200,038	12,669,768	12,176,642	96.11%	468,087	12,644,729	99.80%
2011	3,456,560	9,166,116	12,622,676	12,072,834	95.64%	517,476	12,590,310	99.74%
2010	3,586,958	9,446,644	13,033,602	12,306,293	94.42%	683,711	12,990,004	99.67%
2009	3,330,059	9,023,371	12,353,430	11,823,139	95.71%	503,274	12,326,413	99.78%
The levies are	requested by the Coun	ty Commission and set b	by the Department of	Finance and Admini	stration, State of Ne	w Mexico		
The County Tre	asurer levies and colle	ects the taxes and distril	outes to all taxing juri	sdictions.				
Source: Count	y Treasurer's Office							



### **LEGAL DEBT MARGIN INFORMATION**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Debt Limit	\$ 80,000,000	\$ 80,000,000	\$ 80,000,000	\$ 80,000,000
Total net debt applicable				
to limit (1)	54,625,000	54,250,000	51,050,000	47,225,000
Legal debt margin	\$ 25,375,000	\$ 25,750,000	\$ 28,950,000	\$ 32,775,000
Total net debt applicable				
to the limit as a percentage				
of debt limit	68.28%	67.81%	63.81%	59.03%



### LEGAL DEBT MARGIN INFORMATION

2014	2013	2012	<u>2011</u>	<u>2010</u>	2009
\$ 80,000,000	\$ 80,000,000	\$ 80,000,000	\$ 80,000,000	\$ 80,000,000	\$ 80,000,000
43,125,000	39,600,000	37,375,000	35,475,000	33,825,000	32,100,000
\$ 36,875,000	\$ 40,400,000	\$ 42,625,000	\$ 44,525,000	\$ 46,175,000	\$ 47,900,000
53.91%	49.50%	46.72%	44.34%	42.28%	40.13%



 $Energy\ dissipation\ structure\ on\ the\ Bear\ Canyon\ Arroyo$ 

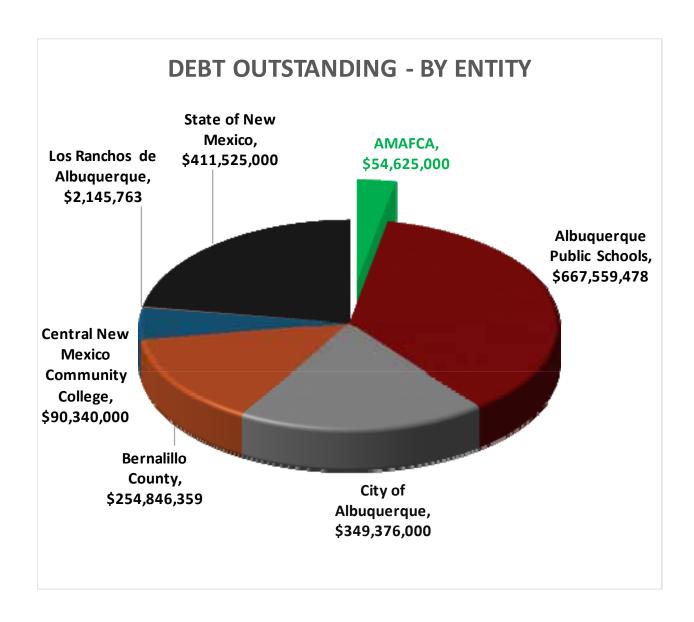
### RATIOS OF GENERAL BONDED DEBT OUTSTANDING

					Percentage of		
					Estimated		Personal
	General	Less: Amounts		Percentage of	Actual Taxable		Income
Fiscal	Obligation	Available in Debt		Personal	Value (3) of	Per	(amounts expressed
Year	Bonds (1)	Service Fund	Total	Income (2)	Property	Capita (4)	in thousands)(2)
2018	\$ 57,982,888	\$ 11,252,174	\$ 46,730,714	0.21%	0.38%	85.65	27,724,780
2017	57,256,442	13,546,456	43,709,986	0.21%	0.38%	84.60	27,724,780
2016	53,259,715	12,717,115	40,542,600	0.19%	0.37%	78.83	27,724,780
2015	48,992,726	11,813,184	37,179,542	0.18%	0.34%	72.68	26,831,876
2014	44,425,021	10,861,392	33,563,629	0.17%	0.32%	65.92	25,675,666
2013	40,901,451	10,779,942	30,121,509	0.17%	0.29%	60.69	24,223,839
2012	38,455,348	9,798,482	28,656,866	0.16%	0.29%	57.20	24,689,486
2011	36,250,816	9,242,051	27,008,765	0.15%	0.26%	54.16	24,600,106
2010	34,515,950	9,298,602	25,217,348	0.15%	0.24%	51.98	23,366,125
2009	32,679,089	9,249,416	23,429,673	0.14%	0.24%	49.32	23,397,785
Note: Details	regarding the County's ou	utstanding debt can be four	d in the notes to the fi	nancial statements.			
Sources:							
1) Presented r	net of original issuance di	scounts and premiums					
2) US Census	Bureau for Bernalillo Cou	ınty, 2018 and 2017 amoun	ts are unavailable so 2	2016 were used			
and can be	found in the Schedule of	Demographic and Economi	c Statistics				
3) See the Scl	hedule of Assessed Valu	e and Estimated Actual Val	ue of Taxable Property	y for property value dat	a.		

### DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITES DEBT AS OF JUNE 30, 2018

					/	Applicable to		AMAFCA
				Debt				Share of
				Outstanding		AMAFCA		Debt
AMAFCA				\$54,625,000	(1)	100.00%	\$	54,625,000
Albuquerq	ue Public S	Schools		667,559,478		97.40%		650,229,472
City of Alk	ouquerque			349,376,000	П	100.00%		349,376,000
Bernalillo	County			254,846,359	П	99.01%		252,315,135
Central Ne	ew Mexico (	Community	College	90,340,000		86.70%		78,326,782
Los Rancl	hos de Albu	querque		2,145,763		100.00%		2,145,763
State of N	lew Mexico			411,525,000		27.12%		111,610,133
	Subtotal C	verlapping	Debt				1	,444,003,285
	Total Direc	t and Overl	apping De	ebt			\$ 1	,498,628,285
Ratios:					Н		-	
	direct debt	to			Н			
	assessed	valuation			$\Box$			0.35%
Total direc	t and overla	apping debt	to		П			
	assessed	valuation			П			9.71%
AMAFCA	direct debt	to			П			
	actual valu	ation			П			0.11%
Total direc	t and overla	apping debt	to					
	actual valu	ıation						2.91%
AMAFCA	debt per ca	pita			Н		\$	80.69
	<u> </u>				Н		+	
Direct and	overlapping	g debt per c	apita				\$	2,213.78
					Н		-	
Source: Deb	ot outstanding	data provided	l by each go	overnmental unit.	H			
(1) Present	ed net of origi	nal issuance	discounts a	nd premiums				
Method: Pe	rcentage of o	verlap is calcu	ılated usina	most current asses	ssed	property valuation		

### DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITES DEBT AS OF JUNE 30, 2018

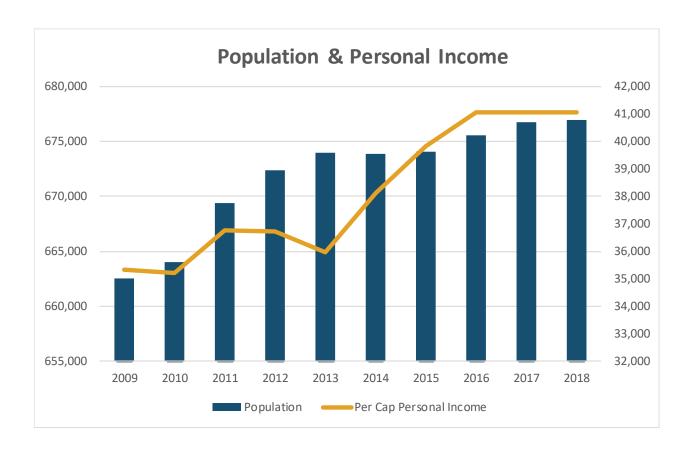


### **DEMOGRAPHIC AND ECONOMIC STATISTICS**

Last Ten Fiscal Years

					Personal		Per			
					Income (amounts expressed		Capita			
	Fiscal			(aı			Personal	Un	Unemployme	
			opulation (1) ir		in thousands) (1)		Income (2)		Rate (3)	
	2018		676,953		NA		NA		4.70%	
	2017		676,773		NA		NA		6.00%	
	2016		675,588		27,724,780		41,038		6.50%	
	2015		674,100		26,831,876		39,804		6.60%	
	2014		673,902		25,675,666		38,100		7.00%	
	2013		673,914		24,223,839		35,945		7.20%	
	2012		672,335		24,689,486		36,722		7.50%	
	2011		669,336		24,600,106		36,753		7.70%	
	2010		663,999		23,366,125		35,190		8.60%	
	2009		662,564		23,397,785		35,314		8.70%	
Education	n (4)			Percent		Schoo	l Enrollment (	<u>5)</u>		
	Persons age 2	25 and Over	455,336	100.0%			Elementary S	chool		44,446
	Less than 9th	grade	23,996	5.3%			Mid-High Sch	ools		19,759
	9th-12th grad	e, no diplomas	30,416	6.7%			High Schools			26,905
	High School G	Graduates	107,232	23.6%			Private and p	arochial schools		12,570
	Some college,	, no degree	108,324	23.8%			Technical-vo	cational Institute		24,832
	Bachelor degi	ree	36,108	7.9%			University of	New Mexico		27,416
	Graduate or p	orofessional deg	67,071	14.7%						
	Percentage co	ompleted high sc	hool	88.1%						
		ompleted 4 year		32.8%						
Sources:										
(1) US Cens	us Bureau for	Bernalillo County								
(2) US Fede	ral Reserve Ba	nk of St. Louis								
(3) New Me	xico Departmer	nt of Workforce S	Solutions							
(4) National	Center for Educ	cation Statistics								
(5) New Me	xico Higher Edu	ucation Departme	ent							
NA	Information no	ot available for th	ese years							

### **DEMOGRAPHIC AND ECONOMIC STATISTICS**



### PRINCIPAL EMPLOYERS

For the Current Year and Ten Years Ago

June 30, 2018

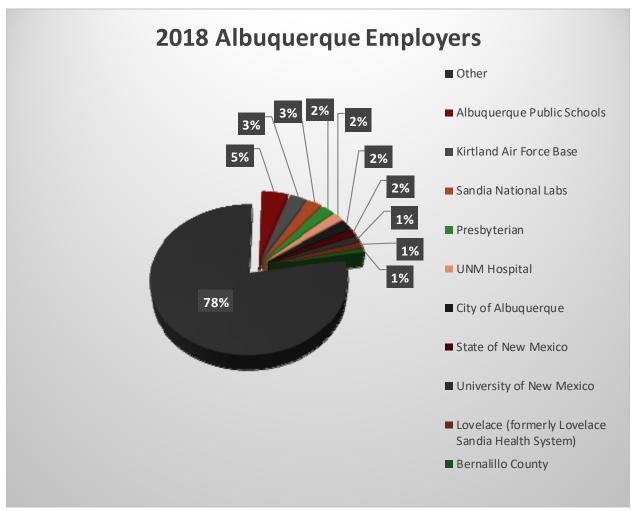
		2018			2009	
			Percentage			Percentage
			of Total County			of Total County
Employer	<u>Employees</u>	Rank	Employment	<u>Employees</u>	Rank	Employment
Albuquerque Public Schools	14,810	1	4.64%	14,000	2	4.21%
Kirtland Air Force Base (1)	10,125	2	3.17%	21,388	1	6.43%
Sandia National Labs	8,400	3	2.63%	8,400	3	2.53%
Presbyterian	7,310	4	2.29%	7,245	4	2.18%
UNM Hospital	6,021	5	1.89%	5,455	7	1.64%
City of Albuquerque	6,940	6	2.17%	5,940	5	1.79%
State of New Mexico	4,950	7	1.55%	5,710	6	1.72%
University of New Mexico	4,210	8	1.32%	4,300	8	1.29%
Lovelace (formerly Lovelace Sandia Health System)	4,000	9	1.25%	3,400	9	1.02%
Bernalillo County	2,648	10	0.83%	-	-	-
Intel	-	-	-	2,800	10	0.84%
Total	69,414		21.75%	78,638		23.65%
County Quarterly Census of Employment	319,115			332,518		
Sources:						
New Mexico Department of Workforce Solutions, Alb	ouquerque Econ	omic Dev	elopment			

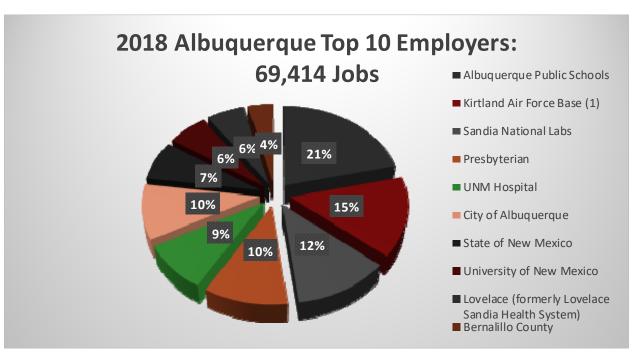
Notes: (1) Kirtland's employment number includes active duty military, guard reserve, civil service and contract employees. Sandia National Laboratories employees are located at Kirtland Air Force Base, but employment number is shown separately.

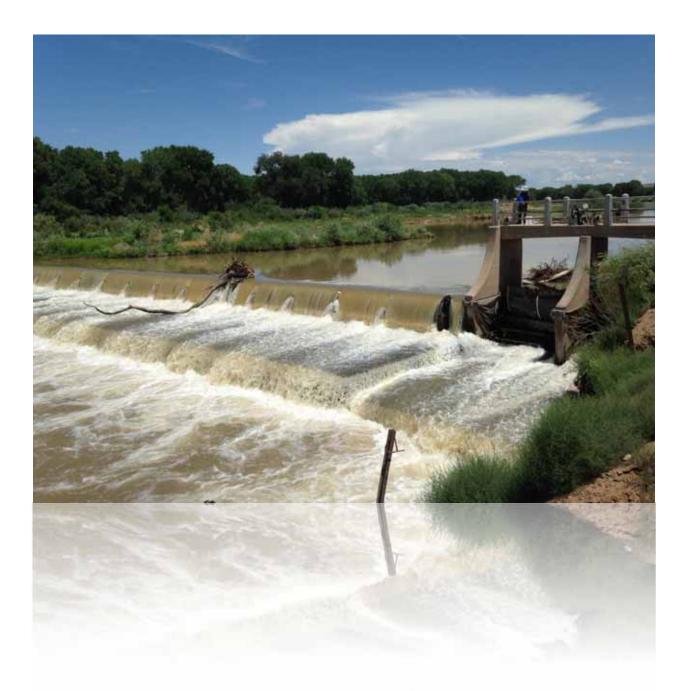
### PRINCIPAL EMPLOYERS

For the Current Year and Ten Years Ago

June 30, 2018







Angustora Diversion serves as a sampling point for water quality measurement

### FULL-TIME EQUIVALENT AMAFCA EMPLOYEES BY FUNCTION

		<u>2018</u>	2017	<u>2016</u>	2015	<u>2014</u>	<u>2013</u>	2012	2011	2010	2009
Function	on										
Genera	al & Administrative	5	5	5	6	5	5	5	5	5	5
Planni	ng & Engineering	5	6	5	5	5	5	5	5	5	5
Mainte	ence	12	12	12	12	12	12	12	12	12	11
		22	23	22	23	22	22	22	22	22	21
Note 1	In April of 2015, an A	AMAFCA	had a G	S&A emp	loyee ent	er into ea	arly retire	ment. Ti	nerefore,		
	as of June 30, 2015,	AMAFO	CA was re	equired to	carry ar	n extra G	&A empl	oyee.			
Note 2	Starting in August of	f 2012, <i>A</i>	MAFCA	began u	tilizing ar	intern/g	raduate s	tudent			
	that is an employee	of the U	niversity	of New M	1exico. 1	he time	approxim	ates a			
	1/2 FTE that is not in	ncluded	in the sc	hedule a	bove.						

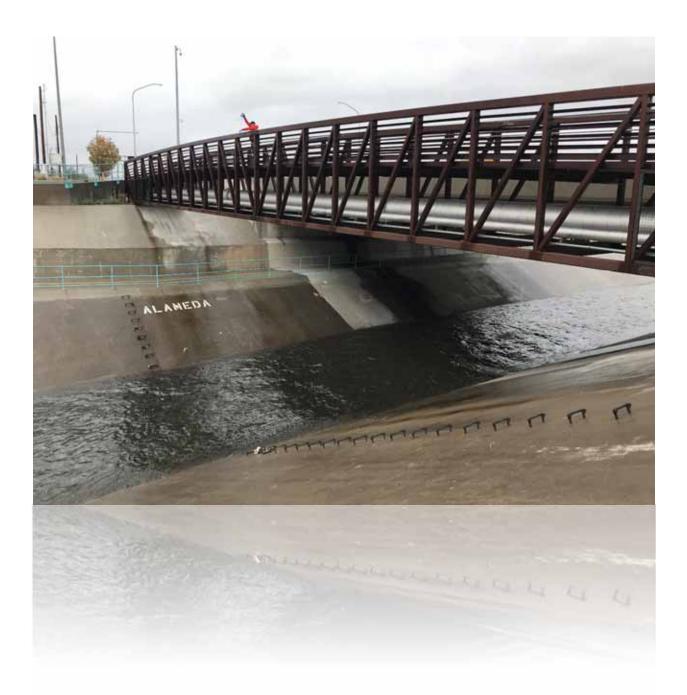
### **OPERATING INDICATORS BY FUNCTION**

Last Ten Fiscal Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	2015
Finance				
General Operating Checks	729	771	773	867
Checks for Bond related Expenditures	186	182	198	226
Purchasing				
Number of RFPs and Bids Issued (1)	5 (2)	17	9	20
Number of On-Call Engineering Task Orders (1)	20 (2)	64	47	60
Flood Control & Infrastructure				
Number of Citizen reported deficiencies (1) (3)	0 (2)	5	1	3
Number of Dams & Ponds	71	69	69	6
Miles of Unlined Arroyos	39.2	40.2	40.2	40.
Miles of Lined Arroyos	37.7	36.8	36.7	36.
Miles of Pipe	11.4	11.4	11.3	11.3
Acres/sqr ft of maintained real property	2,375	2,236	2,236	2,23
Vehicle Miles Driven	126,082	131,178	154,347	141,14
Equipment Hours Incurred	4,878	3,120	2,529	3,36
Water Quality				
Number of Water Quality Structures	131	131	127	12
Cubic Yards of Sediment Removal (1)(4)	15,309	64,360	12,956 (2)	34,97
Cublic Yards of Trash/Debris Removal (1)(4)	1,045	2,483	750 (2)	2,39
Planning & Engineering			( )	
LOMRs Completed (1)	-	3	1	
Development Reviews				
CPC	35	71	44	3
EPC	34	59	55	4
DRB	45	60	47	4
PWDN	45	61	48	5
Grading Plan Approvals (1)	-	-	-	-
Annual Rainfall (1)				
Annual - @ Albuquerque Sunport	6.50 (2)	7.67	6.68	1
Monsoon Season (July - September)	4.00	4.54	3.04	
(1) Calendar Year				
(2) Through issuance of the CAFR				
(3) Calls received by the City of Albuquerque "31	1 Line" noting	g flooding or p	onding caused	by runoff
The issue may not be at or pertaining to an				
(4) Prior to 2010, AMAFCA utilized other method			d debris remov	al.
Reporting these amounts would cause data to				
(5) The Authority began tracking development rev			prior data	
and no grading plan approvals tracked after 2		,0 .0, 11	1	
Source: All data provided by AMAFCA departm		otherwise not	hed	

### **OPERATING INDICATORS BY FUNCTION**

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	2009
812	821	782	851	867	929
218	200	153	208	231	205
17	20	11	13	13	17
61	47	57	10	37	17
21	20	8	7	21	16
67	66	65	63	59	58
40.1	31.8	31.6	30.2	30.2	29.1
36.7	36.7	36.7	36.5	35.8	35.8
11.0	10.4	10.2	10.0	9.9	8.2
2,204	2,204	2,185	2,173	2,158	2,158
148,836	168,048	158,029	118,817	138,787	124,632
2,368	2,993	3,275	2,553	3,261	2,505
118	112	112	104	98	97
30,000	55,700	27,700	16,600	82,945	-
3,025	15,000	1,498	280	814	-
2	7	3	4	1	2
-	_	_	_	_	_
-	_	_	_	_	_
-	_	_	_	_	_
_	_	_	_	_	_
56	79	68	55	76	116
30	7.5	00	30	70	110
9	9	5	5	9	7
6	7	3	2	6	4
					-



A small rainstorm travels down the North Diversion Channel at Alameda Road

# STATE COMPLIANCE



Valle del Oro Second Street channel improvements

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

### Last Ten Fiscal Years

New Mexico State Treasurer, Santa Fe, NM - Investments:		
Local Government Investment Pool	\$	53,500,753
Wells Fargo Bank, Albuquerque, NM - Demand Deposit Accounts:		
Depository balances as of June 30, 2018		
Checking		
General account	\$	156,633
Construction/Capital Projects		114,371
Debt Service account		2,494
AMAFCA Unassigned account		24,562
Acquistions & Savings		240
Storm Quality Education		156,415
Area Wide Maintenance		446
MRG Stormwater MS4 CMC		34,484
Ditch & Water Safety Task Force Fund		62,709
		552,354
Savings		
Area Wide Maintenance Savings		1,268,670
Boca Negra Dam Savings		-
Ditch & Water Safety Task Force Swim Pass		7,218
Total depository balances		1,828,242
Less FDIC insurance coverage		(500,000)
Uninsured balance	\$	1,328,242
Collateralization required (50%)	\$	664,121
Fannie Mae, Interest Only Securities at market value		
par \$6,506,674; interest rate 3.12%; maturity date 7/1/25		
CUSIP #3138LARP6	\$	6,144,141
par \$25,858,002; interest rate 3.5%; maturity date 7/1/42	Ψ	0,144,141
CUSIP #3138WQR79		9,939,156
par \$365,955; interest rate 3.0%; maturity date 2/1/30		7,757,150
CUSIP #3138YFCZ5		193,767
Total collateral	\$	16,277,064
Collateralization in deficit of requirement	\$	_

### **JOINT POWER AGREEMENTS**

June 30, 2018

The Authority has no Joint Powers Agreements.



Carr, Riggs & Ingram, LLC 2424 Louisiana Boulevard NE Suite 300 Albuquerque, NM 87110

(505) 883-2727 (505) 884-6719 (fax) CRIcpa.com

# 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

Wayne Johnson
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, 2018, 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 26, 2018.

### **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.

Carr, Riggs & Ingram, LLC

Can, Rigge & Ingram, L.L.C.

Albuquerque, New Mexico

November 26, 2018

#### **STATE OF NEW MEXICO**

# ALBUQUERQUE METROPOLITAN ARROYO FLOOD CONTROL AUTHORITY SCHEDULE OF FINDINGS AND RESPONSES JUNE 30, 2018

### Section I - Summary of Auditors' Results

Financial Statements:

1. Type of auditors' report issued Unmodified

2. Internal control over financial reporting:

a. Material weaknesses identified?

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

None

Section III - Financial Statement Findings in accordance with GAGAS

None

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

None

### **EXIT CONFERENCE**

June 30, 2018

An exit conference was held on November 26, 2018, during a closed session of a special meeting and attended by the following:

### **AMAFCA Board Members**

Ronald D. Brown Chair

### **AMAFCA Administrative Staff**

Jerry M. Lovato, P.E. Executive Engineer

Herman Chavez, CPA Finance & Administrative Manager

### Carr, Riggs & Ingram, LLC Staff

Danny Martinez, CPA Partner
Joe Ortiz Senior Auditor