



**STATE OF NEW MEXICO
ALBUQUERQUE
METROPOLITAN ARROYO
FLOOD CONTROL AUTHORITY**

**FINANCIAL STATEMENTS
AND
REPORT OF INDEPENDENT
CERTIFIED PUBLIC ACCOUNTANTS**

June 30, 2015

atkinson

PRECISE. PERSONAL. PROACTIVE.

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State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

OFFICIAL ROSTER

June 30, 2015

BOARD MEMBERS

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

ADMINISTRATIVE STAFF

Jerry M. Lovato, P.E.	Executive Engineer
Herman Chavez, CPA	Finance & Administrative Manager
Irene B. Jeffries	Finance & Administrative Manager
Through March 2015	



CERTIFIED PUBLIC ACCOUNTANTS | CONSULTANTS

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
Albuquerque Metropolitan Arroyo Flood Control Authority
and
Mr. Tim Keller
New Mexico State Auditor

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 comparisons for the general fund of the Albuquerque Metropolitan Arroyo Flood Control Authority (the Authority), as of and for the year ended June 30, 2015, and the related notes to the financial statements which collectively comprise the Authority's basic financial statements as listed in the table of contents. We also have audited the budgetary comparisons for the capital project, debt service, and building improvement funds presented as supplementary information, as defined by the Government Accounting Standards Board, for the year ended June 30, 2015, 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.

Auditor's 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 auditor's 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 the Authority as of June 30, 2015, and the respective changes in financial position, aggregate remaining fund information, and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective budgetary comparisons for the capital project, debt service, and building improvement funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note F to the Financial Statements, the Authority adopted Governmental Accounting Standards Board (GASB) Statement No. 68 *Accounting and Financial Reporting for Pensions - An Amendment of GASB Statement No. 27*. As part of implementation of this statement, the Authority recorded its prorata share of unfunded liabilities for its pension participation in the Public Employees Retirement Association (PERA) and included disclosures required by the Statement. Our opinion is not modified with respect to this matter.

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 4 through 12 and the schedules of proportionate share of the net pension liability and share of contribution on pages 58 and 59 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

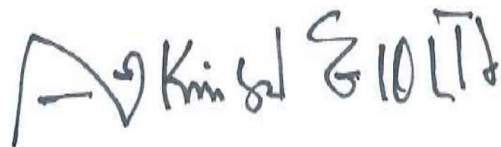
Our audit was conducted for the purpose of forming opinions on the Authority's basic financial statements and the budgetary comparisons. The Schedule of Assets and Liabilities - Agency Funds, the Schedule of Changes in Assets and Liabilities - Agency Funds and other schedules required by Section 2.2.2 NMAC are presented for purposes 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 other 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 the auditing standards generally accepted in the United States of America. In our opinion, the Agency Fund schedules and other 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 Schedule of Vendor Information, required by 2.2.2 NMAC, has 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 it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 5, 2015, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

A handwritten signature in blue ink, appearing to read "Atkinson & Co., Ltd.", with a stylized initial or mark to the left.

Atkinson & Co., Ltd.

Albuquerque, New Mexico
November 5, 2015

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)
Required Supplementary Information

June 30, 2015

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 organization and 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 reaction with other government bodies and agencies.

The Authority is a political subdivision of the State of New Mexico, created in 1963 under Section NMSA 72-16-1 to 72-16-103 under the Arroyo Flood Control Act. The Authority is 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 oversees these maintenance functions as part of his job duties.

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, and Stormwater Quality Engineers on staff.

Design and Construction: 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 of a project are managed by the Real Estate Manager. Planning, design, property acquisition and construction are funded by general obligation bond proceeds.

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
Required Supplementary Information

June 30, 2015

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.

Financial Highlights

- The financial position of the Authority is strong. As of June 30, 2015, the Authority's unrestricted net assets were about \$6.2M or about .53% of the total entity-wide expenditures. This takes into account AMAFCA's pension liability and depreciation expense, both of which are currently non-cash items that effect this calculation.
- As of June 30, 2014, AMAFCA had approximately \$10.7M of ongoing construction projects. During the year ended June 30, 2015, AMAFCA spent approximately \$10M more on these and new projects. The Authority closed out approximately \$10M in projects during the year, in which \$5.3 was added to AMAFCA's infrastructure. As of June 30, 2015, AMAFCA has approximately \$10.5M of on-going flood control projects and anticipates substantial completion of these projects within 18 months.
- The Authority is one of the highest rated government agencies in the state of New Mexico; Standard & Poor's Rating Services a AAA; and a AAA rating from Moody's Investors.
- Total cash and investments (including restricted in fiscal year 2015) increased by approximately \$2.8M 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 implemented GASB 68 – Accounting and Financial Reporting for Pensions during FY15. This standard required the Authority to record its pro rata share of the net pension liability of approximately \$1,200,000.

Overview of Financial Statements

The Authority's financial statements are presented in two parts: government-wide financial statements and fund financial statements. Government-wide financial statements report information about the Authority as a whole using accounting in a corporate style basis. Fund financial statements consist of a balance sheet, a statement of revenues, expenditures and changes in fund balance, and a budgetary comparison schedule for each of the funds used by the Authority: general, debt service and capital projects funds. See Notes to Financial Statements, Note A, Organization and Summary of Significant Accounting Policies for a more detailed discussion of the two types of financial statements of the Authority.

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) - CONTINUED
Required Supplementary Information

June 30, 2015

The remainder of this overview section of Management's Discussion and Analysis explains the structure and contents of each of these statements.

The Authority as a whole:

Net Assets: Table A-1 summarizes the Authority's net assets for the fiscal year ended June 30, 2015 and 2014. Net assets are presented on a consolidated basis in one column, and are reflected on a full accrual, economic resources basis, which incorporates long-term assets and receivables, as well as long-term debt and obligations. The Authority did not have any business-type activities during the year ended June 30, 2015.

Table A-1
The Authority's Net Position

	Government Activities June 30, 2015	Government Activities June 30, 2014 as Restated
Current assets	\$ 41,159,949	\$ 38,336,733
Capital assets, net of depreciation	219,932,458	216,129,317
	261,092,407	254,466,050
Deferred outflow of resources	264,556	251,216
Total assets & deferred outflow of resources	\$ 261,356,963	\$ 254,717,266
Current liabilities	\$ 10,170,840	\$ 10,620,266
Non-current liabilities	41,271,517	37,598,368
Total liabilities	51,442,357	48,218,634
Deferred inflow of resources	475,416	-
Net Position		
Net investment in capital assets	174,423,162	177,326,784
Restricted for:		
Debt service	12,051,322	10,718,810
Capital projects	18,450,917	15,647,586
Unrestricted	4,513,789	2,805,452
Total net position	209,439,190	206,498,632
Total liabilities, deferred inflows of resources, and net position	\$ 261,356,963	\$ 254,717,266

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) - CONTINUED
Required Supplementary Information

June 30, 2015

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, 2015, the Authority's operating mill levy was 0.177 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, 2015, 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, 2015, were \$13,086,450 as compared to \$13,020,812 for the fiscal year ended June 30, 2014. The budget used conservative property values and collection rates in estimating revenues.

Changes in Net Assets: The Authority's changes in net assets for fiscal year 2015 were \$2,862,324. See table on following page.

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
Required Supplementary Information

June 30, 2015

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

	Government Activities Year Ended June 30, 2015	Government Activities Year Ended June 30, 2014, as Restated
Program Revenues		
Revenue from jointly funded projects	\$ 1,479,355	\$ 1,461,863
General revenues		
Property taxes	13,086,450	13,020,812
Investment	34,209	24,384
Net loss on capital assets	-	-
Other	54,784	40,978
Total revenues	14,654,798	14,548,037
Expenses		
Flood control	4,043,625	3,922,228
Capital outlay - intergovernmental	4,626,779	2,899,224
General government	1,539,855	1,448,259
Interest on long-term debt	649,688	815,980
Planning, engineering, R&D	854,293	691,081
Total expenses	11,714,240	9,776,772
Change in net position	2,940,558	4,771,265
Beginning net position, as restated	206,498,632	201,727,367
Ending net position	\$ 209,439,190	\$ 206,498,632

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) - CONTINUED
Required Supplementary Information

June 30, 2015

Budgetary Performance

General Operating Fund Budget

The budget used conservative growth factors for the assessed valuation. Actual growth in assessed valuation exceeded budgeted amounts resulting in more tax revenues. This resulted in actual collections of property taxes of approximately \$186,000 over budget.

AMAFCA also has a trend of actual expenditures being lower than budgeted amounts in all categories. However, for the year ended June 30, 2015, salaries and related payroll costs were over budget. We had an issue on the timing of how our payroll service provider billed us and when payment for wages was made, which effected the cash basis budget. Since the budget as a whole was still under budget, we elected not to do a budget adjustment. To eliminate the potential of this happening again, on August 27, 2015, the Board of Directors approved changing AMAFCA's budgetary basis of accounting from the cash basis of accounting to the modified accrual basis of accounting, effective for the year ended June 30, 2016, for all funds.

The operating fund also had one significant budget adjustment. During the year ended June 30, 2015, the Finance and Administration Manager opted for early retirement. The budget adjustment was created to cover costs of two managers for the majority of the second half of the year.

Debt Service Fund Budget

The budget used conservative growth factors for the assessed valuation, which were less than actual growth in assessed valuation resulting in more tax revenue. This resulted in actual collections of property taxes of approximately \$467,000 over budget. The total expenditures were as anticipated.

Capital Projects Fund Budget

Capital projects fund revenues were similar to anticipated.

As anticipated, expenditures are lower than budgeted amounts. This is a product of the budgeting process where we budget expenditures to beginning cash plus anticipated revenues. This process allows us to push as many projects as we are capable of handling and eliminate timing concerns.

Other financing sources in the capital projects fund were \$12.5M less than budget primarily due to one \$12.5M bond sale not occurring.

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) - CONTINUED
Required Supplementary Information

June 30, 2015

Building & Yard Improvement Fund Budget

There were no expenditures in the Building & Yard Improvement Fund during fiscal year 2015. The only activity in this fund was the planned transfer of \$100,000 from the General Fund.

Capital Assets – Debt Administration

Capital Assets

AMAFCA currently maintains facilities with a cost of approximately \$259,000,000. AMAFCA has approximately 4,000 acres of land that contains 67 dams & ponds, 120 water quality improvement structures, and over 78 miles of channels, arroyos, and pipes. Current estimates show that replacing such facilities would be in excess of \$400,000,000.

Major projects completed or closed out during fiscal year 2015 were:

Calabacillas Grade Control Structure 7a, 1a, and 6a and Bank Protection Projects (CGCS7a, CGCS1a and CGCS6a)

The CGCS7a, CGCS1a and CGCS6a consisted of three separate projects which constructed grade control structures (GCS) between existing grade control structures. The projects were fully funded by AMAFCA. The projects were constructed on AMAFCA property and/or on City of Albuquerque property where AMAFCA has a drainage easement. The areas are managed by City of Albuquerque Open Space Division. The projects are part of AMAFCA and the City's on-going efforts to keep the Calabacillas Arroyo a naturalist arroyo in the urban environment. The projects are part of master-planned facilities to control the depth, width and slope of the Calabacillas Arroyo. The GCS are designed to prevent large erosion from occurring in the banks of the arroyo and to achieve the equilibrium grade of the bottom of the arroyo. Due to the close timing of CGCS7a and CGCS1a, the same on-call construction manager and geotechnical testing lab were used to cut costs.

All three projects utilized on site soils for the excavation and backfill of the structures. No import or export of soils was required. Each grade control structure has upstream and downstream concrete cut off walls to prevent scour and undermining of the structures. CGCS7a and 6a are in the reach of the Calabacillas downstream of Golf Course Road and upstream of Eagle Ranch Road in the area of the Black's Arroyo Diversion. CGCS1a is downstream of Swinburne Dam. All three structures incorporated large diameter (30" nominal) basalt boulders grouted with a brown tinted grout to give the look of basalt boulders surrounded by dirt. Large diameter basalt dumped rip rap was placed on the banks of the arroyo for bank protection. Where possible this rip rap was covered with existing soils.

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) - CONTINUED
Required Supplementary Information

June 30, 2015

AMAFCA's total cost including design, construction, construction management and geotechnical testing is approximately:

CGCS7a = \$1,021,000

CGCS1a = \$511,133

CGCS6a = \$1,137,000

CGCS7a won an American Council of Engineering Companies (ACEC) Engineering Excellence Award - 2015 in the small projects category. All three projects will be maintained by AMAFCA.

Black Mesa Phase 1a – Raymac Dam Outfall Project

This project consisted of the installation of 1,300 feet of pressure rated 60-inch pipe in Raymac Road, Coors Boulevard and private property in the Southwest Valley. It connected to a pipe previously installed by the U.S. Army Corps of Engineers that discharges to the Rio Grande. Future projects will connect the pipe to AMAFCA's McCoy, Raymac and Don Felipe Dams to provide a direct outfall to the river. Once the dams are connected, AMAFCA and Bernalillo County can proceed with additional drainage projects to alleviate flooding and remove FEMA floodplain in the area. This project has a total cost of approximately \$1,121,000.

Tijeras Arroyo Improvements for Juan Tabo Hills Subdivision

This project consisted of construction of 1,200 feet of shotcrete bank protection on the Tijeras Arroyo east of the Juan Tabo bridge. It was constructed and funded by the developer of the subdivision under a turnkey agreement with AMAFCA. The project allowed the owner to reclaim property in a FEMA floodplain. It provides erosion and flooding protection for the subdivision and added protection for the bridge abutment. AMAFCA recognized total costs of this project of about \$533,000.

Debt Administration

The Authority's legal debt limit is \$80,000,000. Total bonded debt is made up of seven series of general obligation bonds (Series 2008, 2009, 2010, 2011, 2012, 2014 and 2015) which are scheduled to be retired gradually over the next eight years. The total proceeds of these seven series of bonds are \$74,750,000. At June 30, 2015, the Authority's outstanding principal debt was \$47,225,000 resulting in a legal debt margin of 59% of the \$80,000,000 total general obligation bonding capacity. Total outstanding principal and interest was \$51,168,445 versus \$43,448,707 in fiscal year 2014. The increase is due to the sale of the \$12,500,000 bond issue. The Authority paid \$8,400,000 in principal for the period ending June 30, 2015.

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) - CONTINUED
Required Supplementary Information

June 30, 2015

In May 2015, the Authority sold its second \$12.5M of the 2012 authorization. The effective interest rate on that sale was 1.499%.

On August 1, 2015, the Authority paid \$8,675,000 of principal, leaving a remaining balance of \$38,550,000.

Economic Factors and Next Year's Budgets and Rates

Residential ad valorem property tax rates did not change from the prior year. The total ad valorem property rate for fiscal year 2016 is 0.852, which is the same as fiscal year 2015. The total non-residential ad valorem property tax rate in fiscal year 2016 remains at 1.152. The debt service ad valorem property tax rate of 0.675 has remained constant since 1999.

The Authority's fiscal year 2016 adopted budget for the general fund includes estimated property tax revenues of about \$3,450,000, which is a decrease from the fiscal year 2015 actual revenues of about \$3,600,000. The Authority does not anticipate conditions what would cause decreases in revenues, but takes a conservative approach as it relates to collections, a 95% collection rate.

The Authority increased the total budgeted expenditures from about \$4.6 to almost \$5 million. The most significant increase is in anticipation of water quality monitoring as it relates to our MS4 permit. This will be the Authority's initial year under the MS4 permit and costs are estimated to be about \$400,000. The Authority also budgeted about \$900,000 in capital asset acquisitions and improvements. The Authority plans a transfer of \$600,000 from the Building & Yard Fund to the General Fund to fund the improvements to the AMAFCA facility, including additional security and lighting as well as parking improvements.

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 the money 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

STATE OF NEW MEXICO
ALBUQUERQUE METROPOLITAN ARROYO FLOOD CONTROL AUTHORITY

GOVERNMENT-WIDE STATEMENT OF NET POSITION

June 30, 2015

ASSETS

	Governmental Activities
CURRENT ASSETS	
Cash and cash equivalents	\$ 198,706
Investments	39,950,193
Property tax receivables, net of allowance	1,011,050
Total current assets	41,159,949
CAPITAL ASSETS	
Capital assets not being depreciated	64,079,179
Capital assets being depreciated, net	155,853,279
Total capital assets	219,932,458
DEFERRED OUTFLOWS OF RESOURCES	
Contributions subsequent to measurement date	264,556
Total assets and deferred outflows of resources	\$ 261,356,963

LIABILITIES AND NET ASSETS

LIABILITIES

Current liabilities

Accounts payable	\$ 596,021
Accrued payroll and taxes	101,841
Compensated absences payable, current portion	46,893
Bonds payable, current portion	8,675,000
Bond premium, current portion	361,078
Accrued interest payable	390,007

Total current liabilities 10,170,840

Noncurrent liabilities

Compensated absences payable - expected to be paid after one year	101,775
Bonds payable, net of current portion	38,550,000
Bond premium, noncurrent portion less accumulated amortization of \$827,382	1,406,648
Net pension liability	1,213,094

Total noncurrent liabilities 41,271,517

Total liabilities 51,442,357

DEFERRED INFLOWS OF RESOURCES

Difference between actual and expected investment earnings	475,416
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NET POSITION

Net investment in capital assets	174,423,162
Restricted	
Debt service	12,051,322
Capital projects	18,450,917
Unrestricted	4,513,789

Total net position 209,439,190

Total liabilities, deferred inflows, and net position \$ 261,356,963

The accompanying notes are an integral part of this financial statement.

STATE OF NEW MEXICO
ALBUQUERQUE METROPOLITAN ARROYO FLOOD CONTROL AUTHORITY

GOVERNMENT-WIDE STATEMENT OF ACTIVITIES

Year ended June 30, 2015

	<u>Expenses</u>	<u>Program Revenues</u> Capital Contributions and Revenue from Jointly Funded Projects	Net (Expense) Revenue and Changes in Net Assets
Governmental activities			
Flood control	\$ (4,043,625)	\$ -	\$ (4,043,625)
General government	(1,539,855)	-	(1,539,855)
Planning, engineering, research and development	(854,293)	-	(854,293)
Capital outlay, noncapitalized	(4,626,779)	1,479,355	(3,147,424)
Long-term debt, interest and fees	(649,688)	-	(649,688)
	<u>\$ (11,714,240)</u>	<u>\$ 1,479,355</u>	<u>(10,234,885)</u>
General revenues			
Property taxes			13,086,450
Investment			34,209
Other			54,784
			<u>13,175,443</u>
Changes in net position			2,940,558
Net position, beginning of year as previously reported			184,982,187
Restatement of prior years for items in Note F			<u>21,516,445</u>
Net position, beginning of year as restated			<u>206,498,632</u>
Net position, end of year			<u>\$ 209,439,190</u>

The accompanying notes are an integral part of this financial statement.

STATE OF NEW MEXICO
ALBUQUERQUE METROPOLITAN ARROYO FLOOD CONTROL AUTHORITY

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2015

ASSETS

	General Fund	Debt Service Fund	Capital Projects Fund	Building & Yard Improvement Fund	Total Governmental Funds
ASSETS					
Petty cash	\$ 200	\$ -	\$ -	\$ -	\$ 200
Cash in bank	171,983	325	25,329	869	198,506
Investments	8,757,482	11,812,859	18,917,405	462,447	39,950,193
Property taxes & other receivables	302,145	707,407	1,498	-	1,011,050
	<u>302,145</u>	<u>707,407</u>	<u>1,498</u>	<u>-</u>	<u>1,011,050</u>
 Total assets	 <u>\$ 9,231,810</u>	 <u>\$ 12,520,591</u>	 <u>\$ 18,944,232</u>	 <u>\$ 463,316</u>	 <u>\$ 41,159,949</u>

LIABILITIES AND FUND BALANCES

LIABILITIES					
Accounts payable	\$ 102,706	\$ -	\$ 493,315	\$ -	\$ 596,021
Accrued payroll and taxes	101,841	-	-	-	101,841
	<u>101,841</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>101,841</u>
 Total liabilities	 204,547	 -	 493,315	 -	 697,862
 Deferred Inflows	 <u>203,089</u>	 <u>469,269</u>	 <u>-</u>	 <u>-</u>	 <u>672,358</u>
 Total liabilities and deferred inflows	 407,636	 469,269	 493,315	 -	 1,370,220
 FUND BALANCES					
Restricted					
Flood control construction and maintenance	4,880,067	-	-	-	4,880,067
Debt service	-	12,051,322	-	-	12,051,322
Capital projects	-	-	18,450,917	-	18,450,917
Committed					
General	3,900,000	-	-	-	3,900,000
Building and improvements	-	-	-	463,316	463,316
Unassigned					
General	44,107	-	-	-	44,107
	<u>44,107</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>44,107</u>
 Total fund balances	 <u>8,824,174</u>	 <u>12,051,322</u>	 <u>18,450,917</u>	 <u>463,316</u>	 <u>39,789,729</u>
 Total liabilities, deferred inflows, and fund balances	 <u>\$ 9,231,810</u>	 <u>\$ 12,520,591</u>	 <u>\$ 18,944,232</u>	 <u>\$ 463,316</u>	 <u>\$ 41,159,949</u>

The accompanying notes are an integral part of this financial statement.

STATE OF NEW MEXICO
ALBUQUERQUE METROPOLITAN ARROYO FLOOD CONTROL AUTHORITY

**RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS TO
THE STATEMENT OF NET POSITION - GOVERNMENTAL ACTIVITIES**

June 30, 2015

Total fund balance - governmental funds		\$ 39,789,729
Amounts reported for governmental activities in the statement of net assets 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.		672,358
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	\$ 273,799,509	
Less accumulated depreciation	(53,867,051)	
Related debt	(45,509,296)	
Debt not related to capital assets	<u>(1,715,704)</u>	
Total capital assets, net of related debt and depreciation		172,707,458
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		264,556
Net pension liability		(1,213,094)
Deferred Inflows - difference between actual and expected investment earnings		(475,416)
Some liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Compensated absences payable		(148,668)
Accrued interest payable		(390,007)
Bond premium costs are amortized for governmental activities, but are a current other financing source in fund financial statements.		
Total bond premium	(2,595,108)	
Less accumulated amortization	<u>827,382</u>	<u>(1,767,726)</u>
Net position of governmental activities (Statement of Net Position)		<u>\$ 209,439,190</u>

The accompanying notes are an integral part of this financial statement.

STATE OF NEW MEXICO
ALBUQUERQUE METROPOLITAN ARROYO FLOOD CONTROL AUTHORITY

**STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**

Year ended June 30, 2015

	General Fund	Debt Service Fund	Capital Projects Fund	Building & Yard Improvement Fund	Total Governmental Funds
REVENUES					
Property taxes	\$ 3,630,311	\$ 9,594,681	\$ -	\$ -	\$ 13,224,992
Investments	9,948	7,085	16,708	468	34,209
Revenue from jointly funded projects	-	-	100,000	-	100,000
Revenue from property sales	-	-	-	-	-
Other	32,071	-	-	-	32,071
Total revenues	3,672,330	9,601,766	116,708	468	13,391,272
EXPENDITURES					
Current					
General government	1,468,858	-	-	-	1,468,858
Flood control	1,114,205	-	-	-	1,114,205
Planning, engineering, research and development	854,293	-	-	-	854,293
Capital outlay	292,642	-	9,792,455	-	10,085,097
Debt service					
Bond principal retirement	-	8,400,000	-	-	8,400,000
Interest and fixed charges	-	822,994	-	-	822,994
Reappraisal fees	36,237	95,855	-	-	132,092
Bond issuance costs	-	-	108,574	-	108,574
Total expenditures	3,766,235	9,318,849	9,901,029	-	22,986,113
Excess (deficiency) of revenues over expenditures	(93,905)	282,917	(9,784,321)	468	(9,594,841)
OTHER FINANCING SOURCES AND USES					
Operating transfers in	-	-	-	100,000	100,000
Operating transfers out	(100,000)	-	-	-	(100,000)
Face amount from bond sales	-	-	12,500,000	-	12,500,000
Bond premium issuance	-	686,126	89,759	-	775,885
Loss on investments	(1,595)	(238)	(2,107)	-	(3,940)
Total other financing sources and uses	(101,595)	685,888	12,587,652	100,000	13,271,945
Net change in fund balances	(195,500)	968,805	2,803,331	100,468	3,677,104
Fund balances, beginning of year	9,019,674	11,082,517	15,647,586	362,848	36,112,625
Fund balances, end of year	<u>\$ 8,824,174</u>	<u>\$ 12,051,322</u>	<u>\$ 18,450,917</u>	<u>\$ 463,316</u>	<u>\$ 39,789,729</u>

The accompanying notes are an integral part of this financial statement.

STATE OF NEW MEXICO
ALBUQUERQUE METROPOLITAN ARROYO FLOOD CONTROL AUTHORITY

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES, GOVERNMENTAL ACTIVITIES**

June 30, 2015

Net change in fund balances - governmental funds		\$ 3,677,104
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		8,400,000
Bond premium is not amortized for fund financial statement purposes, but is for governmental activities - current year amortization		308,180
Bond premiums are included as other revenues for fund financial statement purposes, but are recorded as a liability for governmental activities		(775,885)
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		(17,466)
Accrued interest payable		(26,300)
In the governmental funds, pension expense is the actual contributions made to PERA, in the entity wide statements, amounts are shown as a net pension liability, deferred outflows, and deferred inflows. The net adjustment for the year was:		
		78,234
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:		
		(6,450)
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	\$ 5,458,318	
Depreciation	(3,057,245)	
Gain on disposal of assets	<u>22,713</u>	
Excess of capital outlay over depreciation		2,423,786
In the statement of activities, turnkey contributed projects are recorded as revenues. These revenues are not recorded in the governmental fund statements.		
		<u>1,379,355</u>
Changes in net position of governmental activities (statement of activities)		<u><u>\$ 2,940,558</u></u>

The accompanying notes are an integral part of this financial statement.

STATE OF NEW MEXICO
ALBUQUERQUE METROPOLITAN ARROYO FLOOD CONTROL AUTHORITY

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND**

June 30, 2015

	Budget Original	Budget Final	Actual Amount Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
Property taxes	\$ 3,401,141	\$ 3,401,141	\$ 3,588,053	\$ 186,912
Revenue - other	24,800	27,800	42,019	14,219
Total revenues	3,425,941	3,428,941	3,630,072	201,131
Expenditures				
Salary and related payroll costs	2,274,572	2,321,956	2,454,441	(132,485)
Facilities operations and maintenance	581,900	581,900	544,235	37,665
Planning, engineering, and research and development	503,000	503,000	327,096	175,904
General & administrative	170,500	173,500	162,441	11,059
Professional services	81,300	81,300	58,409	22,891
Information technology	122,500	122,500	139,988	(17,488)
Governmental affairs	162,300	162,300	159,306	2,994
Capital outlay	225,000	225,000	282,827	(57,827)
Total expenditures	4,121,072	4,171,456	4,128,743	42,713
Excess (deficiency) of revenues over expenditures before other financing sources and uses	(695,131)	(742,515)	(498,671)	243,844
Other financing sources and uses				
Transfers to other funds	(100,000)	(100,000)	(100,000)	-
Emergency contingency	(400,000)	(400,000)	-	400,000
Building and yard improvements	(424,000)	(424,000)	-	424,000
Total other financing and uses	(924,000)	(924,000)	(100,000)	824,000
Net change in fund balance	\$ (1,619,131)	\$ (1,666,515)	\$ (598,671)	\$ 1,067,844
Prior year fund balance required to balance budget	\$ 1,619,131	\$ 1,666,515		
Budgetary revenues			\$ 3,630,072	
Change in property tax receivable			7,787	
Change in deferred inflows			(1,766)	
Reappraisal fees			36,237	
GAAP revenues			\$ 3,672,330	
Budgetary expenditures			\$ 4,128,743	
Exclusion of reappraisal fees			36,237	
Change in accounts payable			(267,188)	
Change in accrued payroll and other liabilities			(131,557)	
Loss on investments is not budgeted			1,595	
Operating transfer out			100,000	
GAAP expenses and transfers			\$ 3,867,830	

The accompanying notes are an integral part of this financial statement.

STATE OF NEW MEXICO
ALBUQUERQUE METROPOLITAN ARROYO FLOOD CONTROL AUTHORITY

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - ALL AGENCY FUNDS

Year ended June 30, 2015

ASSETS

Cash in bank and savings	<u>\$ 1,938,823</u>
Total assets	<u><u>\$ 1,938,823</u></u>

LIABILITIES

Funds held for others	<u><u>\$ 1,938,823</u></u>
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The accompanying notes are an integral part of this financial statement.

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

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 there under 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.

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

NOTES TO FINANCIAL STATEMENTS – CONTINUED

June 30, 2015

**NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES - CONTINUED**

1. Function and Definition of Entity - Continued

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, 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.

There were no component units of the Albuquerque Metropolitan Arroyo Flood Control Authority during the year June 30, 2015.

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 either governmental or business-type activities. In the government-wide Statement of Net Position, the governmental activities are reflected on a full accrual economic resources basis which incorporates long-term assets and receivables as well as long-term debt and obligations. The Authority implemented GASB Statement No. 68 for the year ended June 30, 2015. The Statement of Net Position now provides for a net pension liability and related deferred inflows and deferred outflows as applicable.

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

NOTES TO FINANCIAL STATEMENTS – CONTINUED

June 30, 2015

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

2. Basic Financial Statements - Continued

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 mode 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 assets are available is to utilize the restricted net assets first. No such expenses occurred during the year ended June 30, 2015.

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 to be 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 Building Improvement Fund, and the Capital Projects 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.

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

NOTES TO FINANCIAL STATEMENTS – CONTINUED

June 30, 2015

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

2. Basic Financial Statements - Continued

Internal activity among the various funds is eliminated in the government-wide financial statements. There were no interfund balances at June 30, 2015.

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

3. Basis of Presentation

The financial transactions of the Authority are maintained on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, expenditures or expenses, and other financing sources or uses. Government resources are allocated 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.

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

NOTES TO FINANCIAL STATEMENTS – CONTINUED

June 30, 2015

**NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES - CONTINUED**

3. Basis of Presentation - Continued

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.

Building Improvement Fund. The Building Improvement Fund is used to account for financial resources to be used for costs associated with the building and improvement of the Authority's office building.

Fiduciary Funds. Fiduciary funds account for assets held by the government in a trustee capacity or as an agent on behalf of outside parties, including other governments. The Authority only had agency funds during the year ended June 30, 2015. Agency funds are used to account for assets that government holds for others in an agency capacity.

Non-Current Governmental Assets/Liabilities

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

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

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

NOTES TO FINANCIAL STATEMENTS – CONTINUED

June 30, 2015

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

4. Basis of Accounting - Continued

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.

5. Budgetary Accounting

Budgets for all funds are adopted on the cash basis. All budget actual results are reconciled to GAAP revenues and expenditures. 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, 2015, was properly approved by the Authority's Board and by the Local Government Division. It was subsequently properly amended. For the year ending June 30, 2016, the Board approved a change in the budget basis for the Authority to the modified accrual basis.

6. 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.

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

NOTES TO FINANCIAL STATEMENTS – CONTINUED

June 30, 2015

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

6. Compensated Absences - Continued

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 payable of \$148,668 have been recorded in the government-wide financial statements. Of the \$148,668, \$46,893 is considered to be the current portion while \$101,775 is considered to be the long-term portion which is expected to be paid after one year. The compensated absences payable have been valued using the pay levels in effect at June 30, 2015, 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.

	June 30, 2014	Additions	Deletions	June 30, 2015	Due Within One Year
Compensated absences payable	\$ 131,202	\$ 96,648	\$ 79,182	\$ 148,668	\$ 46,893

7. 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 fair values 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.

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

NOTES TO FINANCIAL STATEMENTS – CONTINUED

June 30, 2015

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

7. Capital Assets - Continued

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

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

8. 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.

9. 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 is associated with non-liquid capital assets less outstanding capital asset related debt. The net related debt is the general obligation bonds issued to finance the Authority construction projects. The Authority had related debt of \$45,509,296 at June 30, 2015. There is unrelated debt of \$1,715,704 not yet related to projects. Total debt is \$47,225,000

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

Unrestricted - represent the residual assets of the Authority which are not restricted.

10. 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:

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

NOTES TO FINANCIAL STATEMENTS – CONTINUED

June 30, 2015

**NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES - CONTINUED**

10. Fund Balance - Continued

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 these 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.

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.

Details of the fund balances are included in the Governmental Fund Balance Sheet.

11. 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.

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

NOTES TO FINANCIAL STATEMENTS – CONTINUED

June 30, 2015

**NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES - CONTINUED**

12. Bond Premium

Bond premiums of \$2,595,108 (\$775,885 in current year) have been recorded as a liability in the government-wide financial statements and are being amortized using straight-line against interest expense over the life of the related bonds payable.

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, 2015, are attributable to the following:

Delinquent property taxes	<u>\$ 672,358</u>
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As part of GASB 68 implementation, deferred inflows were recorded on the government-wide statement.

Difference projected and actual earnings on pension plan investments	<u>\$ 475,416</u>
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14. Pensions

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

15. Noncash Capital Contributions

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

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

NOTES TO FINANCIAL STATEMENTS – CONTINUED

June 30, 2015

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

16. Subsequent Events

Subsequent events have been evaluated through November 5, 2015, 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, 2015. Management believes no material subsequent events have arisen that would require adjustment or disclosure.

NOTE B - CASH AND INVESTMENTS

The Albuquerque Metropolitan Arroyo Flood Control Authority maintains deposits and invests its funds in accordance with resolutions adopted by its Board of Directors and applicable State statutes. The Authority currently requires 50% collateral after considering FDIC insurance on its deposits with Wells Fargo. At June 30, 2015, the collateralization requirement for the cash balances was met.

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.

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

NOTES TO FINANCIAL STATEMENTS – CONTINUED

June 30, 2015

NOTE B - CASH AND INVESTMENTS - CONTINUED

Balances as reflected by financial institutions at June 30, 2015:

Wells Fargo, Albuquerque, NM - all are demand deposit accounts except for ditch and water safety accounts and Boca Negra Dam savings	
Cash balances per depository at June 30, 2015:	
Checking and unassigned accounts	\$ 559,883
Debt Service Account	325
Storm Quality Education	31,258
Ditch & Water Safety Task Force	56,179
Boca Negra Dam	7,217
Boca Negra Dam Savings	667,168
Area Wide Maintenance	129
Area Wide Maintenance Savings	1,184,022
Petty Cash	<u>200</u>
 Total deposits	 2,506,381
 Less outstanding checks and adjustments, all accounts	 (368,852)
Less agency funds - cash and savings accounts	<u>(1,938,823)</u>
 Net carrying value at June 30, 2015	 <u><u>\$ 198,706</u></u>
 Shown as:	
General Fund	\$ 172,183
Debt Service Fund	325
Capital Projects Fund	25,329
Building Improvement Fund	<u>869</u>
 Total cash per government-wide financial statements	 <u><u>\$ 198,706</u></u>

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 Section 6-10-17, NMSA (1978). As of June 30, 2015, approximately 20% of the Authority's deposits were insured. Of the remaining 80%, 77% is covered by collateral held by the pledging bank's trust in the Authority's name. The remaining 3% is uninsured or collateralized and subject to custodial credit risk at June 30, 2015. See Schedule of Pledged Collateral on Page 68.

The Authority has invested funds in the New Mexico State Treasurer's Local Government Investment Pool (Pool). The Pool's investments are U.S. term overnight repurchase agreements.

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

NOTES TO FINANCIAL STATEMENTS – CONTINUED

June 30, 2015

NOTE B - CASH AND INVESTMENTS - CONTINUED

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

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

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

June 30, 2015

<i>New MexiGROW</i> LGIP	AAAm rated	\$39,950,193	54.6 day WAM (R) and 77.7 day WAM (F)
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During the year, a portion of AMAFCA's investment was held in the LGIP reserve contingency fund. However, on June 30, 2015, AMAFCA was informed that its remaining balance of \$3,940 would not be distributed. On that day, the fund removed the \$3,940 from the account to reflect a \$0 balance. The \$3,940 is considered a loss and was expensed on June 30, 2015.

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

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

NOTES TO FINANCIAL STATEMENTS – CONTINUED

June 30, 2015

NOTE B - CASH AND INVESTMENTS - CONTINUED

Following are the investment amounts by fund that are included in the State Treasurer Local Government Investment Pool as of June 30, 2015:

General Fund	\$ 8,757,482
Debt Service Fund	11,812,859
Capital Projects Fund	18,917,405
Building Improvement Fund	<u>462,447</u>
 Total governmental funds	 <u><u>\$ 39,950,193</u></u>

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.

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.

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

NOTES TO FINANCIAL STATEMENTS – CONTINUED

June 30, 2015

NOTE C - PROPERTY TAXES AND PROPERTY TAX RECEIVABLES - CONTINUED

The Authority has, as of June 30, 2015, a mill levy of 0.675 mills per thousand of assessed value which related to debt service of general obligation bonds in the Debt Service Fund. The Authority also has for the General Fund imposed operating levies of 1.177 mills per \$1,000 of assessed value on all residential property and 0.477 mills per \$1,000 of assessed value of nonresidential property within the Authority's boundaries. Section 7-37-7.1, NMSA 1978 limits the allowable increase in property taxes for operating purposes from the preceding year, but it does not limit any debt service levy. Specifically, no property tax rate or assessment for operating purposes shall be set which exceeds the prior year's tax revenue plus a percent, not in excess of five percent, determined by a specific general business indicator, plus any net new increase in assessed value.

Property taxes receivable arise from tax levies which were levied and which are to be collected by the Bernalillo County Treasurer. The following are the receivables outstanding at June 30, 2015:

Receivables	
Current property taxes	\$ 337,194
Delinquent property taxes, net of allowance of \$120,000 for doubtful accounts	672,358
Other	<u>1,498</u>
Total receivables	<u><u>\$ 1,011,050</u></u>

Of the property taxes noted above, \$99,056 in the General Fund and \$238,138 in the Debt Service Fund are considered available financial resources and considered fully collectible. Delinquent property taxes of \$672,358 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 to be 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.

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

NOTES TO FINANCIAL STATEMENTS – CONTINUED

June 30, 2015

NOTE D - CHANGES IN CAPITAL ASSETS (Restatement)

A summary of changes in capital assets follows:

	June 30, 2014, as Restated	Additions	Transfers	Sales or Other Dispositions	June 30, 2015
Capital assets not being depreciated					
Infrastructure:					
Land acquisition	\$ 53,211,760	\$ 332,000	\$ -	\$ -	\$ 53,543,760
Construction in progress	10,714,157	9,792,455	(5,355,479)	(4,615,714)	10,535,419
Total capital assets not being depreciated	63,925,917	10,124,455	(5,355,479)	(4,615,714)	64,079,179
Capital assets being depreciated					
Operations:					
Furniture and fixtures	94,652	-	-	-	94,652
Maintenance tools and automotive equipment	1,788,826	343,255	-	(160,134)	1,971,947
Office and maintenance buildings	1,353,489	-	-	-	1,353,489
Infrastructure:					
Utility relocations	1,972,037	64,572	-	-	2,036,609
Dams, channels and other improvements	197,922,871	6,340,762	-	-	204,263,633
Total capital assets being depreciated	203,131,875	6,748,589	-	(160,134)	209,720,330
Total capital assets	267,057,792	16,873,044	(5,355,479)	(4,775,848)	273,799,509
Less accumulated depreciation					
Furniture and fixtures	(55,717)	(15,754)	-	-	(71,471)
Maintenance tools and automotive equipment	(1,383,001)	(123,673)	-	118,669	(1,388,005)
Office and maintenance buildings	(512,176)	(33,837)	-	-	(546,013)
Infrastructure	(48,977,581)	(2,883,981)	-	-	(51,861,562)
Total accumulated depreciation	(50,928,475)	(3,057,245)	-	118,669	(53,867,051)
Capital assets, net of accumulated depreciation	<u>\$ 216,129,317</u>	<u>\$ 13,815,799</u>	<u>\$ (5,355,479)</u>	<u>\$ (4,657,179)</u>	<u>\$ 219,932,458</u>

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

NOTES TO FINANCIAL STATEMENTS – CONTINUED

June 30, 2015

NOTE D - CHANGES IN CAPITAL ASSETS (Restatement)- CONTINUED

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

Depreciation was charged as follows to these functions:

General government	\$	49,591
Flood control		<u>3,007,654</u>
 Total depreciation	 \$	 <u>3,057,245</u>

Restatements: Analysis of work in progress, capital asset details, land schedules, and accumulated depreciation required the following adjustments to the beginning balances of the respective categories:

- Work in progress as of June 30, 2014, was overstated by \$851,015, due to certain expenditures being included twice for 2014. Other reconciling items were corrected so the work in progress schedule agrees to the general ledger detail
- Furniture, fixtures and maintenance balances were overstated by \$3,445 due to amounts on the asset list not agreeing to actual costs.
- Land was understated by \$24,017,343. AMAFCA completed analysis of property tax records, facility maintenance records, and general knowledge about land or right of way owned by AMAFCA to create a detailed list of land.
- Accumulated depreciation was overstated by \$144,250 due to an error on calculating the depreciation expense based on the lives of the respective assets.

The total net restatement to fixed assets was \$23,018,633. The restatement only effects the Government-Wide Statement of Net Position.

Construction in progress as of June 30, 2015, consisted of the following:

Project	June 30, 2014, as Restated	Additions	Inter-Project Transfers	Transfers to Capital Assets	Deletions	June 30, 2015
Boca Negra Detention Dam						
Land	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ 200,000
Engineering	995,394	105,349	-	-	-	1,100,743
Construction	2,121,526	-	-	-	-	2,121,526
Agency Area-wide						
Engineering	1,276	-	-	(1,276)	-	-
Construction	866,268	868,544	-	(866,268)	(868,544)	-

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

NOTES TO FINANCIAL STATEMENTS – CONTINUED

June 30, 2015

NOTE D - CHANGES IN CAPITAL ASSETS (Restatement) - CONTINUED

Project	June 30, 2014, as Restated	Additions	Inter-Project Transfers	Transfers to Capital Assets	Deletions	June 30, 2015
Garduno Road SD Improvements						
Construction	75,000	-	-	-	-	75,000
SE Valley Drain SD DMP						
Land	1,811,500	-	-	-	-	1,811,500
Engineering	166,004	64,190	-	-	-	230,194
Pino Dam EAP Phase I						
Engineering	46,283	-	-	-	(46,283)	-
Sanchez Farm Trib SD FY2010						
Engineering	305,650	27,733	-	-	(333,383)	-
Construction	389,468	-	-	-	(389,468)	-
Black Mesa Phase 1a						
Land	46,050	-	(46,050)	-	-	-
Engineering	958,926	107,963	(361,317)	-	-	705,572
Construction	-	763,587	(763,587)	-	-	-
SW Valley Flood Reduction Phase II						
Land	3,650	-	-	-	-	3,650
Engineering	54,479	3,677	-	-	-	58,156
Construction	-	-	-	-	-	-
Amole-Hubbell DMP Update						
Engineering	296,877	-	-	-	-	296,877
Alameda Drain WQDMP						
Engineering	48	-	-	-	(48)	-
Ecosystem Preservation						
Engineering	29,343	-	-	-	(29,343)	-
Construction	172,409	16,980	-	-	(189,389)	-

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

NOTES TO FINANCIAL STATEMENTS – CONTINUED

June 30, 2015

NOTE D - CHANGES IN CAPITAL ASSETS (Restatement) – CONTINUED

Project	June 30, 2014, as Restated	Additions	Inter-Project Transfers	Transfers to Capital Assets	Deletions	June 30, 2015
Mid Valley Drainage						
Engineering	23,887	-	-	-	-	23,887
Construction	250,000	-	-	-	-	250,000
Boca Negra EAP						
Engineering	154,060	46,667	-	-	-	200,727
Calabacillas West Branch DMP						
Engineering	110,152	83,646	-	-	-	193,798
Upper Piedras Marcadas Watershed						
Engineering	158,600	41,078	-	-	-	199,678
DMP Audits						
Engineering	25,040	9,005	-	-	(34,045)	-
AMAFCA Misc. Construction Projects 2014						
Engineering	59,411	38,860	-	(98,271)	-	-
Construction	11,449	537,602	-	(549,051)	-	-
Valle de Oro Site Plan						
Engineering	131,959	50,121	-	-	(182,080)	-
Calabacillas GCS 1A						
Engineering	87,720	33,385	-	(121,105)	-	-
Construction	199,021	191,007	-	(390,028)	-	-
Calabacillas GCS 6A & 7B						
Engineering	114,152	36,205	-	(150,357)	-	-
Construction	844,567	26,702	-	(871,269)	-	-
Amole-Hubbell Dam System Analysis						
Engineering	-	19,461	-	-	-	19,461

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

NOTES TO FINANCIAL STATEMENTS – CONTINUED

June 30, 2015

NOTE D - CHANGES IN CAPITAL ASSETS (Restatement) – CONTINUED

Project	June 30, 2014, as Restated	Additions	Inter-Project Transfers	Transfers to Capital Assets	Deletions	June 30, 2015
NDC Bath tub						
Engineering	2,206	270,372	-	-	-	272,578
Construction	-	1,954,554	-	-	-	1,954,554
Calabacillas GCS 6a						
Engineering	-	118,663	-	(118,663)	-	-
Construction	-	1,018,237	-	(1,018,237)	-	-
Telemetry Project Phase I						
Engineering	-	70,505	-	-	-	70,505
Construction	-	-	-	-	-	-
Pond 187 Outfall						
Land	-	71,223	-	-	-	71,223
Engineering	-	291,649	-	-	-	291,649
Construction	-	215,082	-	-	-	215,082
Piedras Marcadas Dam WQ						
Engineering	-	94,203	-	-	-	94,203
Construction	-	42,044	-	-	-	42,044
San Mateo to Moon Mini DMP						
Engineering	-	28,115	-	-	-	28,115
West I-40 Phase IV						
Engineering	-	597	-	-	-	597
Construction	-	-	-	-	-	-
Pino Dam EAP Phase II						
Engineering	-	4,100	-	-	-	4,100
Black Mesa Phase 1a - Raymac Dam						
Engineering	-	-	407,367	(407,367)	-	-
Construction	-	-	763,587	(763,587)	-	-

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

NOTES TO FINANCIAL STATEMENTS – CONTINUED

June 30, 2015

NOTE D - CHANGES IN CAPITAL ASSETS (Restatement) – CONTINUED

Project	June 30, 2014, as Restated	Additions	Inter-Project Transfers	Transfers to Capital Assets	Deletions	June 30, 2015
Cost Sharing Projects						
Goff Road	-	1,000,000	-	-	(1,000,000)	-
Avenida Cesar Chavez	-	300,000	-	-	(300,000)	-
Tower Road	-	800,000	-	-	(800,000)	-
Misc Project						
Non-capitalized expenditures	1,782	441,349	-	-	(443,131)	-
Total construction in progress	<u>\$ 10,714,157</u>	<u>\$ 9,792,455</u>	<u>\$ -</u>	<u>\$ (5,355,479)</u>	<u>\$ (4,615,714)</u>	<u>\$ 10,535,419</u>

All of the financing and associated commitments required for the construction and engineering services projects listed will be provided by funds obtained through the prior issuance of general obligation bonds and the use of the Capital Project Fund revenues. The general obligation bonds allows for the extension, betterment, alteration, reconstruction, repair and other improvements of the flood control system within AMAFCA's jurisdiction. This includes planning and research on existing or new facilities, facilities owned by other entities but within AMAFCA's system, and re-mapping of flood plains, which may or may not become capital assets of AMAFCA.

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

Transfers to Capital Assets	\$ 5,355,479
Add cooperative project contributions	<u>1,049,855</u>
2015 project additions	<u><u>\$ 6,405,334</u></u>
Utility relocations	\$ 64,572
Dams, channels and other improvements	<u>6,340,762</u>
2015 project additions	<u><u>\$ 6,405,334</u></u>

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

NOTES TO FINANCIAL STATEMENTS – CONTINUED

June 30, 2015

NOTE E - GENERAL OBLIGATION BONDS PAYABLE

The change in general obligation bonds payable is as follows:

	<u>June 30, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2015</u>	<u>Due Within One Year</u>
General obligation bonds payable	\$ 43,125,000	\$ 12,500,000	\$ (8,400,000)	\$ 47,225,000	\$ 8,675,000

All bonds are general purpose obligation bonds which are to be retired with future property tax levies for this purpose. The legal debt limit for the Authority is \$80,000,000, while the total general obligation debt on June 30, 2015 was \$47,225,000. The resulting legal debt margin is \$32,750,000.

The following is the detail for each issue outstanding at June 30, 2015:

Series 2008

Original amount: \$9,750,000
Interest rate - 2.75% to 3.5%

Year ended June 30,	<u>Annual Requirements</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 825,000	\$ 14,438	\$ 839,438
	<u>\$ 825,000</u>	<u>\$ 14,438</u>	<u>\$ 839,438</u>

Series 2009

Original amount: \$10,000,000
Interest rate - 2.0% to 2.75%

Year ended June 30,	<u>Annual Requirements</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 1,250,000	\$ 49,813	\$ 1,299,813
2017	1,300,000	17,875	1,317,875
	<u>\$ 2,550,000</u>	<u>\$ 67,688</u>	<u>\$ 2,617,688</u>

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

NOTES TO FINANCIAL STATEMENTS – CONTINUED

June 30, 2015

NOTE E - GENERAL OBLIGATION BONDS PAYABLE – CONTINUED

Series 2010

Original amount: \$10,000,000

Interest rate - 1.0% to 2.125%

Year ended June 30,	Annual Requirements		
	Principal	Interest	Total
2016	\$ 2,100,000	\$ 114,344	\$ 2,214,344
2017	2,250,000	70,844	2,320,844
2018	2,275,000	24,172	2,299,172
	<u>\$ 6,625,000</u>	<u>\$ 209,360</u>	<u>\$ 6,834,360</u>

Series 2011

Original amount: \$10,000,000

Interest rate - 1.0% to 2.125%

Year ended June 30,	Annual Requirements		
	Principal	Interest	Total
2016	\$ 1,500,000	\$ 131,000	\$ 1,631,000
2017	1,500,000	97,250	1,597,250
2018	1,900,000	62,250	1,962,250
2019	1,925,000	19,250	1,944,250
	<u>\$ 6,825,000</u>	<u>\$ 309,750</u>	<u>\$ 7,134,750</u>

Series 2012

Original amount: \$10,000,000

Interest rate - 1.0% to 2.125%

Year ended June 30,	Annual Requirements		
	Principal	Interest	Total
2016	\$ 1,200,000	\$ 120,000	\$ 1,320,000
2017	1,200,000	96,000	1,296,000
2018	1,200,000	72,000	1,272,000
2019	1,500,000	45,000	1,545,000
2020	1,500,000	15,000	1,515,000
	<u>\$ 6,600,000</u>	<u>\$ 348,000</u>	<u>\$ 6,948,000</u>

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

NOTES TO FINANCIAL STATEMENTS – CONTINUED

June 30, 2015

NOTE E - GENERAL OBLIGATION BONDS PAYABLE – CONTINUED

Series 2014

Original amount: \$12,500,000

Interest rate - 2.0% to 3.0%

Year ended June 30,	Annual Requirements		
	Principal	Interest	Total
2016	\$ 600,000	\$ 253,500	\$ 853,500
2017	700,000	242,250	942,250
2018	700,000	231,750	931,750
2019	1,500,000	215,250	1,715,250
2020	2,000,000	189,000	2,189,000
2021	2,700,000	133,500	2,833,500
2022	3,100,000	46,500	3,146,500
	<u>\$ 11,300,000</u>	<u>\$ 1,311,750</u>	<u>\$ 12,611,750</u>

Series 2015

Original amount: \$12,500,000

Interest rate - 2.0% to 3.0%

Year ended June 30,	Annual Requirements		
	Principal	Interest	Total
2016	\$ 1,200,000	\$ 239,961	\$ 1,439,961
2017	500,000	312,000	812,000
2018	700,000	300,000	1,000,000
2019	1,000,000	283,000	1,283,000
2020	2,100,000	241,500	2,341,500
2021	2,600,000	171,000	2,771,000
2022	2,100,000	100,500	2,200,500
2023	2,300,000	34,500	2,334,500
	<u>\$ 12,500,000</u>	<u>\$ 1,682,461</u>	<u>\$ 14,182,461</u>

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

NOTES TO FINANCIAL STATEMENTS – CONTINUED

June 30, 2015

NOTE E - GENERAL OBLIGATION BONDS PAYABLE - CONTINUED

Total All Series

Year ended June 30,	Annual Requirements		
	Principal	Interest	Total
2016	\$ 8,675,000	\$ 923,056	\$ 9,598,056
2017	7,450,000	836,219	8,286,219
2018	6,775,000	690,172	7,465,172
2019	5,925,000	562,500	6,487,500
2020	5,600,000	445,500	6,045,500
2021	5,300,000	304,500	5,604,500
2022	5,200,000	147,000	5,347,000
2023	2,300,000	34,500	2,334,500
	<u>\$ 47,225,000</u>	<u>\$ 3,943,447</u>	<u>\$ 51,168,447</u>

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-18, NMSA 1978), and the Educational Retirement Act (Chapter 22, Article 11, NMSA 1978), and the provisions of Sections 29-4-1 through 29-4-11, NMSA 1978 governing the State Police Pension Fund, each employee and elected official of every affiliated public employer is required to be a member in the PERA Fund.

PERA issues a publicly available financial report and a comprehensive annual financial report that can be obtained at <http://saonm.org/> using the Audit Report Search function for agency 366.

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

NOTES TO FINANCIAL STATEMENTS – CONTINUED

June 30, 2015

NOTE F - PUBLIC EMPLOYEES' RETIREMENT PLAN - CONTINUED

Benefits provided. For a description of the benefits provided and recent changes to the benefits, see Note 1 in the PERA audited financial statements for the fiscal year ended June 30, 2014 available at http://www.pera.state.nm.us/pdf/AuditFinancialStatements/366_Public_Employees_Retirement_Association_2014.pdf.

Contributions. The contribution requirements of defined benefit plan members and the Authority are established in state statute under Chapter 10, Article 11, NMSA 1978. The contribution requirements may be amended by acts of the legislature. For the employer and employee contribution rates in effect for FY14 for the various PERA coverage options, for both Tier I and Tier II, see the tables available in the note disclosures on pages 29 through 31 of the PERA FY 14 annual audit report at http://osanm.org/media/audits/366_Public_Employees_Retirement_Association_2014.pdf. The PERA coverage option that applies to the Authority is Municipal General Plan 3. The Authority has separate PERA employer membership status, but its pension contributions were included with the City of Albuquerque contributions due to the payroll records kept by the City who processes payroll for AMAFCA. Statutorily required contributions to the pension plan from AMAFCA were \$126,987 and employer paid member benefits that were "picked up" by the employer were \$137,569 for the year ended June 30, 2015.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: The PERA pension liability amounts, net pension liability amounts, and sensitivity information were based on an annual actuarial valuation performed as of June 30, 2013. The PERA pension liability amounts for each division were rolled forward from the valuation date to the Plan year ending June 30, 2014, using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date June 30, 2014.

The assets of the PERA fund are held in one trust, but there are six distinct membership groups (municipal general members, municipal police members, municipal fire members, state general members, state police members and legislative members) for whom separate contribution rates are determined each year pursuant to chapter 10, Article 11 NMSA 1978. Therefore, the calculations of the net pension liability, pension expense and deferred Inflows and Outflows were performed separately for each of the membership groups: municipal general members; municipal police members; municipal fire members; state general members; state police members and legislative members. The Authority's proportion of the net pension liability for each membership group that the employer participates in is based on the employer contributing entity's percentage of that membership group's total employer contributions for the fiscal year ended June 30, 2014.

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

NOTES TO FINANCIAL STATEMENTS – CONTINUED

June 30, 2015

NOTE F - PUBLIC EMPLOYEES' RETIREMENT PLAN - CONTINUED

Only employer contributions for the pay period end dates that fell within the period of July 1, 2013 to June 30, 2014 were included in the total contributions for a specific employer. Regular and any adjustment contributions that applied to FY 2014 are included in the total contribution amounts. In the event that an employer is behind in reporting to PERA its required contributions, an estimate (receivable) was used to project the unremitted employer contributions. This allowed for fair and consistent measurement of the contributions with the total population. This methodology was used to maintain consistent measurement each year in determining the percentages to be allocated among all the participating employers.

For FY 2015, the City of Albuquerque processed the Authority's payroll. As a result, the Authority's pension contributions and related payroll information was contained in the City of Albuquerque's total allocated amounts from PERA for pensions accounting and disclosures. Allocations were made to AMAFCA of its pro rata share of the City's reported amounts. AMAFCA is expected to be on a stand-alone basis for PERA pension accounting and disclosure by FY 2017.

At June 30, 2015, the Authority reported a liability of \$1,213,094 for its proportionate share of the net pension liability. At June 30, 2014, the Authority's proportion was 0.8% of the City of Albuquerque Municipal General Division, which was unchanged from its proportion measured as of June 30, 2013, due to the insignificance of the difference.

For the year ended June 30, 2015, the Authority recognized pension expense of \$186,322. At June 30, 2015, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
The Authority's contributions subsequent to the measurement date	\$ 264,556	\$ -
Differences between expected and actual experience	-	-
Changes in assumptions	-	824
Net difference between projected and actual earnings on pension plan investments	-	474,592
Changes in proportion and differences between the Authority contributions and proportionate share of contributions	-	-
Total	\$ 264,556	\$ 475,416

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

NOTES TO FINANCIAL STATEMENTS – CONTINUED

June 30, 2015

NOTE F - PUBLIC EMPLOYEES' RETIREMENT PLAN - CONTINUED

\$264,556 reported as deferred outflows of resources related to pensions resulting from the Authority contributions subsequent to the measurement date June 30, 2014 will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. 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:	
2016	\$ 118,648
2017	118,648
2018	118,648
2019	118,648
2020	824
Thereafter	<u>-</u>
	<u><u>\$ 475,416</u></u>

Actuarial assumptions. As described above, the PERA Fund member group pension liabilities and net pension liabilities are based on actuarial valuations performed as of June 30, 2013 for each of the membership groups. Then each PERA Fund member group pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2014 using generally accepted actuarial principles. There were no significant events or changes in benefit provisions that required an adjustment to the roll-forward liabilities as of June 30, 2014. These actuarial methods and assumptions were adopted by the Board for use in the June 30, 2014 actuarial valuation.

Actuarial valuation date	June 30, 2013
Actuarial cost method	Entry age normal
Amortization method	Level percentage of pay
Amortization period	Solved for based on statutory rates
Asset valuation method	Fair value
Actuarial assumptions:	
• Investment rate of return	7.75% annual rate, net of investment expense
• Payroll growth	3.50% annual rate
• Projected salary increases	3.50% to 14.25% annual rate
• Includes inflation at	3.00% annual rate

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

NOTES TO FINANCIAL STATEMENTS – CONTINUED

June 30, 2015

NOTE F - PUBLIC EMPLOYEES' RETIREMENT PLAN - CONTINUED

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

ALL FUNDS - Asset Class	<u>Target Allocation %</u>	<u>Long Term Expected Real Rate of Return %</u>
US Equity	21.10	5.00
International Equity	24.80	5.20
Private Equity	7.00	8.20
Core and Global Fixed Income	26.10	1.85
Fixed Income Plus Sectors	5.00	4.80
Real Estate	5.00	5.30
Real Assets	7.00	5.70
Absolute Return	<u>4.00</u>	4.15
 Total	 100%	

Discount rate: The discount rate used to measure the total pension liability was 7.75 percent. The projection of cash flows used to determine the discount rate assumed that future contributions will be made in accordance with statutory rates. On this basis, the pension plan's fiduciary net position together with the expected future contributions are sufficient to provide all projected future benefit payments of current plan members as determined in accordance with GASB 67. Therefore, the 7.75% assumed long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

NOTES TO FINANCIAL STATEMENTS – CONTINUED

June 30, 2015

NOTE F - PUBLIC EMPLOYEES' RETIREMENT PLAN - CONTINUED

Sensitivity of the Authority's proportionate share of the net pension liability to changes in the discount rate. The following tables show the sensitivity of the net pension liability to changes in the discount rate. In particular, the tables present the Authority's net pension liability in each PERA Fund Division that the Authority participates in, under the current single rate assumption, as if it were calculated using a discount rate one percentage point lower (6.75%) or one percentage point higher (8.75%) than the single discount rate.

PERA Fund Division that the Authority participates in, under the current single rate assumption, as if it were calculated using a discount rate one percentage point lower (6.75%) or one percentage point higher (8.75%) than the single discount rate.

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
The Authority's proportionate share of the net pension liability	\$ 2,011,309	\$ 1,213,094	\$ 806,578

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued FY 14 Restated PERA financial report. The report is available at <http://www.pera.state.nm.us/publications.html>.

Payables to the plan at June 30, 2015, consist of normal statutory withholdings and related employer contribution amounts for the last payroll in June 2015.

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

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

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

NOTES TO FINANCIAL STATEMENTS – CONTINUED

June 30, 2015

NOTE G - POST-EMPLOYMENT BENEFITS - STATE RETIREE HEALTH CARE PLAN - CONTINUED

amending benefit provisions of the health care plan and is also authorized to designate optional and/or voluntary benefits like dental, vision, supplemental life insurance, and long-term care policies.

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

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

Funding Policy. The Retiree Health Care Act (Section 10-7C-13 NMSA 1978) authorizes the RHCA Board to establish the monthly premium contributions that retirees are required to pay for health care benefits. Each participating retiree pays a monthly premium according to a service based subsidy rate schedule for the medical plus basic life plan plus an additional participation fee of \$5 if the eligible participant retired prior to the employer's RHCA effective date or is a former legislator or former governing authority member. Former legislators and governing authority members are required to pay 100% of the insurance premium to cover their claims and the administrative expenses of the plan. The monthly premium rate schedule can be obtained from the RHCA or viewed on their website at www.nmrhca.state.nm.us.

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

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

NOTES TO FINANCIAL STATEMENTS – CONTINUED

June 30, 2015

NOTE G - POST-EMPLOYMENT BENEFITS - STATE RETIREE HEALTH CARE PLAN - CONTINUED

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. During the fiscal year ended June 30, 2015, the statute required each participating employer to contribute 2.00% of each participating employee's annual salary and each participating employee was required to contribute 1.00% of their salary.

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

The Authority's contributions to the RHCA for the years ended June 30, 2015, 2014, and 2013 were \$27,377, \$26,458, and \$24,484, respectively, which equal the required contributions for each year.

NOTE H - TRANSFERS

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

<u>Fund</u>	<u>To</u>	<u>Amount</u>
Major Fund:		
General Fund	Building & Yard Improvements	\$100,000

NOTE I - FUND BALANCES - DESIGNATED FOR PROJECT MODIFICATIONS

As of June 30, 2015, the Authority's Board has designated a total of \$3,900,000 of the unreserved fund balance of the General Fund for potential modifications of six specific projects: the modification of Alameda Outlet, NDC had \$1,000,000 designated; the Ladera Dam Safety Modifications Project had \$500,000 designated; the North Diversion Channel Lining Rehab had \$1,000,000 designated; the North Diversion Channel Upper UNM CBC had \$250,000 designated; the Calabacillas Arroyo "Caliche Bend" Bank Protection had \$250,000 designated; and the NDC Lower Section, north of Vineyard Inlet had \$500,000 designated and \$400,000 for emergency purposes.

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

NOTES TO FINANCIAL STATEMENTS – CONTINUED

June 30, 2015

NOTE J - RISK MANAGEMENT

The Authority participates in the New Mexico Self-Insurer's Fund risk pool. Listed below is a summary of insurance coverages in force for the fiscal year ended June 30, 2015:

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	6/30/15
e.	Premium paid	\$38,908

Property

a.	Name of insurance agent	New Mexico Self-Insurers' Fund
b.	Policy Number	4020P
c.	Amount of coverage	Scheduled Values
d.	Expiration date	6/30/15
e.	Premium paid	\$5,796

General Liability

a.	Name of insurance agent	New Mexico Self-Insurers' Fund
b.	Policy Number	4020L
c.	Amount of coverage	\$400,000/\$750,000 per person/occurrence \$300,000 medical, \$100,000 property
d.	Expiration date	6/30/15
e.	Premium paid	\$16,004

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	6/30/15
e.	Premium paid	\$30,622

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

NOTES TO FINANCIAL STATEMENTS – CONTINUED

June 30, 2015

NOTE J - RISK MANAGEMENT - CONTINUED

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	6/30/15
e.	Premium paid	\$250

Civil Rights

a.	Name of insurance agent	New Mexico Self-Insurers' Fund
b.	Policy Number	4020L
c.	Amount of coverage	Tort limits (\$1,000,000)
d.	Expiration date	6/30/15
e.	Premium paid	\$5,763

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

At June 30, 2015, 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, 2015.

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 \$1,131,050 at June 30, 2015 was recorded by the Authority. An estimated allowance for doubtful accounts of \$120,000 was also provided in conjunction with this receivable, resulting in a net amount recorded of \$1,011,050.

Depreciation on capital assets is a second significant estimate. Depreciation expense totaled \$3,057,245 for the year ended June 30, 2015.

Estimates are inherent to pension accounting and disclosures as detailed in Note F.

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

NOTES TO FINANCIAL STATEMENTS – CONTINUED

June 30, 2015

NOTE L – RESTATEMENTS

In accordance with Governmental Accounting Standards Board (GASB) Opinion No. 68, *Accounting and Financial Reporting for Pensions*, the Authority was required to record a Net Pension Liability of \$1,753,404 and its Contributions subsequent to measurement (deferred outflow of resources) of \$251,216 as of June 30, 2014. The Authority reduced its Unrestricted Net Position to book the pension liability.

The Authority also restated its June 30, 2014 capital assets as discussed in Note D – Changes in Capital Assets. The sum of all restatements are as follows:

Capital Assets	\$ 23,018,633
Contributions Subsequent to Measurement Date	251,216
Net Pension Liability	<u>(1,753,404)</u>
Total Restatements	<u>\$ 21,516,445</u>

NOTE M - NEW ACCOUNTING STANDARDS IMPLEMENTATION

GASB 72

Governmental Accounting Standards Board Statement No. 72, *Fair Value Measurement and Application* (GASB 72) provides guidance for determining a fair value measurement for financial accounting and reporting purposes and requires additional disclosures related to fair value measurements. GASB 72 generally requires investments to be measured at fair value (exit price).

GASB 72 requires measurement at acquisition value (an entry price) for donated capital assets, donated works of art and historical treasures. Certain investments not valued at fair value include money market investments in life insurance contracts and common stock meeting the criteria for applying the equity method. GASB 72 is applicable for financial statements for periods beginning after June 15, 2015 (FY 16). GASB 72 defines *fair value* as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

NOTES TO FINANCIAL STATEMENTS – CONTINUED

June 30, 2015

NOTE M - NEW ACCOUNTING STANDARDS IMPLEMENTATION - CONTINUED

GASB 74 / GASB 75

Governmental Accounting Standard Board Statement No. 74/75 "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*" (GASB 74/75) revises existing guidance for governments that provide their employees with postemployment benefits other than pensions. A principal change is the requirement to record a government's pro rata share of unfunded actuarial accrued liability (UAAL) on its financial statements for multiemployer cost sharing plan. The Authority is a participating member of the New Mexico Retiree Health Care Fund (RHCF) administered by the Retiree Health Care Authority (RHCA), a multiemployer cost sharing plan. Information to implement this standard will be developed by RHCA and the State of New Mexico. The implementation date for GASB 74/75 is fiscal year 2018. The June 30, 2018, government wide financial statements will contain a material liability for participation in RHCF.

REQUIRED SUPPLEMENTARY INFORMATION

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

**SCHEDULE OF PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY OF PERA FUND – MUNICIPAL GENERAL**

Last 10 Fiscal Years*

	<u>2015</u>
AMAFCA's proportion of the net pension liability	0.8%
AMAFCA's proportionate share of the net pension liability	\$ 1,213,094
AMAFCA's covered-employee payroll	\$ 1,372,513
AMAFCA's proportionate share of the net pension liability as a percentage of its covered-employee payroll	88.4%
Plan fiduciary net position as a percentage of total pension liability	81.29%

* 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.

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

SCHEDULE OF PERA CONTRIBUTIONS

Last 10 Fiscal Years*

	<u>2015</u>
Contractually required contribution	\$ 264,556
Contributions in relation to the contractually required contribution	<u>264,556</u>
Contribution deficiency (excess)	-
AMAFCA's covered-employee payroll	<u>\$ 1,372,513</u>
Contributions as a percentage of covered-employee payroll	19.3%

* 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 complied, AMAFCA will present information for those years for which information is available.

SUPPLEMENTARY INFORMATION

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

**BUDGETARY COMPARISON SCHEDULE
BUDGET AND ACTUAL – DEBT SERVICE FUND**

Year ended June 30, 2015

	Budget Original	Budget Final	Actual Amount Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
Property taxes	\$ 9,110,506	\$ 9,110,506	\$ 9,577,668	\$ 467,162
Less reappraisal fee	(91,105)	(91,105)	(95,855)	(4,750)
Net property taxes	9,019,401	9,019,401	9,481,813	462,412
Investment and other	9,452	9,452	7,085	(2,367)
Total revenues	9,028,853	9,028,853	9,488,898	460,045
Expenditures				
Debt service:				
Interest and fixed charges	822,994	822,994	822,994	-
Bond principal	8,400,000	8,400,000	8,400,000	-
Total expenditures	9,222,994	9,222,994	9,222,994	-
Net change in fund balance	<u>\$ (194,141)</u>	<u>\$ (194,141)</u>	<u>\$ 265,904</u>	<u>\$ 460,045</u>
Prior year fund balance required to balance budget	<u>\$ 194,141</u>	<u>\$ 194,141</u>		
Budgetary revenues			\$ 9,488,898	
Bond premium issuance			686,126	
Reappraisal fees classified as an expense under GAAP			95,855	
Change in property tax receivable			12,329	
Change in deferred inflows			4,684	
GAAP revenues			<u>\$ 10,287,892</u>	
Budgetary expenditures			\$ 9,222,994	
Reappraisal fees classified as an expense under GAAP			95,855	
Loss on investments is not budgeted			238	
GAAP expenses			<u>\$ 9,319,087</u>	

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

**BUDGETARY COMPARISON SCHEDULE
BUDGET AND ACTUAL – CAPITAL PROJECTS FUND**

Year ended June 30, 2015

	Budget Original	Budget Final	Actual Amount Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
Investment	\$ 15,592	\$ 15,592	\$ 16,708	\$ 1,116
Revenue from jointly funded projects	149,675	149,675	100,000	(49,675)
Total revenues	165,267	165,267	116,708	(48,559)
Expenditures				
Capital outlay and noncapitalizable construction costs **	31,320,229	31,320,229	10,241,148	21,079,081
Bond issuance costs	160,000	160,000	108,574	51,426
Total expenditures	31,480,229	31,480,229	10,349,722	21,130,507
Deficiency of revenues over expenditures before other financing uses	(31,314,962)	(31,314,962)	(10,233,014)	21,081,948
Other financing sources and uses				
Transfers to other funds	-	-	-	-
Proceeds from bond sale	25,000,000	25,000,000	12,589,759	(12,410,241)
Total other financing sources and uses	25,000,000	25,000,000	12,589,759	(12,410,241)
Net change in fund balance	\$ (6,314,962)	\$ (6,314,962)	\$ 2,356,745	\$ 8,671,707
Prior year cash balance required to balance budget	\$ 6,314,962	\$ 6,314,962		
Budgetary expenditures			\$ 10,349,722	
Decrease in accounts payable			(448,693)	
Loss on investments is not budgeted			2,107	
GAAP expenses			\$ 9,903,136	

** 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.

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

BUDGETARY COMPARISON SCHEDULE
BUDGET AND ACTUAL – BUILDING IMPROVEMENT FUND

Year ended June 30, 2015

	Budget Original	Budget Final	Actual Amount Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
Interest income	\$ -	\$ -	\$ 468	\$ 468
Total revenues	-	-	468	468
Expenditures				
Office improvements	-	-	-	-
Total expenditures	-	-	-	-
Excess of revenues over expenditures before other financing sources and uses	-	-	468	468
Other financing sources and uses				
Transfers from other funds	145,000	145,000	100,000	(145,000)
Transfers to other funds	(362,000)	(362,000)	-	(362,000)
Total other financing sources and uses	(217,000)	(217,000)	100,000	(507,000)
Net change in fund balance	<u>\$ (217,000)</u>	<u>\$ (217,000)</u>	<u>\$ 100,468</u>	<u>\$ (361,532)</u>
Prior year fund balance required to balance budget	<u>\$ 217,000</u>	<u>\$ 217,000</u>		

There are no differences between the budgetary basis reporting and GAAP reporting.

ADDITIONAL INFORMATION – SUPPLEMENTAL SCHEDULES

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

AGENCY FUNDS

June 30, 2015

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

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

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

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

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

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

SCHEDULE OF ASSETS AND LIABILITIES – AGENCY FUNDS

June 30, 2015

ASSETS

	Ditch & Water Safety Task Force Fund	Storm Water Quality Coordinator	Area Wide Agency	Boca Negra Dam	Total Agency Funds
Cash in bank	\$ 43,696	\$ 31,258	\$ 1,184,151	\$ 67	\$ 1,259,172
Savings	12,483	-	-	667,168	679,651
Total assets	<u>\$ 56,179</u>	<u>\$ 31,258</u>	<u>\$ 1,184,151</u>	<u>\$ 667,235</u>	<u>\$ 1,938,823</u>

LIABILITIES

Funds held for others	<u>\$ 56,179</u>	<u>\$ 31,258</u>	<u>\$ 1,184,151</u>	<u>\$ 667,235</u>	<u>\$ 1,938,823</u>
Total liabilities	<u>\$ 56,179</u>	<u>\$ 31,258</u>	<u>\$ 1,184,151</u>	<u>\$ 667,235</u>	<u>\$ 1,938,823</u>

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES – ALL AGENCY FUNDS

June 30, 2015

	June 30, 2014	Additions	Deletions	June 30, 2015
Ditch and Water Safety Task Force Fund				
Assets				
Cash in bank	\$ 31,479	\$ 45,727	\$ 33,510	\$ 43,696
Swim pass savings	13,217	8,031	8,765	12,483
Total assets	\$ 44,696	\$ 53,758	\$ 42,275	\$ 56,179
Liabilities				
Deposits held for others	\$ 44,696	\$ 53,758	\$ 42,275	\$ 56,179
Total liabilities	\$ 44,696	\$ 53,758	\$ 42,275	\$ 56,179
Storm Water Quality Coordinator				
Assets				
Cash in bank	\$ 79,754	\$ 70,000	\$ 118,496	\$ 31,258
Total assets	\$ 79,754	\$ 70,000	\$ 118,496	\$ 31,258
Liabilities				
Deposits held for others	\$ 79,754	\$ 70,000	\$ 118,496	\$ 31,258
Total liabilities	\$ 79,754	\$ 70,000	\$ 118,496	\$ 31,258
Area Wide Agency				
Assets				
Cash in bank	\$ 885,401	\$ 1,170,690	\$ 871,940	\$ 1,184,151
Total assets	\$ 885,401	\$ 1,170,690	\$ 871,940	\$ 1,184,151
Liabilities				
Deposits held for others	\$ 885,401	\$ 1,170,690	\$ 871,940	\$ 1,184,151
Total liabilities	\$ 885,401	\$ 1,170,690	\$ 871,940	\$ 1,184,151
Boca Negra Dam				
Assets				
Cash in bank	\$ 625	\$ 72,599	\$ 73,157	\$ 67
Savings	738,328	1,439	72,599	667,168
Total assets	\$ 738,953	\$ 74,038	\$ 145,756	\$ 667,235
Liabilities				
Deposits held for others	\$ 738,953	\$ 74,038	\$ 145,756	\$ 667,235
Total liabilities	\$ 738,953	\$ 74,038	\$ 145,756	\$ 667,235
All Agency Funds				
Assets				
Cash in bank and savings	\$ 1,748,804	\$ 1,368,486	\$ 1,178,467	\$ 1,938,823
Total assets	\$ 1,748,804	\$ 1,368,486	\$ 1,178,467	\$ 1,938,823
Liabilities				
Deposits held for others	\$ 1,748,804	\$ 1,368,486	\$ 1,178,467	\$ 1,938,823
Total liabilities	\$ 1,748,804	\$ 1,368,486	\$ 1,178,467	\$ 1,938,823

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

SCHEDULE OF PLEDGED COLLATERAL

June 30, 2015

Wells Fargo Bank, Albuquerque, NM - Demand Deposit Accounts:
Depository balances as of June 30, 2015

Checking

General checking account	\$ 515,776
Debt service account	325
AMAFCA unassigned account	44,107
Storm quality education	31,258
Area wide maintenance	129
Boca Negra Dam	7,217
Ditch & Water Safety Task Force Fund	43,696
	642,508

Savings

Area wide maintenance savings	1,184,022
Boca Negra Dam Savings	667,168
Ditch & Water Safety Task Force Swim Pass	12,483
	1,863,673

Total depository balances 2,506,181

Less FDIC insurance coverage (500,000)

Uninsured balance \$ 2,006,181

Collateralization required (50%) \$ 1,003,091

Fannie Mae, Interest Only Securities at face value which approximates fair value

par \$1,000; interest rate .587%; maturity date 6/25/2041 CUSIP #3136A5E93	\$ 620
par \$4,124; interest rate 3.50%; maturity date 2/1/2042 CUSIP #3138E67L4	1,707
par \$11,600; interest rate 3.50%; maturity date 12/1/2042 CUSIP #3138MRBY6	9,848
par \$3,760,204; interest rate 2.50%; maturity date 6/25/2021 CUSIP #31397UYH6	837,726
par \$1,004,139; interest rate 3.50%; maturity date 2/1/2042 CUSIP #31418ADH8	687,625
	1,537,526

Total collateral \$ 1,537,526

Collateralization in deficit of requirement \$ -

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

SCHEDULE OF MEMORANDUM OF UNDERSTANDING AGREEMENTS

June 30, 2015

- 1) Participant: New Mexico State Land Office (NMSLO), City of Albuquerque (City)
Part responsible for operations: AMAFCA
Purpose: Establish responsibilities for the Bosque Riparian Restoration and Outreach Project on State Trust Land in the Rio Grande Bosque in the Southwest Valley of Bernalillo County, New Mexico.
Dates of Agreement: Effective date of January 9, 2014.
Amount Agency contribute in fiscal year: In kind services to be provided.
Audit responsibility: AMAFCA
Fiscal Agent: AMAFCA
Agency where revenues/expenditures are reported: AMAFCA, NMSLO, City

- 2) Participant: City of Albuquerque (City), Bernalillo County (County), Albuquerque Public Schools (APS), The Middle Rio Grande Conservancy District (MRGCD), Sandoval County.
Part responsible for operations: AMAFCA
Purpose: The continued operation and function of the Ditch and Water Safety Task Force.
Dates of Agreement: Effective date of December 19, 2013.
Amount Agency contribute in fiscal year: \$15,000
Audit responsibility: AMAFCA
Fiscal Agent: AMAFCA
Agency where revenues/expenditures are reported: AMAFCA

- 3) Participant: Southern Sandoval County Arroyo Flood Control Authority (SSCAFCA), City of Rio Rancho, Town of Bernalillo, Village of Corrales, Village of Los Ranchos de Albuquerque, U.S. Department of Energy National Nuclear Security Administration Sandia Field Office, Eastern Sandoval County Arroyo Flood Control Authority, University of New Mexico, New Mexico Department of Transportation, Bernalillo County, Sandoval County, and City of Albuquerque.
Part responsible for operations: Various
Purpose: Creating the Middle Rio Grande MS4 technical advisory group, in support of compliance efforts for a stormwater discharge permitting system for the Middle Rio Grande Valley in accordance with the Federal Clean Water Act.
Dates of Agreement: Effective date of October 7, 2013.
Amount Agency contribute in fiscal year: N/A
Audit responsibility: N/A
Fiscal Agent: N/A
Agency where revenues/expenditures are reported: N/A

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

**SCHEDULE OF MEMORANDUM OF UNDERSTANDING AGREEMENTS –
CONTINUED**

June 30, 2015

- 4) Participant: Mid-Region Council of Governments (MRCOG)
Part responsible for operations: MRCOG
Purpose: To undertake a cooperative effort to contract for professional services for the acquisition and production, during Spring 2014, of high-resolution natural color digital orthophotography for several counties in Central New Mexico.
Dates of Agreement: Effective date of December 12, 2013.
Amount Agency contribute in fiscal year: \$20,000
Audit responsibility: MRCOG
Fiscal Agent: MRCOG
Agency where revenues/expenditures are reported: MRCOG

STATE OF NEW MEXICO
 ALBUQUERQUE METROPOLITAN ARROYO FLOOD CONTROL AUTHORITY
 Schedule of Vendor Information Listing for Purchases Exceeding \$60,000 (excluding GRT) (Unaudited)
 June 30, 2015

Type of Procurement	Awarded Vendor	\$ Amount of Awarded Contract	\$ Amount of Amended Contract	Name and Physical Address of ALL Vendor(s) that responded	In-State or Out-of-State Vendor (Y or N) (Based on Statutory Definition)	Was the vendor in-state and chose Veteran's preference (Y or N)	Brief Description of the Scope of Work
RFP	Wilson & Company, Inc.	\$ 272,560.92	\$ 879,343.92	Wilson & Company, Inc. - 4900 Lang Ave NE, Albuquerque, NM 87109	Y	N	Design Engineering Services Black Mesa Phase 1A Pipe Extension Project
RFP	Thompson Engineering Consultants, Inc.	\$ 225,000.00	\$ 319,141.82	Thompson Engineering Consultants, Inc. - PO Box 65760, Albuquerque, NM 87193	Y	N	Design Engineering Services Sanchez Farm Tributary Storm Drains
RFP	Robles, Rael, Anaya, P.C.	hourly rates, no set contract amount	no change to original rates	Robles, Rael & Anaya, P.C. - 500 Marquette NW, Suite 700, Albuquerque, NM 87102 Modrall, Sperling, Roehl, Harris & Fisk, P.A. - PO Box 2168, Albuquerque, NM 87103-2168 The Barela-Gutierrez Law Firm LLC - PO Box 3007, Corrales, NM 87048 Sutin Thayer Browne - Two Park Square P O Box 1945, Albuquerque, NM 87103 Brownstein, Hyatt, Farber, Schreck - 201 Third Street NW, Suite 1700, Albuquerque, NM 87102-4386	Y Y Y Y N	N N N N N	Legal Services
RFP	Wilson & Company, Inc.	\$ 389,986.00	\$ 648,546.36	Wilson & Company, Inc. - 4900 Lang Ave NE, Albuquerque, NM 87109 (Note : original RFP occurred in 2005, procurement information is unavailable)	N	N	Design Review and Construction Engineering Services for Boca Negra Dam
RFP	George K. Baum & Company	fees based on bond issuance	no change to original rates	George K. Baum & Company - One Park Square, 6501 Americas Parkway NE, Ste 360, Albuquerque, NM 87110 RBC Capital Markets LLC - 6301 Uptown Blvd NE, Suite 110, Albuquerque, NM 87110	N N	N N	Financial Advisor Services
RFP	Modrall, Sperling, Roehl, Harris & Sisk, P.A.	hourly rates, no set contract amount	no change to original rates	Modrall, Sperling, Roehl, Harris & Fisk, P.A. - PO Box 2168, Albuquerque, NM 87103-2168 Sutin Thayer Browne - Two Park Square P O Box 1945, Albuquerque, NM 87103 Brownstein, Hyatt, Farber, Schreck - 201 Third Street NW, Suite 1700, Albuquerque, NM 87102-4386	Y Y N	N N N	Bond Counsel Services
RFP	Bohannon Huston, Inc.	\$ 161,430.00	\$ 187,566.07	Bohannon Huston, Inc. - Courtyard 1, 7500 Jefferson Street NE, Albuquerque, NM 87109-4335 Smith Engineering Company, Inc. - 2201 San Pedro Drive NE, Bldg. 4, Suite 200, Albuquerque, NM 87110 Huitt-Zollars, Inc. - 6501 Americas Parkway NE, Suite 550, Albuquerque, NM 87110	Y Y N	N N N	Boca Negra Dam EAP
Bid	Salls Brothers Construction, Inc.	\$ 3,574,522.94	\$ 4,005,393.26	Salls Brothers Construction, Inc. - PO Box 66239, Albuquerque, NM 87193-6239 Star Paving Company - 3109 Love Road SW, Albuquerque, NM 87105 Mountain States Constructors, Inc. - 3601 Pan American Frwy, Albuquerque, NM 87107 Meridian Contracting, Inc. - 3535 Princeton Drive NE, Albuquerque, NM 87107 AUI, Inc. - PO Box 9825, Albuquerque, NM 87119-9825 RMCL, Inc. - 6211 Chappell Road NE, Albuquerque, NM 87113	Y Y Y Y Y Y	N N N N N N	Boca Negra Dam Construction
Bid	Mountain West GolfScapes, Inc.	\$ 118,838.00	\$ 201,949.00	Mountain West GolfScapes, Inc. - PO Box 1630, Peralta, NM 87042 Black Forest Tree Service - 1428 Lakeview, Albuquerque, NM 87105 Westwind Landscape Construction, Inc. - 2739 Vassar Pl NE, Albuquerque, NM 87107	Y Y Y	N N N	Ecosystem Preservation and Landscaping
RFP	Tetra Tech	\$ 247,950.00	\$ 309,645.00	Tetra Tech, Inc. - 6121 Indian School Road NE, Suite 205, Albuquerque, NM 87110 Smith Engineering Company, Inc. - 2201 San Pedro Drive NE, Bldg. 4, Suite 200, Albuquerque, NM 87110 URS - One Park Square 6901 Americas Parkway NE, Suite 900, Albuquerque, NM 87110-5311 WHPacific - 6801 Americas Parkway NE Suite 400, Albuquerque, NM 87110 Huitt-Zollars, Inc. - 6501 America Parkway NE, Suite 550, Albuquerque, NM 87110	N Y N Y N	N N N N N	Calabacillas West Branch Drainage Management Plan
RFP	Wilson & Company, Inc.	\$ 119,634.00	\$ 171,455.13	Wilson & Company, Inc. - 4900 Lang Ave NE, Albuquerque, NM 87109 URS - One Park Square 6901 Americas Parkway NE, Suite 900, Albuquerque, NM 87110-5311 Streamtech, Inc. - PO Box 93721, Albuquerque, NM 87199 AMEC - 8519 Jefferson NE, Albuquerque, NM 87113 WHPacific - 6801 Americas Parkway NE Suite 400, Albuquerque, NM 87110 Huitt-Zollars, Inc. - 6501 America Parkway NE, Suite 550, Albuquerque, NM 87110	N N Y N N N	N N N N N N	Upper Piedras Marcadas Watershed Drainage & Water Quality Management Plan
RFP	Smith Engineering Company, Inc.	\$ 181,121.00	\$ 229,714.70	Weston Solutions, Inc. - 3840 Commons Avenue NE, Albuquerque, NM 87109-5831 Smith Engineering Company, Inc. - 2201 San Pedro Drive NE, Bldg. 4, Suite 200, Albuquerque, NM 87110 Bohannon Huston, Inc. - Courtyard 1, 7500 Jefferson Street NE, Albuquerque, NM 87109-4335 Larkin Group NM, Inc. - 8500 Menaul Blvd Ne, Suite A-440, Albuquerque, NM 87112 Huitt-Zollars, Inc. - 6501 Americas Parkway NE, Suite 550, Albuquerque, NM 87110	N Y Y Y Y	N N N N N	Agency & Area-Wide Flood Control Maintenance Contract 2013-2014
RFP	Wilson & Company, Inc.	\$ 153,193.75	\$ 168,342.50	Wilson & Company, Inc. - 4900 Lang Ave NE, Albuquerque, NM 87109 Souder, Miller & Associates - 3451 Candelaria Road NE, Suite D, Albuquerque, NM 87107-1048 URS - One Park Square 6901 Americas Parkway NE, Suite 900, Albuquerque, NM 87110-5311 Smith Engineering Company, Inc. - 2201 San Pedro Drive NE, Bldg. 4, Suite 200, Albuquerque, NM	Y Y Y Y	N N N N	Engineering Services for Valle de Oro Wildlife Refuge and Drainage Faculty Site Plan
RFP	Wilson & Company, Inc.	\$ 68,426.00	\$ 80,248.00	Wilson & Company, Inc. - 4900 Lang Ave NE, Albuquerque, NM 87109 WHPacific - 6801 Americas Parkway NE Suite 400, Albuquerque, NM 87110 Rio Grande Engineering - 600 First Street NW, Suite 211, Albuquerque, NM 87102	N N Y	N N N	Black Mesa Phase Ia SD - Construction Raymac Dam Outfall
Bid	Guzman Construction Solutions, LLC	\$ 84,675.00		Guzman Construction Solutions, LLC - 6020 Industry Way SE, Albuquerque, NM 87105 Randy Sena Construction, Inc. - 6811 Huseman Place, SW, Albuquerque, NM 87121 Sierra Valley Contractors, LLC - PO Box 3831, Truth or Consequences, NM 87901 Kimo Construction, Inc. - 3681 Highway 47, Bosque Farms, NM 87068 CBKN Dirtworks, Inc. - 45 Yerba Manza, Bernalillo, NM 87004 (non-responsive) 814 Solutions LLC - 5750 Pino Avenue NE, Albuquerque, NM 87109 (non-responsive) AUI, Inc. - PO Box 9825, Albuquerque, NM 87119-9825	Y Y Y Y Y Y	N N N N N N	New Mexico State Land Office Bankline Restoration Project

STATE OF NEW MEXICO
ALBUQUERQUE METROPOLITAN ARROYO FLOOD CONTROL AUTHORITY
Schedule of Vendor Information Listing for Purchases Exceeding \$60,000 (excluding GRT) (Unaudited) Continued

30-Jun-15

				Salls Brothers Construction, Inc. - PO Box 66239, Albuquerque, NM 87193-6239	Y	N	
				Star Paving Company - 3109 Love Road SW, Albuquerque, NM 87105	Y	N	
				Sky City Construction Service - 8371 Corona Loop NE, Albuquerque, NM 87113	N	N	
Bid	Salls Brothers Construction, Inc.	\$ 841,336.65		Kimo Construction, Inc. - 3681 Highway 47, Bosque Farms, NM 87068	Y	Y	Calabacillas Arroyo GCS 7A and Bank Protection Project
				Guzman Construction Solutions, LLC - 6020 Industry Way SE, Albuquerque, NM 87105	Y	N	
				Apple Mountain Constructors - 146 Camino Del Norte, Estancia, NM 87016	Y	N	
				Sierra Valley Contractors, LLC - PO Box 3831, Truth or Consequences, NM 87901	Y	Y	
				CJ Mead Construction Company - PO Box 952, Edgewood, NM 87015-0952	Y	N	
				Century Club Construction, LLC - 8201 Golf Course Rd NW, #D3-295, Albuquerque, NM 87120	Y	Y	
				TLC Plumbing and Utility - 5000 Edith Blvd NE, Albuquerque, NM 87107	Y	N	
Bid	Guzman Construction Solutions, LLC	\$ 369,550.00		Salls Brothers Construction, Inc. - PO Box 66239, Albuquerque, NM 87193-6239	Y	N	Calabacillas Arroyo GCS 1A and Bank Protection Project
				Star Paving Company - 3109 Love Road SW, Albuquerque, NM 87105	Y	N	
Bid	RMCI	\$ 512,559.00		RMCI, Inc. - 6211 Chappell Road NE, Albuquerque, NM 87113	Y	N	Miscellaneous AMAFCA Construction Projects 2014
				Star Paving Company - 3109 Love Road SW, Albuquerque, NM 87105	Y	N	
				New Mexico Underground Contractors, Inc. - 6201 Industry Way SE, Albuquerque, NM 87105	Y	N	
				Velocity Build LLC, - 62B Tribal Rd 980, Albuquerque, NM 87105	N	N	
Bid	New Mexico Underground Contractors, Inc.	\$ 1,007,326.00	\$ 719,940.06	Salls Brothers Construction, Inc. - PO Box 66239, Albuquerque, NM 87193-6239	Y	N	Construction Contract Black Mesa Phase IA Raymac Dam Outfall Project
				Salls Brothers Construction, Inc. - PO Box 66239, Albuquerque, NM 87193-6239	Y	N	
				Mountain States Constructors, Inc. - 3601 Pan American Frwy, Albuquerque, NM 87107	Y	Y	
				Kimo Construction, Inc. - 3681 Highway 47, Bosque Farms, NM 87068	Y	Y	
				Guzman Construction Solutions, LLC - 6020 Industry Way SE, Albuquerque, NM 87105	Y	N	
Bid	Salls Brothers Construction, Inc.	\$ 998,387.12	\$ 951,623.33	RMCI, Inc. - 6211 Chappell Road NE, Albuquerque, NM 87113	Y	N	Construction Contract Calabacillas Arroyo GCS 6A and Bank Protection Project
				Mountain States Constructors, Inc. - 3601 Pam American Frwy, Albuquerque, NM 87107	Y	Y	
				Meridian Contracting, Inc., - 3535 Princeton Drive NE, Albuquerque, NM 87107	Y	N	
				Pate Construction Company, Inc., - 87 N. Mission Drive, Pueblo West, CO 81007	N	N	
				AJAC Enterprises, Inc., - 8359 Corona Loop NE, Albuquerque, N 87113	Y	N	
				RMCI, Inc. - 6211 Chappell Road NE, Albuquerque, NM 87113	Y	N	
Bid	Mountain States Constructors, Inc.	\$ 1,640,463.00	\$ 1,842,538.97	AUI, Inc. - PO Box 9825, Albuquerque, NM 87119-9825	Y	N	Construction Contract North Diversion Channel Outfall Grade Control Structures Modifications Project
				Smith Engineering Company, Inc. - 2201 San Pedro Dr. NE, Bldg. 4, Ste 200, Albuquerque, NM 87110	Y	N	
				Souder, Miller & Associates - 3451 Candelaria Road NE, Suite D, Albuquerque, NM 87107-1048	Y	N	
				Bohannan Huston, Inc. - Courtyard 1, 7500 Jefferson Street NE, Albuquerque, NM 87109-4335	Y	N	
RFP	Smith Engineering Company, Inc.	\$ 172,197.00	\$ 180,227.20	Larkin Group NM, Inc. - 8500 Menaul Blvd Ne, Suite A-440, Albuquerque, NM 87112	Y	N	Design and Construction Management Engineering Service Agency & Area-Wide Flood Control Maintenance Contract 2014-2015
				Larkin Group NM, Inc. - 8500 Menaul Blvd Ne, Suite A-440, Albuquerque, NM 87112	Y	N	
				Wilson & Company, Inc. - 4900 Lang Ave NE, Albuquerque, NM 87109	N	N	
				Bohannan Huston, Inc. - Courtyard 1, 7500 Jefferson Street NE, Albuquerque, NM 87109-4335	Y	N	
Bid	Larkin Group	\$ 322,372.00	\$ 372,986.00	Smith Engineering Company, Inc. - 2201 San Pedro Dr. NE, Bldg. 4, Ste 200, Albuquerque, NM 87110	Y	N	Design and Construction Management Engineering Services Southwest Valley Flood Reduction Project Phase IIA - Pond 187 Outfall Project
				URS - One Park Square 6901 Americas Parkway NE, Augite 900, Albuquerque, NM 87110-5311	Y	N	
				EMA, Inc. - 4742 N. Oracle Road, Suite 310, Tucson, AZ 85705	N	N	
				NCS Engineers - 3188 Southern Blvd SE, Suite A, Rio Rancho, NM 87124	Y	N	
RFP	URS	\$ 198,700.00	\$ 213,896.00	Wilson & Company, Inc. - 4900 Lang Ave NE, Albuquerque, NM 87109	N	N	Design and Construction Management Engineering Services AMAFCA Telemetry Project Phase 1
				Guzman Construction Solutions, LLC - 6020 Industry Way SE, Albuquerque, NM 87105	Y	N	
				Sierra Valley Contractors, LLC - PO Box 3831, Truth or Consequences, NM 87901	Y	Y	
				Lone Mountain Contracting, Inc., 125 Bosque Farms Blvd., Bosque Farms, NM 87068	Y	N	
				Universal Constructors, Inc., - PO Box 6008, Albuquerque, NM 87197	Y	N	
				Sparling Construction Company, Inc., PO Box 90548, Albuquerque, NM 87199	Y	N	
Bid	Guzman Construction Solutions, LLC	\$ 584,812.75		Randy Sena Construction Inc. - 6811 Huseman Pl SW, Albuquerque, NM 87121	Y	N	Construction Contract Pond 187A Excavation Project
				Salls Brothers Construction, Inc. - PO Box 66239, Albuquerque, NM 87193-6239	Y	N	
Bid	Salls Brothers	\$ 1,200,934.92	\$ 1,261,774.57	Vital Consulting Group LLC - PO Box 20817, Albuquerque, NM 87154 (non responsive)	Y	N	Construction Contract Agency Area-Wide Flood Control Maintenance 2014-2015
				Pate Construction Company, Inc., - 87 N. Mission Drive, Pueblo West, CO 81007	N	N	
				Vital Consulting Group, LLC, - PO Box 20817, Albuquerque, NM 87154	Y	N	
				Salls Brothers Construction, Inc. - PO Box 66239, Albuquerque, NM 87193-6239	Y	N	
Bid	Pate Construction	\$ 394,258.00		Meridian Contracting, Inc., - 3535 Princeton Drive NE, Albuquerque, NM 87107	Y	N	Construction Contract Piedras Marcadas Dam WQ Improvements
				UNM - c/o Ms. Shannon Denetchiley, Pre-Award Services, Main Campus, MSC01 1247, 1 University of New Mexico, Albuquerque, NM 87131-0001	Y	N	
	University of New Mexico	\$ 82,483.00		Smith Engineering Company, Inc. - 2201 San Pedro Dr. NE, Bldg. 4, Ste 200, Albuquerque, NM 87110	Y	N	Contract Open Channel Modeling, Year 27
				Souder, Miller & Associates - 3451 Candelaria Road NE, Suite D, Albuquerque, NM 87107-1048	Y	N	
				Streamtech, Inc. - PO Box 93721, Albuquerque, NM 87199	Y	N	
RFP	Smith Engineering	\$ 142,950.00		Parsons Brinckerhoff - 6100 Uptown Blvd, Suite 700, Albuquerque, NM 87110	N	N	San Mateo to Moon Mini Drainage Management Plan

STATE OF NEW MEXICO
ALBUQUERQUE METROPOLITAN ARROYO FLOOD CONTROL AUTHORITY
Schedule of Vendor Information Listing for Purchases Exceeding \$60,000 (excluding GRT) (Unaudited) Continued

30-Jun-15

ON-CALL CONTRACTS

Note - AMAFCA on-call service contracts included for informational purposes. There are no awarded contract amounts since all contracts are task oriented and fees are based on the task assigned. Selected vendors may or may not exceed \$60k in services.

Type of Procurement	Awarded Vendors	\$ Amount of Awarded Contract	\$ Amount of Amended Contract	Name and Physical Address of ALL Vendor(s) that responded	In-State or Out-of-State Vendor (Y or N) (Based on Statutory Definition)	Was the vendor in-state and chose Veteran's preference (Y or N)	Brief Description of the Scope of Work
RFP	Bohannon Huston, Inc. Easterling Consultants LLC High Mesa Consulting Group URS			Bohannon Huston, Inc. - Courtyard 1, 7500 Jefferson Street NE, Albuquerque, NM 87109-4335 Tetra Tech, Inc. - 6121 Indian School Road NE, Suite 205, Albuquerque, NM 87110 T.Y. Lin International - 500 4th Street NW, Suite 403 Bank of America Centre, Albuquerque, NM 87102 Southwest Water Design, LLC c/o Wolf Engineering - 6200 Seagul NE, Ste B-1, Albuquerque, NM 87109 Gannett Fleming West, Inc. - 2155 Louisiana Blvd, NE, Suite 7000, Albuquerque, NM 87110 Easterling Consultants LLC - 3613 NM 528 NW, Suite E-2, Albuquerque, NM 87114 High Mesa Consulting Group - 6010-B Midway Park Blvd, NE, Albuquerque, NM 87109 Smith Engineering Company, Inc. - 2201 San Pedro Drive NE, Bldg. 4, Suite 200, Albuquerque, NM 87110 Santa Fe Engineering Consultants, LLC - 1599 St Francis Drive, Suite B, Santa Fe, NM 87505 HDR - 2155 Louisiana Blvd NE, Suite 9500, Albuquerque, NM 87110-5483 AECOM - 201 Third Street NW, Albuquerque, NM 87102 URS - One Park Square 6901 Americas Parkway NE, Suite 900, Albuquerque, NM 87110-5311 Medina Consulting, LLC - PO Box 94642, Albuquerque, NM 87198 Wilson & Company, Inc. - 4900 Lang Ave NE, Albuquerque, NM 87109 WHPacific - 6801 Americas Parkway NE Suite 400, Albuquerque, NM 87110 Larkin Group NM, Inc. - 8500 Menaul Blvd Ne, Suite A-440, Albuquerque, NM 87112 Weston Solutions - 3840 Commons Ave NE, Albuquerque, NM 87109 Huitt-Zollars, Inc. - 6501 Americas Parkway NE, Suite 550, Albuquerque, NM 87110	N N N Y Y Y Y Y Y Y N Y N N Y N N N Y N Y N N N Y N N	N N	On-Call Engineering Services Cat 1, Hydrology & Hydraulic Analysis and Review FEMA Flood Map Revisions
RFP	AECOM Bohannon Huston, Inc. Molzen Corbin Parsons Brinkerhoff, Inc. Wilson & Company, Inc.			AECOM - 201 Third Street NW, Albuquerque, NM 87102 Bohannon Huston, Inc. - Courtyard 1, 7500 Jefferson Street NE, Albuquerque, NM 87109-4335 Parsons Brinkerhoff - 6100 Uptown Blvd., Suite 700, Albuquerque, NM 87110 T.Y. Lin International - 500 4th Street NW, Suite 403 Bank of America Centre, Albuquerque, NM 87102 Southwest Water Design, LLC c/o Wolf Engineering - 6200 Seagull NE, Suite B-1, Albuquerque, NM 87109 Gannett Fleming West, Inc. - 2155 Louisiana Blvd, NE, Suite 7000, Albuquerque, NM 87110 Easterling Consultants LLC - 3613 NM 528 NW, Suite E-2, Albuquerque, NM 87114 High Mesa Consulting Group - 6010-B Midway Park Blvd, NE, Albuquerque, NM 87109 Smith Engineering Company, Inc. - 2201 San Pedro Drive NE, Bldg. 4, Suite 200, Albuquerque, NM 87110 HDR - 2155 Louisiana Blvd NE, Suite 9500, Albuquerque, NM 87110-5483 Molzen Corbin - 2701 Miles Road SE, Albuquerque, NM 87106 URS - One Park Square 6901 Americas Parkway NE, Suite 900, Albuquerque, NM 87110-5311 Wilson & Company, Inc. - 4900 Lang Ave NE, Albuquerque, NM 87109 WHPacific - 6801 Americas Parkway NE Suite 400, Albuquerque, NM 87110 Larkin Group NM, Inc. - 8500 Menaul Blvd Ne, Suite A-440, Albuquerque, NM 87112 Huitt-Zollars, Inc. - 6501 Americas Parkway NE, Suite 550, Albuquerque, NM 87110	N N N N Y Y Y Y Y N Y N N Y N N N N N N N N N N N N N	N N	On-Call Engineering Services Cat 2, Small Proj.Design, CE & Arch. Services Stuructuarl Review & Design, Proj Revises & Insp., Utility Review & Design
RFP	Huitt-Zollars, Inc. Tetra Tech Weston Solutions, Inc.			Huitt-Zollars, Inc. - 6501 Americas Parkway NE, Suite 550, Albuquerque, NM 87110 T.Y. Lin International - 500 4th Street NW, Suite 403 Bank of America Centre, Albuquerque, NM 87102 Southwest Water Design, LLC c/o Wolf Engineering - 6200 Seagull NE, Suite B-1, Albuquerque, NM 87109 High Mesa Consulting Group - 6010-B Midway Park Blvd, NE, Albuquerque, NM 87109 HDR - 2155 Louisiana Blvd NE, Suite 9500, Albuquerque, NM 87110-5483 Bohannon Huston, Inc. - Courtyard 1, 7500 Jefferson Street NE, Albuquerque, NM 87109-4335 Wilson & Company, Inc. - 4900 Lang Ave NE, Albuquerque, NM 87109 Weston Solutions - 3840 Commons Ave NE, Albuquerque, NM 87109 Tetra Tech, Inc. - 6121 Indian School Road NE, Suite 205, Albuquerque, NM 87110	N N Y Y N Y N N N N N N N	N N N N N N N N N N N N N	On-Call Engineering Services Cat 3
RFP	AMEC			AMEC - 8519 Jefferson NE, Albuquerque, NM 87113 Gannett Fleming West, Inc. - 2155 Louisiana Blvd, NE, Suite 7000, Albuquerque, NM 87110 Timmons Group - 1001 Boulders Parkway, Suite 300, Richmond, VA 23225	N Y N N N N	N N N N N N	On-Call GIS IT DBA Services
RFP	Albuquerque Sand and Gravel, LLC AUI, Inc. H.O. Construction, Inc. Kimo Construction, Inc. New Mexico Underground Contractors, Inc. Salls Brothers Construction, Inc. TLC Plumbing and Utility Vital Consulting Group LLC			Albuquerque Sand and Gravel, LLC - 5500 Cleo SW, Albuquerque, NM 87121 AUI, Inc. - PO Box 9825, Albuquerque, NM 87119-9825 Vital Consulting Group LLC - PO Box 20817, Albuquerque, NM 87154 New Mexico Underground Contractors, Inc. - 6201 Industry Way SE, Albuquerque, NM 87105 TLC Plumbing and Utility - 5000 Edith Blvd NE, Albuquerque, NM 87107 Salls Brothers Construction, Inc. - PO Box 66239, Albuquerque, NM 87193-6239 H.O. Construction, Inc. - PO Box 9468, Albuquerque, NM 87119 Kimo Construction Inc. - 3681 Highway 47, Bosque Farms, NM 87068	Y Y Y Y Y Y Y Y Y	N N N N N N N N N	On-Call Agreement Design, Bidability, and Constructability Reviews



CERTIFIED PUBLIC ACCOUNTANTS | CONSULTANTS

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**REPORT OF INDEPENDENT AUDITORS 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***

Board of Directors
Albuquerque Metropolitan Arroyo Flood Control Authority
and
Mr. Tim Keller
New Mexico State Auditor

We have audited, in accordance with the 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, 2015, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents. We have also audited the budgetary comparisons of the debt service fund, the capital projects fund, and building improvement fund, and have issued our report thereon dated November 5, 2015.

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 Authority'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.

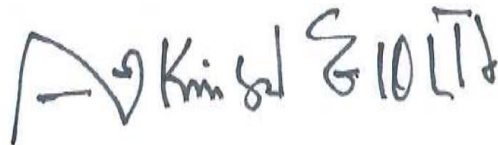
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies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

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 results 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.

A handwritten signature in blue ink, appearing to read "Atkinson & Co. Ltd.", with a stylized logo to the left consisting of a large 'A' and a smaller 'K'.

Atkinson & Co. Ltd.

Albuquerque, New Mexico
November 5, 2015

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

SCHEDULE OF FINDINGS AND RESPONSES

June 30, 2015

FINANCIAL STATEMENTS

Type of auditor's report issued: Unmodified

INTERNAL CONTROL OVER FINANCIAL REPORTING

Material weaknesses identified? No

Significant deficiencies identified not considered
to be material weaknesses? No

COMPLIANCE AND OTHER MATTERS

Noncompliance material to the financial statements noted? No

CURRENT YEAR FINDINGS

Financial Statement Finding Required by 2.2.2. NMAC and *Government Auditing Standards*
None

STATUS OF PRIOR YEAR FINDINGS

2014-001 Reimbursement Documentation – Other - Resolved

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

EXIT CONFERENCE

June 30, 2015

An exit conference was held on October 22, 2015, in a closed meeting and attended by the following:

For Albuquerque Metropolitan Arroyo Flood Control Authority:

Board Members

Ronald D. Brown	Chairman
Bruce M. Thomson	Vice Chair
Tim Eichenberg	Secretary - Treasurer
Cynthia Borrego	Assistant Secretary - Treasurer

Administrative Staff

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

For Atkinson & Co., Ltd.:

Martin Mathisen, CPA, CGFM	Shareholder/Audit Director
Jeremy Ginnett, CPA	Audit Manager

The financial statements were prepared by the Authority.

ATKINSON & CO. LTD.
CERTIFIED PUBLIC ACCOUNTANTS CONSULTANTS

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