



2016
COMPREHENSIVE ANNUAL
FINANCIAL REPORT



State of New Mexico

Albuquerque Metropolitan
Arroyo Flood Control Authority

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

June 30, 2016



John B. Roberts Dam in Northeast Albuquerque, built in 1976

INTRODUCTORY SECTION



A monsoon storm rolls through the Albuquerque area

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

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June 30, 2016

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Albuquerque Metropolitan Arroyo Flood Control Authority

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

Jerry M. Lovato, P.E.
Executive Engineer



Albuquerque
Metropolitan
Arroyo
Flood
Control
Authority

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

September 30, 2016

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

We are pleased to submit the AMAFCA Comprehensive Annual Financial Report for the fiscal year that ended June 30, 2016.

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

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

RPC CPAs + Consultants, LLP, Certified Public Accountants, have issued an unmodified ("clean") opinion on the Authority's financial statements for the year ended June 30, 2016. RPC CPAs + Consultants, LLP have opined that AMAFCA has fairly presented its financial position, in all material respects, in accordance with accounting principles generally accepted in the United States of America. The independent auditor's report is located at the front of the financial section of this report.

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

Profile of AMAFCA

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

LETTER OF TRANSMITTAL

June 30, 2016

The Authority is located within Bernalillo County and currently occupies 371 square miles, serves a population of approximately 675,000 and protects nearly \$14.7 billion of assessed property value. AMAFCA is divided into five (5) geographic districts and is empowered to levy a property tax on real property located within its boundaries for operations and for voter-approved debt.

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

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

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

Local Economy

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

It is estimated that the Albuquerque urban area accounts for nearly half of the State's economic output. The Albuquerque urban area is still recovering from the 2008 recession and is lagging behind the national recovery statistics. However, our statistical section shows that the 2008 recession did not have significant impacts on AMAFCA. Property values and collections of property taxes have remained steady. We continue to show that first year collections of property taxes are over 95% and overall collections are above 99% for collections for a three-year period. We have experienced a 1-3% growth

LETTER OF TRANSMITTAL

June 30, 2016

since 2008 and anticipate the rate to remain unchanged for the short-term. This outlook has allowed us to adjust budgets to maintain steady levels for revenues and budgeted expenditures.

The economic driver in the Albuquerque urban area is the Governmental Sector; therefore, it is reasonable to anticipate a slow steady growth rate that may be below national predictions in the near term. The Governmental Sector is not as volatile as other sectors in the economy; therefore, we conservatively expect that property tax billings will have a small steady growth and collections will remain in the upper 90% range.

Long-term financial planning and major initiatives

As a matter of policy, AMAFCA's General Fund is required to maintain an operating cash reserve equal to three twelfths (3/12ths) its subsequent year operating budget (\$1,083,289 at 6/30/16). AMAFCA is also required to maintain one and a half percent (1.5%) of its total infrastructure as an infrastructure emergency reserve (\$3,094,054 at 6/30/2016). As of June 30, 2016, the General Fund's cash and investments totaled approximately \$8,675,000. As of June 30, 2016, AMAFCA had approximately \$2.5M available that was in excess of its reserve requirements, which is approximately 62% of our FY17 General Fund budget. The vast majority of these funds are shown as restricted in the General Fund Balance Sheet since the original source of these funds are property taxes that only be spent on flood control activities. Over 99% of AMAFCA's budget is considered Flood Control Activities.

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

Relevant financial policies

The Authority has adopted a comprehensive set of financial policies and an internal control structure. The most relevant is Resolution 2016-05 – Cash Reserves, which was passed by the Board of Directors in April 2016. The Authority has a total of \$5,043,212 of contingency reserves, of which \$848,704 remains available for any contingency but requires Board of Directors action to spend. This policy set up the following reserves and minimum amounts:

Operating Cash Reserves (3/12ths of operating budget)	\$	1,083,289
Infrastructure Emergency Reserve (1.5% of total infrastructure)		3,094,504
Board of Directors Contingency		500,000
Executive Engineer Contingency		400,000
Insurance & Other Operating Reserve		200,000

AMAFCA has historically maintained a conservative approach to budgeting its revenues and expenditures. Over the past 10 years, on average, AMAFCA collects over 104% of its budgeted property taxes and spends less than 95% of its expenditures.

LETTER OF TRANSMITTAL

June 30, 2016

Major initiatives

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

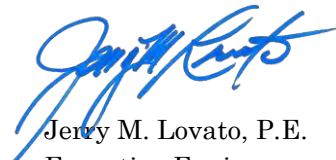
Awards and Acknowledgements

The Authority has been rated "AAA" by the nation's top two rating agencies, Standard & Poor's and Moody's, for the last 14 years. Maintaining the ratings is due to a conservative approach to financial affairs as well as demonstrating stable leadership.

In addition, AMAFCA projects and efforts have been recognized nationally 17 times over the past 10 years.

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

Respectfully submitted,



Jerry M. Lovato, P.E.
Executive Engineer



Herman Chavez, CPA
Finance & Administration Manager

June 30, 2016

Board Members

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

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

Administrative Staff

Jerry M. Lovato, P.E.
Herman Chavez, CPA

Executive Engineer
Finance & Administration Manager

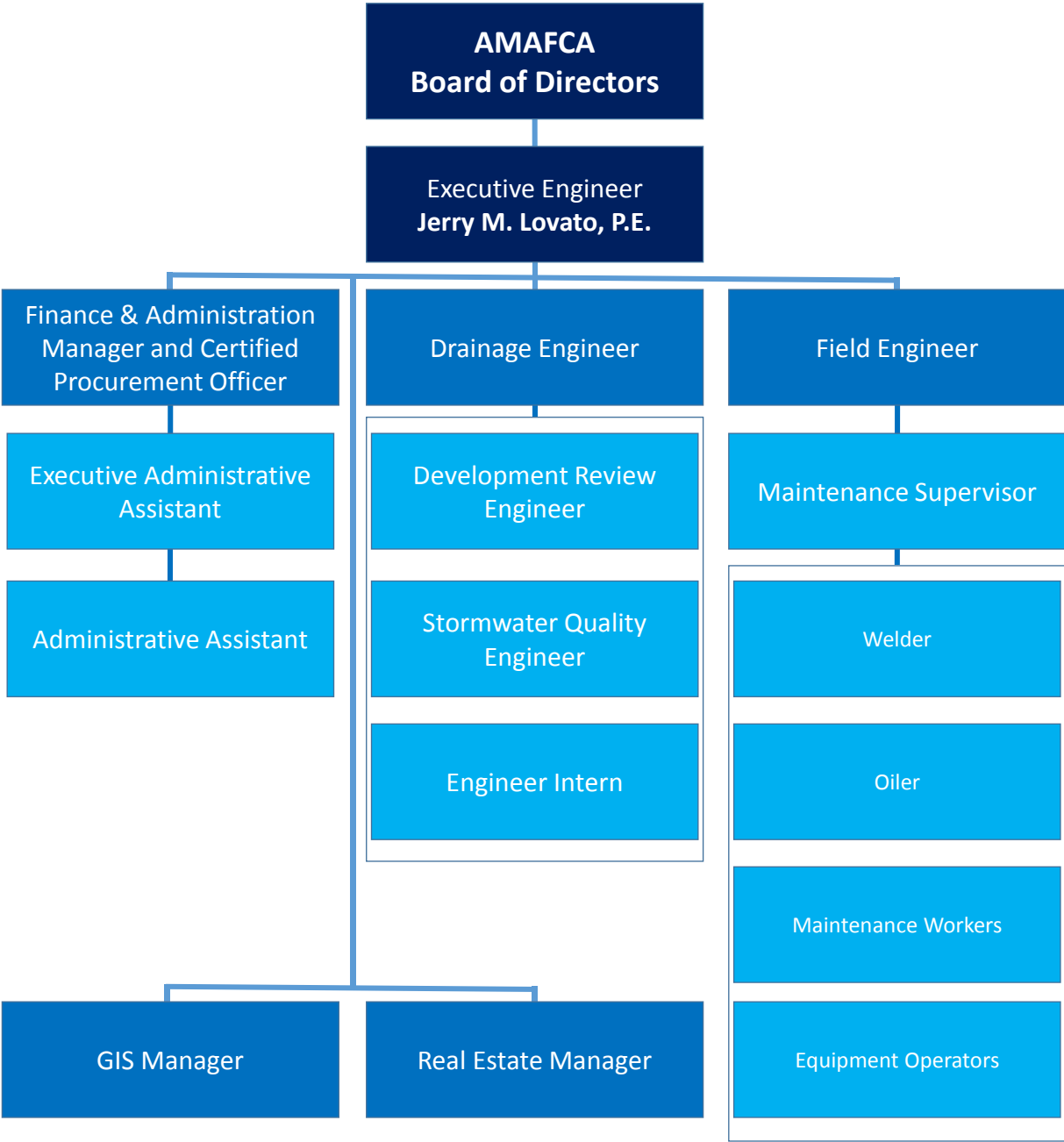


An Albuquerque rainbow forms over AMAFCA's office

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

ORGANIZATIONAL CHART

June 30, 2016



FINANCIAL SECTION



AMAFCA's 2015 Tumbleweed Snowman, a holiday tradition, greets travelers and commuters along I-40

INDEPENDENT AUDITORS' REPORT

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

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and the budgetary comparison for the general fund of Albuquerque Metropolitan Arroyo Flood Control Authority (the Authority) as of and for the year ended June 30, 2016, 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 capital project, debt service, and building improvement funds presented as supplementary information as defined by the Governmental Accounting Standards Board, as of and for the year ended June 30, 2016, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Albuquerque Metropolitan Arroyo Flood Control Authority, as of June 30, 2016, and the respective changes in financial position thereof and the budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective budgetary comparisons for the capital projects, debt service, and building improvement funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *Management's Discussion and Analysis* on pages 7 through 14, the Schedule of Proportionate Share of the Net Pension Liability, Schedule of PERA Contributions, and the Notes to the Required Supplementary Information on pages 59 and 60 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

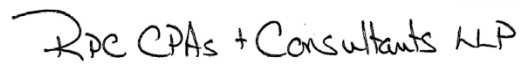
Our audit was conducted for the purpose of forming opinions on the Authority's basic financial statements and the budgetary comparisons. The introductory section, the statistical section and the supporting schedules required by section 2.2.2 NMAC are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 26, 2016 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.



RPC CPAs + Consultants, LLP
Albuquerque, New Mexico
October 26, 2016



*SW Valley Flood Damage Reduction Project Phase II,
Southwest Albuquerque, built 2016. Winner of MRCOG 2016
Public Partnership Award*

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

Authority's Mission

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

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

Authority's Function

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

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

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

MANAGEMENT'S DISCUSSION & ANALYSIS (UNAUDITED)

Required Supplementary Information

June 30, 2016

Financial Highlights

- During fiscal year 2016, the Board of Directors passed Resolution 2016-05, which updated the existing and established new contingency reserves. It also created a cash reserve for subsequent year's expenditures, equaling 3/12ths of the subsequent year's budget. That reserve is almost \$1.1M for June 30, 2016.
- The financial position of the Authority is strong. As of June 30, 2016, the Authority's cash available for flood control was about \$2.5M, which is approximately 50% of its subsequent year budget. Including the cash reserve mentioned above, AMAFCA has approximately 75% of its fiscal year 2017 budget in reserves.
- The Authority added approximately \$7.5M in projects, included as part of the June 30, 2015 Construction in Progress, and closed out approximately \$2.6M. The Authority has approximately \$15.3M of on-going flood control projects.
- 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 \$6.4M from the previous year. This increase is due to the completion and timing of progress payments made to contractors on various projects and the annual bond sale.
- The Authority experienced an increase of its net pension liability of approximately \$370K, to a total net pension liability of approximately \$1.6M.

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 (page 26) for a more detailed discussion of the two types of financial statements of the Authority.

The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of these statements.

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

MANAGEMENT'S DISCUSSION & ANALYSIS (UNAUDITED)

Required Supplementary Information

June 30, 2016

The Authority as a whole:

Net Position: Table A-1 summarizes the Authority's net position for the fiscal year ended June 30, 2016 and 2015. Net position is presented on a consolidated basis in one column, and is reflected on a full accrual, economic resources basis, which incorporates long-term assets and receivables, as well as long-term debt and obligations. The Authority did not have any business-type activities during the year ended June 30, 2016.

Table A-1
The Authority's Net Position

	Government Activities June 30, 2016	Government Activities June 30, 2015 as Restated
Current assets	\$ 47,396,058	\$ 41,159,949
Capital assets, net of depreciation	223,622,992	219,932,458
	<u>271,019,050</u>	<u>261,092,407</u>
Deferred outflow of resources	<u>136,173</u>	<u>143,209</u>
Total assets & deferred outflow of resources	<u>\$ 271,155,223</u>	<u>\$ 261,235,616</u>
Current liabilities	\$ 10,940,874	\$ 10,170,840
Non-current liabilities	<u>45,215,154</u>	<u>41,271,517</u>
Total liabilities	<u>56,156,028</u>	<u>51,442,357</u>
Deferred inflow of resources	<u>55,550</u>	<u>475,416</u>
Net Position		
Net investment in capital assets	176,226,208	174,423,162
Restricted for:		
Debt service	12,961,595	12,051,322
Capital projects	24,213,767	18,450,917
Unrestricted	<u>1,542,075</u>	<u>4,392,442</u>
Total net position	<u>214,943,645</u>	<u>209,317,843</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 271,155,223</u>	<u>\$ 261,235,616</u>

MANAGEMENT'S DISCUSSION & ANALYSIS (UNAUDITED)

Required Supplementary Information

June 30, 2016

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, 2016, 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, 2016, 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, 2016 were \$13,256,530 as compared to \$13,086,450 for the fiscal year ended June 30, 2015. The budget used conservative property values and collection rates in estimating revenues.

Changes in Net Position: The Authority's changes in net position on the Statement of Activities for fiscal year 2016 were \$5,625,802. The increase, similar to previous years, is a result of timing variances of property tax collections and the spending of bond proceeds. In an ideal situation, those amounts should mirror each other, but since capital projects last multiple years, collections and outflows do not mirror each other.

The General Fund shows a \$116k decrease in fund balance for the year ended June 30, 2016. The loss is smaller than the anticipated (budgeted a \$1.4M loss) since capital improvements to the main office were not completed as planned and overall spending was lower than anticipated. We planned to utilize cash on deposit and do not anticipate significant losses in future years.

The Debt Service fund shows a \$910K increase in fund balance. This is due to the premium on our bond sale being higher than anticipated and property tax collections being greater than our scheduled debt payments.

The Capital Projects Fund shows a \$5.7M increase to fund balance. This is due to our bond sale. Bond proceeds are recognized when received, and the projects related to the bond sale last multiple years. Bond proceeds were \$12.5M and disbursements of those and previous proceeds were \$7.4M.

The Building and Yard Improvement Fund showed an increase in fund balance of about \$160k. This is due to the amounts transferred into the fund were greater than the transfers out.

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

MANAGEMENT'S DISCUSSION & ANALYSIS (UNAUDITED)

Required Supplementary Information

June 30, 2016

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

	Government Activities Year Ended June 30, 2016	Government Activities Year Ended June 30, 2015, as Restated
Program Revenues		
Revenue from jointly funded projects	\$ 892,157	\$ 1,479,355
General revenues		
Property taxes	13,256,530	13,086,450
Investment	76,431	34,209
Other	843,958	54,784
Total revenues	15,069,076	14,654,798
Expenses		
Flood control	4,142,305	4,043,625
Capital outlay - intergovernmental	2,061,209	4,626,779
General government	1,576,782	1,661,202
Interest on long-term debt	717,601	649,688
Planning, engineering, R&D	945,377	854,293
Total expenses	9,443,274	11,835,587
Change in net position	5,625,802	2,819,211
Beginning net position, as restated	209,317,843	206,498,632
Ending net position	<u>\$ 214,943,645</u>	<u>\$ 209,317,843</u>

Budgetary Performance

General Operating Fund Budget

The budget used conservative growth factors for the assessed valuation, which exceeded actual growth in assessed valuation resulting in more tax revenue. This resulted in actual collections of property taxes of approximately \$204,000 over budget.

AMAFCA also has a history of actual expenditures being lower than budgeted amounts in all categories. This trend continued in 2016 as all of the Authority's budget line items were under budget.

MANAGEMENT'S DISCUSSION & ANALYSIS (UNAUDITED)

Required Supplementary Information

June 30, 2016

The operating fund did not have any significant budget adjustments. The lone budget adjustment was to cover additional overtime costs incurred by our maintenance crew to manage excess vegetation growth.

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 \$565,000 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 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.

Building & Yard Improvement Fund Budget

There were no expenditures in the Building & Yard Improvement Fund during fiscal year 2016. The only activity in this fund was the receipt of a planned transfer of \$120,000 from the General Fund early in fiscal year 2016. However, yard modifications were slightly behind schedule and only \$280K of a planned \$580K transfer to the General Fund for construction costs was required. The remaining \$300K will be transferred during FY17.

Capital Assets – Debt Administration

Capital Assets

AMAFCA currently maintains facilities with an accumulative cost of \$260,000,000. The facilities include 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 \$450,000,000.

Major projects completed/closed out or accepted for maintenance during fiscal year 2016 were:

Piedras Marcadas Dam Water Quality Structure (\$588K)

The Piedras Marcadas Dam Water Quality Improvement Project constructed six (6) structures at the inlets to Piedras Marcadas Dam to capture trash and debris. The main goal of the project was to improve storm water quality and reduce maintenance costs by capturing floatables and other debris found in municipal storm water. At the point where the middle branch of the Piedras Marcadas Arroyo enters into the dam, a debris fence was installed. At the five (5) locations where City of Albuquerque storm drains enter the dam, a combination of ported concrete structures and debris fences were installed. The design of the structures allows for cleaning using mechanical methods rather than

MANAGEMENT'S DISCUSSION & ANALYSIS (UNAUDITED)

Required Supplementary Information

June 30, 2016

manual labor. They also concentrate maintenance in one location, further reducing the amount of maintenance in the dam.

North Diversion Channel Floor Overlay (\$860K)

The North Diversion Channel and the Embudo Channel have been in place for nearly 50 years. Three factors have contributed to the degradation of the floor of these channels. Alkali Silica Reactivity (ASR) causes a gel to develop in the concrete. Scour has occurred due to constant trickle water and transfer of sediment. The channels go through numerous freeze thaw cycles during the winter months. In AMAFCA's continuing efforts to rehabilitate the channels and extend their functional life, AMAFCA overlaid approximately 1900 liner feet of channel floor in FY 2016. Since 2006, AMAFCA has overlaid approximately two miles (10,500 feet) of the channel floors.

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 2009, 2010, 2011, 2012, 2014, 2015 and 2016) which are scheduled to be retired gradually over the next ten years. The total proceeds of these seven series of bonds are \$77,500,000. At June 30, 2016, the Authority's outstanding principal debt was \$51,050,000 resulting in a legal debt margin of 64% of the \$80,000,000 total general obligation bonding capacity. Total outstanding principal and interest was \$54,882,841 versus \$51,168,445 in fiscal year 2015. The increase is due to the sale of the \$12,500,000 bond issue. The Authority paid \$8,675,000 in principal for the period ending June 30, 2016.

In May 2016, the Authority sold its first \$12.5M of the 2014 authorization. The effective interest rate on that sale was 1.58%.

On August 1, 2016, the Authority paid \$9,300,000 of principal, leaving a remaining balance of \$41,750,000.

Economic Factors and Next Year's Budgets and Rates

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

The Authority's fiscal year 2017 adopted budget for the general fund includes estimated property tax revenues of about \$3,550,000, which is a decrease from the fiscal year 2016 actual revenues of about \$3,650,000. The Authority does not anticipate conditions that would cause decreases in revenues, but takes a conservative approach as it relates to collections, a 97% collection rate.

The Authority decreased the total budgeted expenditures from about \$5.0 to almost \$4.6M. The most significant decrease is related to capital asset acquisitions and yard modifications. The Authority is in

the process of making 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 all funding it receives. If you have any questions about this report or need additional financial information, contact:

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



San Antonio Arroyo



State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

FINANCIAL STATEMENTS

Government-Wide Statement of Net Position

June 30, 2016

ASSETS

	<u>Governmental Activities</u>
CURRENT ASSETS	
Cash and cash equivalents	\$ 505,250
Investments	46,050,693
Property tax receivables, net of allowance	<u>840,115</u>
Total current assets	<u>47,396,058</u>
CAPITAL ASSETS	
Capital assets not being depreciated	69,112,714
Capital assets being depreciated, net	<u>154,510,278</u>
Total capital assets	<u>223,622,992</u>
DEFERRED OUTFLOWS OF RESOURCES	
Contributions subsequent to measurement	<u>136,173</u>
Total assets and deferred outflows of resources	<u>\$ 271,155,223</u>

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

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

FINANCIAL STATEMENTS

Government-Wide Statement of Net Position

June 30, 2016

LIABILITIES AND NET POSITION

LIABILITIES

Current liabilities

Accounts payable	\$ 593,357
Accrued payroll and taxes	113,623
Compensated absences payable, current portion	53,065
Bonds payable, current portion	9,300,000
Bond premium, current portion	424,582
Accrued interest payable	<u>456,247</u>

Total current liabilities 10,940,874

Noncurrent liabilities

Compensated absences payable - expected to be paid after one year	97,006
Bonds payable, net of current portion	41,750,000
Bond premium, noncurrent less accumulated amortization of \$1,203,196	1,785,133
Net pension liability	<u>1,583,015</u>

Total noncurrent liabilities 45,215,154

Total liabilities 56,156,028

DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources	<u>55,550</u>
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NET POSITION

Net investment in capital assets	176,226,208
Restricted	
Debt service	12,961,595
Capital projects	24,213,767
Unrestricted	<u>1,542,075</u>

Total net position 214,943,645

Total liabilities, deferred inflows, and net position \$ 271,155,223

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



State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

FINANCIAL STATEMENTS

Government-Wide Statement of Activities

June 30, 2016

YEAR ENDED JUNE 30, 2016

	<u>Expenses</u>	<u>Program Revenues</u> Capital Contributions and Revenue from Jointly Funded Projects	<u>Net (Expense) Revenue and Changes in Net Position</u>
Governmental activities			
Flood control	\$ (4,142,305)	\$ -	\$ (4,142,305)
General government	(1,576,782)	-	(1,576,782)
Planning, engineering, research and development	(945,377)	-	(945,377)
Noncapitalized project costs	(2,061,209)	892,157	(1,169,052)
Long-term debt, interest and fees	<u>(717,601)</u>	<u>-</u>	<u>(717,601)</u>
Total governmental activities	<u>\$ (9,443,274)</u>	<u>\$ 892,157</u>	(8,551,117)
General revenues			
Property taxes			13,256,530
Investment			76,431
Other			<u>843,958</u>
Total general revenues			<u>14,176,919</u>
Changes in net position			5,625,802
Net position, beginning of year as previously reported			209,439,190
Restatement of prior years for bond issuance costs			<u>(121,347)</u>
Net position, beginning of year as restated			<u>209,317,843</u>
Net position, end of year			<u>\$ 214,943,645</u>

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

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

FINANCIAL STATEMENTS

Balance Sheet – Governmental Funds

June 30, 2016

ASSETS					
	General Fund	Debt Service Fund	Capital Projects Fund	Building & Yard Improvement Fund	Total Governmental Funds
ASSETS					
Petty cash	\$ 200	\$ -	\$ -	\$ -	\$ 200
Cash in bank	209,309	65,756	227,835	2,150	505,050
Investments	8,766,283	12,651,359	24,330,604	302,447	46,050,693
Property taxes (net) & other receivables	258,911	581,204	-	-	840,115
Total assets	\$ 9,234,703	\$ 13,298,319	\$ 24,558,439	\$ 304,597	\$ 47,396,058
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 248,685	\$ -	\$ 344,672	\$ -	\$ 593,357
Accrued payroll and taxes	113,623	-	-	-	113,623
Total liabilities	362,308	-	344,672	-	706,980
Deferred Inflows	164,399	336,724	-	-	501,123
Total liabilities and deferred inflows	526,707	336,724	344,672	-	1,208,103
FUND BALANCES					
Restricted					
Flood control construction and maintenance	2,468,364	-	-	-	2,468,364
Debt service	-	12,961,595	-	-	12,961,595
Capital projects	-	-	24,213,767	-	24,213,767
Committed					
Subsequent year's expenditures	1,083,289	-	-	-	1,083,289
Contingencies	5,043,208	-	-	-	5,043,208
Building and improvements	-	-	-	304,597	304,597
Unassigned					
General	113,135	-	-	-	113,135
Total fund balances	8,707,996	12,961,595	24,213,767	304,597	46,187,955
Total liabilities and fund balances	\$ 9,234,703	\$ 13,298,319	\$ 24,558,439	\$ 304,597	\$ 47,396,058

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

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

FINANCIAL STATEMENTS

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

June 30, 2016

Total fund balance - governmental funds		\$ 46,187,955
Amounts reported for governmental activities in the statement of net position are different because:		
Delinquent property taxes receivable net of allowance for doubtful accounts are not considered available financial resources and therefore are reported as deferred inflows in fund financial statements.		501,123
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	\$ 280,381,233	
Less accumulated depreciation	(56,758,241)	
Related debt	<u>(51,050,000)</u>	
Total capital assets, net of related debt and depreciation		172,572,992
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		136,173
Net pension liability		(1,583,015)
Deferred Inflows - difference between actual and expected investment earnings		(55,550)
Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds:		
Compensated absences payable		(150,071)
Accrued interest payable		(456,247)
Bond premium costs are amortized for governmental activities, but are a current other financing source in fund financial statements.		
Total bond premium	(3,412,911)	
Less accumulated amortization	<u>1,203,196</u>	<u>(2,209,715)</u>
Net position of governmental activities (Statement of Net Position)		<u>\$ 214,943,645</u>

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

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

FINANCIAL STATEMENTS

Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds

June 30, 2016

	General Fund	Debt Service Fund	Capital Projects Fund	Building & Yard Improvement Fund	Total Governmental Funds
REVENUES					
Property taxes	\$ 3,657,771	\$ 9,769,994	\$ -	\$ -	\$ 13,427,765
Investments	18,882	16,327	39,941	1,281	76,431
Revenue from jointly funded projects	-	-	30,200	-	30,200
Revenue from property sales	2,967	-	-	-	2,967
Other	114,656	-	1,422	-	116,078
Total revenues	3,794,276	9,786,321	71,563	1,281	13,653,441
EXPENDITURES					
Current					
General government	1,544,459	-	-	-	1,544,459
Flood control	1,064,564	-	-	-	1,064,564
Planning, engineering, research and development	945,377	-	-	-	945,377
Capital outlay	516,054	-	7,454,802	-	7,970,856
Debt service					
Bond principal retirement	-	8,675,000	-	-	8,675,000
Interest and fixed charges	-	923,055	-	-	923,055
Bond issuance costs	-	-	104,120	-	104,120
Total expenditures	4,070,454	9,598,055	7,558,922	-	21,227,431
Excess (deficiency) of revenues over expenditures	(276,178)	188,266	(7,487,359)	1,281	(7,573,990)
OTHER FINANCING SOURCES AND USES					
Operating transfers in	280,000	-	-	120,000	400,000
Operating transfers out	(120,000)	-	-	(280,000)	(400,000)
Face amount from bond sales	-	-	12,500,000	-	12,500,000
Bond premium issuance	-	722,007	95,796	-	817,803
Project refunds/reimbursements	-	-	654,413	-	654,413
Total other financing sources and uses	160,000	722,007	13,250,209	(160,000)	13,972,216
Net change in fund balances	(116,178)	910,273	5,762,850	(158,719)	6,398,226
Fund balances, beginning of year	8,824,174	12,051,322	18,450,917	463,316	39,789,729
Fund balances, end of year	<u>\$ 8,707,996</u>	<u>\$ 12,961,595</u>	<u>\$ 24,213,767</u>	<u>\$ 304,597</u>	<u>\$ 46,187,955</u>

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

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

FINANCIAL STATEMENTS

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

June 30, 2016

Net change in fund balances - governmental funds	\$ 6,398,226
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	8,675,000
Bond premium is not amortized for fund financial statement purposes, but is for governmental activities - current year amortization	375,814
Bond premiums are included as other revenues for fund financial statement purposes, but are capitalized for governmental activities	(817,803)
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	(1,403)
Accrued interest payable	(66,240)
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:	
	42,909
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:	
	(171,235)
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	\$ 5,921,544
Depreciation	(3,163,467)
Gain on disposal of assets	<u>70,500</u>
Excess of capital outlay over depreciation	2,828,577
In the statement of activities, turnkey contributed projects are recorded as revenues. These revenues are not recorded in the governmental fund statements.	
	<u>861,957</u>
Changes in net position of governmental activities (statement of activities)	<u><u>\$ 5,625,802</u></u>

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

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

FINANCIAL STATEMENTS

Statement of Revenues, Expenditures, and Changes in Fund Balance (Non-GAAP Budgetary Basis) Budget and Actual – General Fund

June 30, 2016

	Budget Original	Budget Final	Actual Amount Budgetary Basis	Variance Positive (Negative)
Revenues				
Property taxes	\$ 3,453,565	\$ 3,453,565	\$ 3,657,771	\$ 204,206
Revenue - other	25,000	25,000	136,505	111,505
Total revenues	3,478,565	3,478,565	3,794,276	315,711
Expenditures				
Salary and related payroll costs	2,403,939	2,418,939	2,194,916	224,023
Facilities operations and maintenance	594,700	594,700	464,332	130,368
Stormwater quality	398,500	398,500	324,338	74,162
Planning, Engineering, and R&D	147,000	147,000	110,781	36,219
General & Administrative	176,500	176,500	140,316	36,184
Professional Services	76,300	76,300	59,976	16,324
Information Technology	137,500	137,500	135,460	2,040
Governmental affairs	142,300	142,300	124,281	18,019
Capital Outlay	305,000	305,000	288,308	16,692
Building and yard improvements	605,000	605,000	227,746	377,254
Total expenditures	4,986,739	5,001,739	4,070,454	931,285
Excess (deficiency) of revenues over expenditures before other financing sources and uses	(1,508,174)	(1,523,174)	(276,178)	1,246,996
Other financing sources and uses				
Transfers from other funds	600,000	600,000	280,000	(320,000)
Transfers to other funds	(120,000)	(120,000)	(120,000)	-
Emergency contingency	(400,000)	(400,000)	-	400,000
Total other financing and uses	80,000	80,000	160,000	80,000
Net change in fund balance	(1,428,174)	(1,443,174)	(116,178)	1,326,996
Fund Balance, beginning of year	8,824,174	8,824,174	8,824,174	-
Fund Balance, end of year	\$ 7,396,000	\$ 7,381,000	\$ 8,707,996	\$ 1,326,996

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

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

FINANCIAL STATEMENTS

Statement of Fiduciary Assets and Liabilities – All Agency Funds

June 30, 2016

ASSETS

Cash in bank and savings	<u>\$ 1,434,873</u>
Total assets	<u><u>\$ 1,434,873</u></u>

LIABILITIES

Funds held for others	<u>\$ 1,434,873</u>
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**The accompanying notes are an integral part of these financial statements.*

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

NOTE A – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Function and Definition of Entity

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

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

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, 2016.

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

2. Basic Financial Statements

The basic financial statements include both government-wide (based on the Authority as a whole) and fund financial statements. The reporting model focus is on either the Authority as a whole or on major individual funds (within the fund financial statements). Both the government-wide and fund financial statements (within the basic financial statements) categorize primary activities as governmental funds. In the government-wide Statement of Net Position, the governmental activities are reflected on a full accrual economic resources basis, which incorporates long-term assets and receivables as well as long-term debt and obligations. The Authority implemented GASB Statement No. 68 for the year ended June 30, 2015. The Statement of Net Position now provides for a net pension liability and related deferred inflows and deferred outflows as applicable. For the year ended June 30, 2016, the Authority implemented GASB Statement No. 82, which amended GASB Statement No. 68, giving clarification for Employer-Paid Member Contributions. See Note L for more information on the implementation of GASB 82.

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

The net cost (by function) is normally covered by general revenues (taxes, inter-governmental revenues, investment, etc.). Historically, the previous model did not summarize or present net cost by function or activity. The Authority does not currently employ indirect cost allocation systems. The Authority's policy for when an expense is incurred for purposes for which both restricted and unrestricted net position are available is to utilize the restricted net position first. No such expenses occurred during the year ended June 30, 2016.

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.

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

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

The fund financial statements are similar to the financial statements presented in the previous accounting model. Emphasis here is on the major funds in either the government or business-type categories. Non-major (by category) or fund type are summarized into a single column. The General Fund, the Debt Service Fund, the 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.

Internal activity among the various funds is eliminated in the government-wide financial statements. There were no interfund balances at June 30, 2016.

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.

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

GOVERNMENTAL FUND TYPES

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

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

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

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

Building and Yard 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, 2016. **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 Position.

4. Basis of Accounting

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

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

Modified Accrual. All governmental funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, and the Authority uses traditional 60 days after year-end as the period in which they have to be received.

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

Property taxes are recognized when levied, net of estimated refunds and uncollectible amounts. Expenditures are generally recognized under modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general long-term debt is recognized when due. In applying the "susceptible to accrual" concept to intergovernmental revenues pursuant to GASB Statement No. 33, the provider should recognize liabilities and expenses and the recipient should recognize receivables and revenues when the applicable eligibility requirements, including time requirements, are met. Resources transmitted before the eligibility requirements are met, under most circumstances, should be reported as advances by the provider and deferred revenue by the recipient.

5. Budgetary Accounting

Budgets for all funds are adopted on the modified accrual basis of accounting, which conforms to accounting principles generally accepted in the United States of America. The legal level of budgetary control is at the fund level. At year-end, budgeted appropriations lapse. The Board approves the original budget at a public meeting for which legal notices are published. The public is invited to comment at the meeting. Within each fund, transfers may be made between line items with the approval of the Authority's Board. Transfers between funds and any increase in the original budget, in addition to approval by the Authority's Board, must be presented to the Local Government Division of the New Mexico Department of Finance and Administration for their approval. The original budget, approved by the Authority's Board and the Local Government Division, may be subsequently amended if approved by the Authority's Board and the Local Government Division. Actual expenditures for each budget may not legally exceed the appropriations in total, including budgeted beginning cash balances. The Authority's budget for the fiscal year ended June 30, 2016 was properly approved by the Authority's Board and by the Local Government Division. It was subsequently amended.

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.
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.

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

Compensated absences payables of \$150,071 have been recorded in the government-wide financial statements. Of the \$150,071, \$53,065 is considered the current portion while \$97,006 is considered the long-term portion, which is expected to be paid after one year. The compensated absence payable has been valued using the pay levels in effect at June 30, 2016 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, 2015	Additions	Deletions	June 30, 2016	Due Within One Year
Compensated absences payable	\$ 148,668	\$ 96,766	\$ 95,363	\$ 150,071	\$ 53,065

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. It is in normal activity that AMAFCA obtain ownership of facilities constructed by others and to give ownership to other Governmental Agencies. When AMAFCA obtains ownership, it is recorded as a capital contribution. When AMFCA gives up ownership, it is included as part of Noncapitalized project costs.

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

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

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.

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

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 are associated with non-liquid capital assets less outstanding capital asset related debt. The net related debt is the general obligation bonds issued to finance the Authority construction projects. The Authority had related debt of \$47,396,784 at June 30, 2016. There is unrelated debt of \$3,653,216 not yet related to the projects. Total debt is \$51,050,000.

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:

- **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.

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

Fund Balance for Subsequent Years Expenditures. In April 2016, the AMAFCA Board of Directors adopted Resolution 2016-05 – *Cash Reserves* that requires a minimum fund balance in the general fund of 25% of the General Fund's subsequent year's budget, less any capital outlay to be funded via transfer from the Building & Yard fund (\$4,333,153) to ensure the Authority maintains an adequate cash flow position.

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

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.

12. Bond Premium

Bond premiums of \$3,412,911 (\$817,803 in current year) have been capitalized in the government-wide financial statements and are being amortized using straight-line against interest expense over the life of the related bonds payable, which results in materially correct accumulated amortization and amortization expense.

13. Deferred Inflows

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

Delinquent property taxes	<u>\$ 501,123</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.

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

15. Noncash Capital Contributions

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

16. Subsequent Events

Subsequent events have been evaluated through October 26, 2016, 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, 2016. Management believes no material subsequent events have arisen that would require adjustment or disclosure.

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

NOTE B – CASH AND INVESTMENTS

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

Effective March 22, 1990, the Board adopted a new resolution, which differentiates banks wherein deposits may be maintained into two classes as determined by the State Investment Office. The two classes consist of "Class A" and "Class B" banks, which require 50%, respectively, of uninsured bank deposits to be collateralized. Collateral pledged by a bank on deposits is required to be held at another bank and cannot be released without the Authority's permission. The Authority currently requires 50% collateral after considering FDIC insurance on its deposits with Wells Fargo. At June 30, 2016, 74% of the cash balance was insured by either FDIC insurance or pledged collateral.

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

Balances as reflected by financial institutions at June 30, 2016:

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

Wells Fargo, Albuquerque, NM - all are demand deposit accounts except for Ditch and Water Safety accounts

Cash balances per depository at June 30, 2016:

Checking and unassigned accounts	\$ 419,360
Construction / Capital Projects	286,898
Debt Service Account	65,756
Storm Quality Education	75,449
Ditch & Water Safety Task Force	68,407
Boca Negra Dam	675
Area Wide Maintenance	556
Area Wide Maintenance Savings	<u>1,293,004</u>

Total deposits	2,210,105
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Less outstanding checks and adjustments, all accounts	(270,182)
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Less agency funds - cash and savings accounts	<u>(1,434,873)</u>
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Net carrying value at June 30, 2015	<u><u>\$ 505,050</u></u>
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Shown as:

General Fund	\$ 209,309
Debt Service Fund	65,756
Capital Projects Fund	227,835
Building Improvement Fund	<u>2,150</u>

Total cash per government-wide financial statements	<u><u>\$ 505,050</u></u>
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Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. The Authority's policy regarding custodial credit risk is to comply with its Resolution described earlier and with Section 6-10-17, NMSA (1978). As of June 30, 2016, 26% of the Authority's deposits were insured. Of the remaining 74%, 48% is covered by collateral held by the pledging bank's trust in the Authority's name. The remaining 26% is uninsured or collateralized and subject to custodial credit risk at June 30, 2016. See Schedule of Pledged Collateral on Page 105.

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.

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

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, 2016

**New MexiGROW LGIP AAAM rated \$46,050,693 44 day WAM (R) and
77 day WAM (F)**

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

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

General Fund	\$ 8,766,283
Debt Service Fund	12,651,359
Capital Projects Fund	24,330,604
Building Improvement Fund	<u>302,447</u>
Total governmental funds	<u><u>\$ 46,050,693</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.

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

NOTE C – PROPERTY TAXES AND PROPERTY TAX RECEIVABLES

Property taxes are payable to the County Treasurer in two equal installments, due on November 10 of the year in which the tax bill was prepared and on April 10 of the following year. Pursuant to Section 7-38-38, NMSA 1978, property taxes are delinquent if not paid within thirty days after the date on which they are due. Property taxes are the personal obligation of the person owning the property on the date on which the property was subject to valuation for property taxation purposes. A personal judgment may be rendered against the taxpayer for payment of taxes that are delinquent, together with any penalty and interest on the delinquent taxes. Taxes on real property are a lien against the real property on which the taxes are delinquent.

Article VIII, Section 2 of New Mexico Constitution limits the total ad valorem taxes for operational purpose levied by all overlapping governmental units within Bernalillo County to \$20.00 per \$1,000 assessed value. This limitation does not apply to special levies, such as levies for bond issues, authorized at an election by a majority of the qualified voters within Bernalillo County.

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

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

Receivables	
Current property taxes	\$ 338,992
Delinquent property taxes, net of allowance of \$87,751 for doubtful accounts	<u>501,123</u>
Total receivables	<u>\$ 840,115</u>

Of the property taxes noted above, \$94,512 in the General Fund and \$244,480 in the Debt Service Fund are considered available financial resources and considered fully collectible. Delinquent property taxes of \$501,123 have been recorded in the government-wide financial statements, which includes receivables for all uncollected levied taxes. Delinquent property taxes do not represent measurable available resources so they are considered deferred inflows in the fund financial statements. Delinquent property taxes are secured by liens operating as a matter of law and are considered collectible except as provided for above. It is reasonably possible that certain property taxes may be collected over periods greater than 1 year.

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

NOTE D – CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets follows:

	<u>June 30, 2015</u>	<u>Additions</u>	<u>Transfers</u>	<u>Sales or Other Dispositions</u>	<u>June 30, 2016</u>
Capital assets not being depreciated					
Infrastructure:					
Land acquisition	\$ 53,543,760	\$ -	\$ -	\$ -	\$ 53,543,760
Building & yard - construction in progress	-	227,748	-	-	227,748
Construction in progress	<u>10,535,419</u>	<u>7,454,802</u>	<u>(587,804)</u>	<u>(2,061,211)</u>	<u>15,341,206</u>
Total capital assets not being depreciated	64,079,179	7,682,550	(587,804)	(2,061,211)	69,112,714
Capital assets being depreciated					
Operations:					
Furniture and fixtures	94,652	11,897	-	-	106,549
Maintenance tools and automotive equipment	1,971,947	358,808	-	(272,277)	2,058,478
Office and maintenance buildings	1,353,489	-	-	-	1,353,489
Infrastructure:					
Utility relocations	2,036,609	-	-	-	2,036,609
Dams, channels and other improvements	<u>204,263,633</u>	<u>1,449,761</u>	<u>-</u>	<u>-</u>	<u>205,713,394</u>
Total capital assets being depreciated	<u>209,720,330</u>	<u>1,820,466</u>	<u>-</u>	<u>(272,277)</u>	<u>211,268,519</u>
Total capital assets	273,799,509	9,503,016	(587,804)	(2,333,488)	280,381,233
Less accumulated depreciation					
Furniture and fixtures	(71,471)	(8,980)	-	-	(80,451)
Maintenance tools and automotive equipment	(1,388,005)	(158,512)	-	272,277	(1,274,240)
Office and maintenance buildings	(546,013)	(33,837)	-	-	(579,850)
Infrastructure	<u>(51,861,562)</u>	<u>(2,962,138)</u>	<u>-</u>	<u>-</u>	<u>(54,823,700)</u>
Total accumulated depreciation	<u>(53,867,051)</u>	<u>(3,163,467)</u>	<u>-</u>	<u>272,277</u>	<u>(56,758,241)</u>
Capital assets, net of accumulated depreciation	<u>\$ 219,932,458</u>	<u>\$ 6,339,549</u>	<u>\$ (587,804)</u>	<u>\$ (2,061,211)</u>	<u>\$ 223,622,992</u>

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

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NOTES TO FINANCIAL STATEMENTS

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Depreciation was charged as follows to these functions:

General government	\$ 42,817
Flood control	<u>3,120,650</u>
 Total depreciation	 <u>\$ 3,163,467</u>

Construction in progress as of June 30, 2016, consisted of the following:

Project	June 30, 2015	Additions	Inter-Project Transfers	Transfers to Capital Assets	Deletions	June 30, 2016
Boca Negra Detention Dam						
Land	\$ 200,000	\$ -	\$ -	\$ -	-	\$ 200,000
Engineering	1,100,743	8,305	-	-	-	1,109,048
Construction	2,121,526	-	-	-	-	2,121,526
Agency Area-wide						
Engineering	-	583	-	-	(583)	-
Construction	-	1,178,500	-	-	(1,178,500)	-
Garduno Road SD Improvements						
Construction	75,000	-	-	-	(75,000)	-
SE Valley Drain SD DMP						
Land	1,811,500	-	-	-	-	1,811,500
Engineering	230,194	30,719	-	-	-	260,913
Black Mesa Phase 1a						
Land	-	-	-	-	-	-
Engineering	705,572	45,825	-	-	-	751,397
Construction	-	-	-	-	-	-
SW Valley Flood Reduction Phase II						
Land	3,650	-	-	-	-	3,650
Engineering	58,156	1,097	-	-	-	59,253
Construction	-	-	-	-	-	-
Amole-Hubbell DMP Update						
Engineering	296,877	-	-	-	(296,877)	-
Mid Valley Drainage						
Engineering	23,887	-	-	-	(23,887)	-
Construction	250,000	-	-	-	(250,000)	-
Boca Negra EAP						
Engineering	200,727	77,352	-	-	-	278,079

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NOTES TO FINANCIAL STATEMENTS

June 30, 2016

Project	June 30, 2015	Additions	Inter-Project Transfers	Transfers to Capital Assets	Deletions	June 30, 2016
Calabacillas West Branch DMP						
Engineering	193,798	147,974	-	-	-	341,772
Upper Piedras Marcadas Watershed						
Engineering	199,678	273	-	-	-	199,951
Amole-Hubbell Dam System Analysis						
Engineering	19,461	42,090	-	-	-	61,551
NDC Bathhtub						
Engineering	272,578	96,089	-	-	-	368,667
Construction	1,954,554	504,761	-	-	-	2,459,315
Telemetry Project Phase I						
Engineering	70,505	158,881	-	-	-	229,386
Construction	-	-	-	-	-	-
Pond 187 Outfall						
Land	71,223	14,210	-	-	-	85,433
Engineering	291,649	488,653	-	-	-	780,302
Construction	215,082	2,469,020	-	-	-	2,684,102
Piedras Marcadas Dam WQ						
Engineering	94,203	54,090	-	(148,293)	-	-
Construction	42,044	397,467	-	(439,511)	-	-
Valle De Oro						
Engineering	-	278,230	-	-	-	278,230
Construction	-	-	-	-	-	-
San Mateo to Moon Mini DMP						
Engineering	28,115	152,082	-	-	-	180,197
West I-40 Phase IV						
Engineering	597	298,186	-	-	-	298,783
Construction	-	-	-	-	-	-
Pino Dam EAP Phase II						
Engineering	4,100	12,337	-	-	-	16,437
Tijeras Arroyo Facility Plan						
Engineering	-	130,535	-	-	-	130,535
Construction	-	-	-	-	-	-
AMAFCA Misc Project 2015						
Engineering	-	131,740	-	-	-	131,740
Construction	-	282,222	-	-	-	282,222

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NOTES TO FINANCIAL STATEMENTS

June 30, 2016

Project	June 30, 2015	Additions	Inter-Project Transfers	Transfers to Capital Assets	Deletions	June 30, 2016
Tijeras Arroyo Sediment Structure						
Engineering	-	217,075	-	-	-	217,075
Construction	-	-	-	-	-	-
Calabacillas Facility Plan 2016						
Engineering	-	142	-	-	-	142
Construction	-	-	-	-	-	-
Cost Sharing Projects						
APS / RFK Charter School	-	35,000	-	-	(35,000)	-
Misc Project						
Non-capitalized expenditures	-	201,364	-	-	(201,364)	-
Total construction in progress	<u>\$10,535,419</u>	<u>\$7,454,802</u>	<u>\$ -</u>	<u>\$ (587,804)</u>	<u>\$(2,061,211)</u>	<u>\$ 15,341,206</u>

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

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

Transfers to Capital Assets	\$ 587,804
Add cooperative project contributions	<u>861,957</u>
2016 project additions	<u>\$ 1,449,761</u>
Utility relocations	\$ -
Dams, channels and other improvements	<u>1,449,761</u>
2016 project additions	<u>\$ 1,449,761</u>

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NOTES TO FINANCIAL STATEMENTS

June 30, 2016

NOTE E – GENERAL OBLIGATION BONDS PAYABLE

The change in general obligation bonds payable is as follows:

	June 30, 2015	Additions	Deletions	June 30, 2016	Due Within One Year
General obligation bonds payable	\$ 47,225,000	\$ 12,500,000	\$ (8,675,000)	\$ 51,050,000	\$ 9,300,000

All bonds are general-purpose obligation bonds, which are to be retired with future property tax levies for this purpose. 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 legal debt limit for the Authority is \$80,000,000 while the total general obligation debt on June 30, 2016 was \$51,050,000. The resulting legal debt margin is \$28,950,000.

The following is the detail for each issue outstanding at June 30, 2016:

Series 2009

Original amount: \$10,000,000

Interest rate - 2.0% to 2.75%

Year ended June 30,	Annual Requirements		
	Principal	Interest	Total
2017	\$ 1,300,000	\$ 17,875	\$ 1,317,875
	<u>\$ 1,300,000</u>	<u>\$ 17,875</u>	<u>\$ 1,317,875</u>

Series 2010

Original amount: \$10,000,000

Interest rate - 1.0% to 2.125%

Year ended June 30,	Annual Requirements		
	Principal	Interest	Total
2017	\$ 2,250,000	\$ 70,844	\$ 2,320,844
2018	2,275,000	24,172	2,299,172
	<u>\$ 4,525,000</u>	<u>\$ 95,016</u>	<u>\$ 4,620,016</u>

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NOTES TO FINANCIAL STATEMENTS

June 30, 2016

Series 2011

Original amount: \$10,000,000

Interest rate - 1.0% to 2.125%

Year ended June 30,	Annual Requirements		
	Principal	Interest	Total
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>\$ 5,325,000</u>	<u>\$ 178,750</u>	<u>\$ 5,503,750</u>

Series 2012

Original amount: \$10,000,000

Interest rate - 1.0% to 2.125%

Year ended June 30,	Annual Requirements		
	Principal	Interest	Total
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>\$ 5,400,000</u>	<u>\$ 228,000</u>	<u>\$ 5,628,000</u>

Series 2014

Original amount: \$12,500,000

Interest rate - 2.0% to 3.0%

Year ended June 30,	Annual Requirements		
	Principal	Interest	Total
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>\$ 10,700,000</u>	<u>\$ 1,058,250</u>	<u>\$ 11,758,250</u>

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Albuquerque Metropolitan Arroyo Flood Control Authority

NOTES TO FINANCIAL STATEMENTS

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Series 2015

Original amount: \$12,500,000

Interest rate - 2.0% to 3.0%

Year ended June 30,	Annual Requirements		
	Principal	Interest	Total
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>\$ 11,300,000</u>	<u>\$ 1,442,500</u>	<u>\$ 12,742,500</u>

Series 2016

Original amount: \$12,500,000

Interest rate - 2.0% to 4.0%

Year ended June 30,	Annual Requirements		
	Principal	Interest	Total
2017	1,850,000	92,450	1,942,450
2018	600,000	313,000	913,000
2019	700,000	301,000	1,001,000
2020	800,000	287,000	1,087,000
2021	900,000	263,000	1,163,000
2022	1,500,000	236,000	1,736,000
2023	1,250,000	176,000	1,426,000
2024	1,400,000	126,000	1,526,000
2025	1,750,000	70,000	1,820,000
2026	1,750,000	35,000	1,785,000
	<u>\$ 12,500,000</u>	<u>\$ 1,899,450</u>	<u>\$ 14,399,450</u>

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

Total All Series

Year ended June 30,	Annual Requirements		
	Principal	Interest	Total
2017	\$ 9,300,000	\$ 928,669	\$ 10,228,669
2018	7,375,000	1,003,172	8,378,172
2019	6,625,000	863,500	7,488,500
2020	6,400,000	732,500	7,132,500
2021	6,200,000	567,500	6,767,500
2022	6,700,000	383,000	7,083,000
2023	3,550,000	210,500	3,760,500
2024	1,400,000	126,000	1,526,000
2025	1,750,000	70,000	1,820,000
2026	1,750,000	35,000	1,785,000
	<u>\$ 51,050,000</u>	<u>\$ 4,919,841</u>	<u>\$ 55,969,841</u>

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

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.

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, 2015 available at http://www.pera.state.nm.us/pdf/AuditFinancialStatements/366_Public_Employees_Retirement_Association_2015.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 FY15 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 FY15 annual audit report at http://osanm.org/media/audits/366_Public_Employees_Retirement_Association_2014.pdf.

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, 2014. The PERA pension liability amounts for each division were rolled forward from the valuation date to the Plan year ending June 30, 2015, using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date June 30, 2015.

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

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, 2015.

Employer Pickup, during March 2016, Governmental Accounting Standards Board (GASB) issued Statement No. 82, Pension Issues, which clarifies that payments made by an employer to satisfy member contribution requirements should be classified as member contributions for purposes of GASB Statement No. 67. For purposes of applying GASBS 68 for fiscal year ending June 30, 2016 amounts paid by the Authority to satisfy member contributions requirements totaling \$126,987 have been reclassified as pension expense for fiscal year ending June 30, 2016. The amount had been previously classified as a deferred outflow. This amount is not included in pension expense in PERA's Schedule of Employer Pension Amounts for the year ended June 30, 2015.

Only employer contributions for the pay period end dates that fell within the period of July 1, 2014 to June 30, 2015 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.

At June 30, 2016, the Authority reported a liability of \$1,583,015 for its proportionate share of the net pension liability. At June 30, 2015, 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, 2014, due to the insignificance of the difference.

For the year ended June 30, 2016, the Authority recognized pension expense of \$42,909. At June 30, 2016, the Authority reported deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

State of New Mexico
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NOTES TO FINANCIAL STATEMENTS

June 30, 2016

	Deferred Outflows of Resources	Deferred Inflows of Resources
the Authority's contributions subsequent to the measurement date	\$ 136,173	\$ -
Differences between expected and actual experience	-	40,904
Changes in assumptions	-	719
Net difference between projected and actual earnings on pension plan investments	-	5,842
Changes in proportion and differences between the Authority contributions and proportionate share of contributions	-	8,086
Total	\$ 136,173	\$ 55,551

\$136,173 reported as deferred outflows of resources related to pensions resulting from the Authority contributions subsequent to the measurement date June 30, 2015 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:	
2017	\$ (51,413)
2018	(54,413)
2019	(41,413)
2020	98,689
2021	-
Thereafter	-

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

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, 2014
Actuarial cost method	Entry age normal
Amortization method	Level percentage of pay, Open
Amortization period	Solved for based on statutory rates
Asset valuation method	Fair value
Actuarial assumptions:	
• Investment rate of return	7.75% annual rate, net of investment expense
• Projected benefit payment	100 years
• Payroll growth	3.50% annual rate
• Projected salary increases	3.50% to 14.25% annual rate
• Includes inflation at	3.00% annual rate
• Mortality Assumption	RP-2000 Mortality Tables with projection to 2018 using Scale AA
• Experience Study Dates	July 1, 2008 to June 30, 2013

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%	

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

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 would be made in accordance with statutory rates. On this basis, the pension plan's fiduciary net position together with the expected future contributions are sufficient to provide all projected future benefit payments of current plan members as determined in accordance with GASBS 67. Therefore, the 7.75% 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.

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	\$ 2,675,823	\$ 1,583,015	\$ 653,526

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 pension plan. Employers should disclose the amount of payables to the Plan with a description of what gave rise to the payable per GASBS 68, paragraphs 122 and 124.

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

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

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

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

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

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

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

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. During the fiscal year ended June 30, 2016, the statute required each participating employer to contribute 2.00% of each

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

participating employee's annual salary; 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, 2016, 2015, and 2014 were \$27,338, \$27,377, and \$26,458, 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	\$120,000
Building & Yard Improvements	General Fund	\$280,000

NOTE I – FUND BALANCES – DESIGNATED FOR CONTINGENCIES

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

Infrastructure Emergency Reserve – Can only be used by Board Action for emergency purposes. The reserve must be at least 1.5% of the total cost of the most recently audit AMAFCA infrastructure, which is \$3,094,504 as of June 30, 2015. This reserve was fully funded as of June 30, 2016.

Board of Directors Contingency Reserve – Will be used at Board discretion for flood control purposes. Board Action is require to use or make an adjustment to the balance. The balance as of June 30, 2016 was \$500,000.

Executive Engineer Contingency Reserve – Can be utilized by the Executive Engineer without Board approval, generally for "stop-gap" or emergency purposes. The balance as of June 30, 2016 was \$400,000.

Insurance & Other Operating Reserve – Can be utilized by the Executive Engineer for funding unplanned and unbudgeted expenses that are unusual in nature or infrequent in occurrence. The balance as of June 30, 2016 was \$200,000.

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

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, 2016:

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	6/30/16
e. Premium paid	\$30,688

Property

a. Name of insurance agent	New Mexico Self-Insurers' Fund
b. Policy Number	4020P
c. Amount of coverage	Scheduled Values
d. Expiration date	6/30/16
e. Premium paid	\$6,226

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	6/30/16
e. Premium paid	\$16,401

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	6/30/16
e. Premium paid	\$34,549

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	6/30/16
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	6/30/16
e. Premium paid	\$5,752

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

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, 2016, 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, 2017.

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 \$927,866 at June 30, 2016 was recorded by the Authority. An estimated allowance for doubtful accounts of \$87,751 was also provided in conjunction with this receivable, resulting in a net amount recorded of \$840,115.

Depreciation on capital assets is a second significant estimate. Depreciation expense totaled \$3,163,467 for the year ended June 30, 2016.

NOTE L – RESTATEMENT

In accordance with Governmental Accounting Standards Board (GASB) Opinion No. 82, Pension Issues – An Amendment of GASB Statements No. 67,68 & 73., the Authority was required to restate its Contributions subsequent to measurement of June 30, 2014 of \$251,216 by \$121,347 to \$129,869 as it related to Employer-Paid Member Contributions. This Statement clarifies that payment that are made by an employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements should be classified as plan member contributions for purposes of Statement 67 and as employee contributions for purposes of Statement 68.

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

NOTE M – NEW ACCOUNTING STANDARDS IMPLEMENTATION

GASB 74/75

Governmental Accounting Standard Board Statement No. 74/75 "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*" (GASB 74/75) revises existing guidance for governments that provide their employees with postemployment benefits other than pensions. A principal change is the requirement to record a government's pro rata share of unfunded actuarial accrued liability (UAAL) on its financial statements for multiemployer cost sharing plan. The Authority is a participating member of the New Mexico Retiree Health Care Fund (RHCF) administered by the Retiree Health Care Authority (RHCA), a multiemployer cost-sharing plan. Information to implement this standard will be developed by RHCA and the State of New Mexico. The implementation date for GASB 74/75 is fiscal year 2017. The FY 17 government wide financial statements will contain a material liability for participation in RHCF.

GASB 77

Governmental Accounting Standard Board Statement No. 77 "*Tax Abatement Disclosures*" will require Governments that enter into tax abatement agreements must present certain information in the notes to their financial statements. GASB recognizes that the tax abatement information "is informative about a government's economic condition and, therefore, highly relevant to the objectives in financial reporting." The implementation date for GASB 77 is fiscal year 2017 and will only effect the footnote disclosures.

REQUIRED SUPPLEMENTAL INFORMATION



South Diversion Channel, Baffle Chute Water Quality Structure, constructed in 2011

State of New Mexico
 Albuquerque Metropolitan Arroyo Flood Control Authority
 SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

June 30, 2016

Last 10 Fiscal Years*

	2016	2015
AMAFCA's proportion of the net pension liability	0.9%	0.8%
AMAFCA's proportionate share of the net pension liability	1,583,015	1,213,094
AMAFCA's covered-employee payroll	1,372,513	1,360,284
AMAFCA's proportionate share of the net pension liability as a percentage of its covered-employee payroll	115.3%	89.2%
Plan fiduciary net position as a percentage of total pension liability		

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

SCHEDULE OF PERA CONTRIBUTIONS

June 30, 2016

Last 10 Fiscal Years*

	2016	2015
Contractually required contribution	136,173	143,209
Contributions in relation to the contractually required contribution	136,173	143,209
Contribution deficiency (excess)	-	-
AMAFCA's covered-employee payroll	1,372,513	1,360,284
Contributions as a percentage of covered-employee payroll	9.9%	10.5%

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

Notes to Required Supplementary Information

Changes of benefit terms. The PERA Fund COLA and retirement eligibility changes in recent years are described in Note 1 of the PERA FY15 audit available at: http://www.pera.state.nm.us/pdf/AuditFinancialStatements/366_Public_Employees_Retirement_Association_2015.pdf.

Changes of assumptions. The Public Employees Retirement Association (PERA) of New Mexico Actuarial Valuation as of June 30, 2015 report is available at: http://www.pera.state.nm.us/pdf/Investments/RetirementFundValuationReports/6-30-2015%20PERA%20Valuation%20Report_FINAL.pdf.

The summary of Key Findings for the PERA Fund (on page 2 of the report) states "based on a recent experience study for the five-year period ending June 30, 2013, the economic and demographic assumptions were updated for this valuation. The changes in assumptions resulted in a decrease of \$30.8 million to Fund liabilities and an increase of 0.13% to the funded ratio. For details about changes in the actuarial assumptions, see Appendix B on page 60 of the report.

SUPPLEMENTARY INFORMATION



Calabacillas Arroyo at Coors Road, Northwest Albuquerque, 1998 improvements

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority
BUDGETARY COMPARISON SCHEDULES – BUDGET AND ACTUAL

Debt Service Fund

June 30, 2016

Year ended June 30, 2016

	Budget Original	Budget Final	Actual Amount Budgetary Basis	Variance Positive (Negative)
Revenues				
Property taxes	\$ 9,204,096	\$ 9,204,096	\$ 9,769,994	\$ 565,898
Investment and other	7,533	7,533	16,327	8,794
Total revenues	9,211,629	9,211,629	9,786,321	574,692
Expenditures				
Debt service:				
Interest and fixed charges	930,000	930,000	923,055	6,945
Bond principal	8,675,000	8,675,000	8,675,000	-
Total expenditures	9,605,000	9,605,000	9,598,055	6,945
Excess (deficiency) of revenues over expenditures before other financing sources and uses	(393,371)	(393,371)	188,266	581,637
Other financing sources and uses				
Bond Premiums	-	-	722,007	722,007
Total other financing and uses	-	-	722,007	722,007
Net change in fund balance	(393,371)	(393,371)	910,273	1,303,644
Fund Balance, beginning of year	12,051,322	12,051,322	12,051,322	-
Fund Balance, end of year	\$ 11,657,951	\$ 11,657,951	\$ 12,961,595	\$ 1,303,644

State of New Mexico
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BUDGETARY COMPARISON SCHEDULES – BUDGET AND ACTUAL

Capital Projects Fund

June 30, 2016

Year ended June 30, 2016

	Budget Original	Budget Final	Actual Amount Budgetary Basis	Variance Positive (Negative)
Revenues				
Investment	\$ 15,000	\$ 15,000	\$ 39,941	\$ 24,941
Revenue from jointly funded projects	300,000	300,000	30,200	(269,800)
Other revenues	-	-	1,422	1,422
Total revenues	315,000	315,000	71,563	(243,437)
Expenditures				
Capital outlay and noncapitalizable construction costs **	42,989,000	42,989,000	7,454,802	35,534,198
Bond issuance costs	160,000	160,000	104,120	55,880
Total expenditures	43,149,000	43,149,000	7,558,922	35,590,078
Deficiency of revenues over expenditures before other financing uses	(42,834,000)	(42,834,000)	(7,487,359)	35,346,641
Other financing sources and uses				
Transfers to other funds	-	-	-	-
Proceeds from bond sale	25,000,000	25,000,000	12,595,796	(12,404,204)
Project refunds/reimbursements	-	-	654,413	654,413
Total other financing sources and uses	25,000,000	25,000,000	13,250,209	(11,749,791)
Net change in fund balance	\$ (17,834,000)	\$ (17,834,000)	\$ 5,762,850	\$ 23,596,850
Fund Balance, beginning of year	18,450,917	18,450,917	18,450,917	-
Fund Balance, end of year	<u>\$ 616,917</u>	<u>\$ 616,917</u>	<u>\$ 24,213,767</u>	<u>\$ 23,596,850</u>

** 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 SCHEDULES – BUDGET AND ACTUAL
 Building and Yard Improvement Fund
 June 30, 2016

Year ended June 30, 2016

	Budget Original	Budget Final	Actual Amount Budgetary Basis	Variance Positive (Negative)
Revenues				
Interest income	\$ -	\$ -	\$ 1,281	\$ 1,281
Total revenues	-	-	1,281	1,281
Expenditures				
Office improvements	-	-	-	-
Total expenditures	-	-	-	-
Excess of revenues over expenditures before other financing sources and uses	-	-	1,281	1,281
Other financing sources and uses				
Transfers from other funds	120,000	120,000	120,000	-
Transfers to other funds	(580,000)	(580,000)	(280,000)	300,000
Total other financing sources and uses	(460,000)	(460,000)	(160,000)	300,000
Net change in fund balance	\$ (460,000)	\$ (460,000)	\$ (158,719)	\$ 301,281
Fund Balance, beginning of year	463,316	463,316	463,316	-
Fund Balance, end of year	<u>\$ 3,316</u>	<u>\$ 3,316</u>	<u>\$ 304,597</u>	<u>\$ 301,281</u>



The McCoy Dam helps protect residents in southwest Albuquerque

ADDITIONAL INFORMATION: SUPPLEMENTAL SCHEDULES



A monsoon storm surges down the Hahn Arroyo

AGENCY FUNDS

June 30, 2016

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, 2016

ASSETS

	Ditch & Water Safety Task Force Fund	Storm Water Quality Coordinator	Area Wide Agency	Boca Negra Dam	Total Agency Funds
Cash in bank	\$ 61,047	\$ 72,231	\$ 1,293,560	\$ 675	\$ 1,427,513
Savings	7,360	-	-	-	7,360
Total assets	<u>\$ 68,407</u>	<u>\$ 72,231</u>	<u>\$ 1,293,560</u>	<u>\$ 675</u>	<u>\$ 1,434,873</u>

LIABILITIES

Funds held for others	<u>\$ 68,407</u>	<u>\$ 72,231</u>	<u>\$ 1,293,560</u>	<u>\$ 675</u>	<u>\$ 1,434,873</u>
Total liabilities	<u>\$ 68,407</u>	<u>\$ 72,231</u>	<u>\$ 1,293,560</u>	<u>\$ 675</u>	<u>\$ 1,434,873</u>

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES

All Agency Funds

June 30, 2016

	<u>June 30, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2016</u>
Ditch and Water Safety Task Force Fund				
Assets				
Cash in bank	\$ 43,696	\$ 60,000	\$ 42,649	\$ 61,047
Swim pass savings	<u>12,483</u>	<u>4,002</u>	<u>9,125</u>	<u>7,360</u>
Total assets	<u>\$ 56,179</u>	<u>\$ 64,002</u>	<u>\$ 51,774</u>	<u>\$ 68,407</u>
Liabilities				
Deposits held for others	<u>\$ 56,179</u>	<u>\$ 64,002</u>	<u>\$ 51,774</u>	<u>\$ 68,407</u>
Total liabilities	<u>\$ 56,179</u>	<u>\$ 64,002</u>	<u>\$ 51,774</u>	<u>\$ 68,407</u>
Storm Water Quality Coordinator				
Assets				
Cash in bank	<u>\$ 31,258</u>	<u>\$ 105,000</u>	<u>\$ 64,027</u>	<u>\$ 72,231</u>
Total assets	<u>\$ 31,258</u>	<u>\$ 105,000</u>	<u>\$ 64,027</u>	<u>\$ 72,231</u>
Liabilities				
Deposits held for others	<u>\$ 31,258</u>	<u>\$ 105,000</u>	<u>\$ 64,027</u>	<u>\$ 72,231</u>
Total liabilities	<u>\$ 31,258</u>	<u>\$ 105,000</u>	<u>\$ 64,027</u>	<u>\$ 72,231</u>
Area Wide Agency				
Assets				
Cash in bank	<u>\$ 1,184,151</u>	<u>\$ 1,310,662</u>	<u>\$ 1,201,253</u>	<u>\$ 1,293,560</u>
Total assets	<u>\$ 1,184,151</u>	<u>\$ 1,310,662</u>	<u>\$ 1,201,253</u>	<u>\$ 1,293,560</u>
Liabilities				
Deposits held for others	<u>\$ 1,184,151</u>	<u>\$ 1,310,662</u>	<u>\$ 1,201,253</u>	<u>\$ 1,293,560</u>
Total liabilities	<u>\$ 1,184,151</u>	<u>\$ 1,310,662</u>	<u>\$ 1,201,253</u>	<u>\$ 1,293,560</u>
Boca Negra Dam				
Assets				
Cash in bank	\$ 67	\$ 667,753	\$ 667,145	\$ 675
Savings	<u>667,168</u>	<u>585</u>	<u>667,753</u>	<u>-</u>
Total assets	<u>\$ 667,235</u>	<u>\$ 668,338</u>	<u>\$ 1,334,898</u>	<u>\$ 675</u>
Liabilities				
Deposits held for others	<u>\$ 667,235</u>	<u>\$ 668,338</u>	<u>\$ 1,334,898</u>	<u>\$ 675</u>
Total liabilities	<u>\$ 667,235</u>	<u>\$ 668,338</u>	<u>\$ 1,334,898</u>	<u>\$ 675</u>
All Agency Funds				
Assets				
Cash in bank and savings	<u>\$ 1,938,823</u>	<u>\$ 2,148,002</u>	<u>\$ 2,651,952</u>	<u>\$ 1,434,873</u>
Total assets	<u>\$ 1,938,823</u>	<u>\$ 2,148,002</u>	<u>\$ 2,651,952</u>	<u>\$ 1,434,873</u>
Liabilities				
Deposits held for others	<u>\$ 1,938,823</u>	<u>\$ 2,148,002</u>	<u>\$ 2,651,952</u>	<u>\$ 1,434,873</u>
Total liabilities	<u>\$ 1,938,823</u>	<u>\$ 2,148,002</u>	<u>\$ 2,651,952</u>	<u>\$ 1,434,873</u>



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

STATISTICAL SECTION



Water Quality Structure capturing debris

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

NET POSITION BY COMPONENT

Last Ten Fiscal Years

June 30, 2016

(ACCRUAL BASIS OF ACCOUNTING)

	2016	2015	2014
Governmental activities			
Net investment in capital assets	\$ 176,226,208	\$ 174,423,162	\$ 177,326,784
Restricted	37,175,362	30,502,239	26,366,396
Unrestricted	1,542,075	4,513,789	2,805,452
Total governmental activities net of position	<u>\$ 214,943,645</u>	<u>\$ 209,439,190</u>	<u>\$ 206,498,632</u>
	2013	2012	2011
Governmental activities			
Net investment in capital assets	\$ 150,275,632	\$ 144,580,212	\$ 137,992,865
Restricted	21,466,796	18,901,784	15,925,629
Unrestricted	8,681,344	8,417,573	8,535,442
Total governmental activities net of position	<u>\$ 180,423,772</u>	<u>\$ 171,899,569</u>	<u>\$ 162,453,936</u>
	2010	2009	2008
Governmental activities			
Net investment in capital assets	\$ 129,335,815	\$ 126,781,820	\$ 112,324,319
Restricted	17,843,384	12,918,808	10,939,476
Unrestricted	8,393,767	8,750,587	8,354,401
Total governmental activities net of position	<u>\$ 155,572,966</u>	<u>\$ 148,451,215</u>	<u>\$ 131,618,196</u>
	2007		
Governmental activities			
Net investment in capital assets	\$ 112,503,329		
Restricted	11,848,364		
Unrestricted	7,810,979		
Total governmental activities net of position	<u>\$ 132,162,672</u>		

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

CHANGES IN NET POSITION

Last Ten Years

June 30, 2016

(ACCRUAL BASIS OF ACCOUNTING)

	2016	2015	2014	2013
Expenses				
Governmental activities:				
Flood Control	\$ 4,142,305	\$ 4,043,625	\$ 3,922,228	\$ 3,771,101
Planning, Engineering, and R&D	945,377	854,293	691,081	684,870
General Government	1,576,782	1,539,855	1,448,259	1,218,857
Capital outlay - intergovernmental	2,061,209	4,626,779	2,899,224	2,236,304
Interest on long-term debt	717,601	649,688	815,980	813,079
Total governmental activities expenses	<u>9,443,274</u>	<u>11,714,240</u>	<u>9,776,772</u>	<u>8,724,211</u>
Program Revenues				
Government activities:				
Capital Grants and contributions				
Jointly Fund Projects and Contributions	892,157	1,479,355	1,461,863	4,112,179
Net (expenses)/revenue				
Governmental activities	\$ (8,551,117)	\$ (10,234,885)	\$ (8,314,909)	\$ (4,612,032)
General Revenue				
Governmental activities:				
Property taxes	\$13,256,530	\$ 13,086,450	\$13,020,812	\$13,085,894
Investment/interest income	76,431	34,209	24,384	36,683
Loss on sale of capital assets	-			
Other	843,958	54,784	40,978	13,658
Total governmental activities	<u>14,176,919</u>	<u>13,175,443</u>	<u>13,086,174</u>	<u>13,136,235</u>
Change in Net Position				
Governmental activities	5,625,802	2,940,558	4,771,265	8,524,203
Prior period adjustment	(121,347)	21,516,445	212,848	-
Total primary government	<u>\$ 5,504,455</u>	<u>\$ 24,457,003</u>	<u>\$ 4,984,113</u>	<u>\$ 8,524,203</u>

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

CHANGES IN NET POSITION

Last Ten Years

June 30, 2016

2012	2011	2010	2009	2008	2007
\$ 3,927,829	\$ 3,813,293	\$ 3,554,648	\$ 3,367,206	\$ 3,362,045	\$ 3,045,888
944,721	883,423	927,230	724,056	709,363	669,580
898,335	1,274,906	1,326,432	1,095,945	938,160	1,334,790
5,891,635	2,187,045	7,163,048	847,913	16,779,638	6,893,117
775,004	854,393	969,396	1,056,856	897,986	810,887
12,437,524	9,013,060	13,940,754	7,091,976	22,687,192	12,754,262
9,140,207	3,533,343	7,945,467	11,462,047	9,518,946	862,779
\$ (3,297,317)	\$ (5,479,717)	\$ (5,995,287)	\$ 4,370,071	\$ (13,168,246)	\$ (11,891,483)
\$12,712,512	\$12,570,792	\$12,797,745	\$12,196,883	\$ 11,702,730	\$ 10,594,909
2,496	50,103	34,419	216,496	890,359	966,824
27,952	(260,210)	23,896	49,569	30,681	88,072
12,742,960	12,360,685	12,856,060	12,462,948	12,623,770	11,649,805
9,445,643	6,880,968	6,860,773	16,833,019	(544,476)	(241,678)
-	-	260,980	-	-	(3,436,857)
<u>\$ 9,445,643</u>	<u>\$ 6,880,968</u>	<u>\$ 7,121,753</u>	<u>\$16,833,019</u>	<u>\$ (544,476)</u>	<u>\$ (3,678,535)</u>

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Years

June 30, 2016

(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

		2016	2015	2014	2013
General Fund					
Post GASB 54					
	Nonspendable	\$ -	\$ -	\$ -	\$ -
	Restricted	2,468,364	4,880,067	5,050,383	5,168,739
	Committed	6,126,497	3,900,000	3,900,000	3,900,000
	Assigned	-	-	-	-
	Unassigned	113,135	44,107	69,291	28,651
Pre GASB 54					
	Reserved	-	-	-	-
	Unreserved - designated	-	-	-	-
	Unreserved - undesignated	-	-	-	-
Total general fund		\$ 8,707,996	\$ 8,824,174	\$ 9,019,674	\$ 9,097,390
All other governmental funds					
Post GASB 54					
	Nonspendable	\$ -	\$ -	\$ -	\$ -
	Restricted	37,175,362	30,502,239	26,730,103	21,337,478
	Committed	304,597	463,316	362,848	108,733
	Assigned	-	-	-	-
	Unassigned	-	-	-	-
Pre GASB 54					
	Reserved	-	-	-	-
	Unreserved - designated	-	-	-	-
	Unreserved - undesignated	-	-	-	-
Total all other governmental funds		\$37,479,959	\$30,965,555	\$27,092,951	\$21,446,211
Total Fund Balance		\$46,187,955	\$39,789,729	\$36,112,625	\$30,543,601

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Years

June 30, 2016

2012	2011	2010	2009	2008	2007
\$ -	\$ 77,948	\$ 200	\$ 200	\$ 200	\$ 200
4,843,926	4,622,213	-	-	-	-
3,900,000	3,900,000	3,900,000	4,400,000	4,400,000	4,400,000
-	-	-	-	-	-
43,629	17,239	-	-	-	-
-	-	200	200	200	200
-	-	3,900,000	4,400,000	4,400,000	4,400,000
-	-	4,486,838	4,280,944	3,978,869	3,289,897
<u>\$ 8,787,555</u>	<u>\$ 8,617,400</u>	<u>\$12,287,238</u>	<u>\$13,081,344</u>	<u>\$12,779,269</u>	<u>\$12,090,297</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
18,843,173	15,917,070	-	-	-	-
58,611	8,559	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	17,843,384	12,918,808	10,939,476	11,848,364
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$18,901,784</u>	<u>\$15,925,629</u>	<u>\$17,843,384</u>	<u>\$12,918,808</u>	<u>\$10,939,476</u>	<u>\$11,848,364</u>
<u>\$27,689,339</u>	<u>\$24,543,029</u>	<u>\$30,130,622</u>	<u>\$26,000,152</u>	<u>\$23,718,745</u>	<u>\$23,938,661</u>

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Years

June 30, 2016

(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2016	2015	2014	2013
Revenues				
Property taxes	\$ 13,427,765	\$ 13,224,992	\$ 12,976,637	\$ 12,998,307
Investment/interest income	76,431	34,209	24,384	36,694
Jointly funded projects	30,200	100,000	185,204	260,272
Other	773,458	32,071	42,758	39,694
Total revenues	14,307,854	13,391,272	13,228,983	13,334,967
Expenditures				
General government	1,544,459	1,468,858	1,340,434	1,236,167
Flood control	1,064,564	1,114,205	1,246,737	1,199,220
Planning, engineering, and R&D	945,377	854,293	693,349	684,870
Capital outlay	7,970,856	10,085,097	7,432,365	8,892,813
Debt service:				
Principal	8,675,000	8,400,000	8,975,000	7,775,000
Interest	923,055	822,994	851,047	888,673
Bond issuance costs	104,120	108,574	95,610	82,746
Reappraisal fees	-	132,092	129,884	128,190
Total expenditures	21,227,431	22,986,113	20,764,426	20,887,679
Excess (deficiency) of revenues over expenditures	(6,919,577)	(9,594,841)	(7,535,443)	(7,552,712)
Other financing sources (uses)				
Transfers in	400,000	100,000	254,000	50,000
Transfers out	(400,000)	(100,000)	(254,000)	(50,000)
Bonds issued	12,500,000	12,500,000	12,500,000	10,000,000
Premium on bonds issued	817,803	775,885	604,468	406,974
Perminate loss on investments		(3,940)	-	-
Total other financing sources (uses)	13,317,803	13,271,945	13,104,468	10,406,974
Net change in fund balances	\$ 6,398,226	\$ 3,677,104	\$ 5,569,025	\$ 2,854,262

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Years

June 30, 2016

2012	2011	2010	2009	2008	2007
\$ 12,705,720	\$ 12,580,848	\$ 12,767,918	\$ 12,169,223	\$ 11,648,101	\$ 10,511,364
2,496	50,103	34,419	216,496	890,359	966,824
852,329	901,418	1,774,595	907	2,433,627	529,880
27,952	17,239	23,896	49,569	30,680	112,463
13,588,497	13,549,608	14,600,828	12,436,195	15,002,767	12,120,531
666,738	1,056,770	1,132,573	936,744	776,820	1,739,485
1,400,072	1,314,552	1,214,256	1,237,454	1,226,836	1,155,714
944,721	883,423	927,230	724,056	709,363	669,580
8,668,139	12,675,587	7,378,424	8,099,940	16,229,987	10,952,887
8,100,000	8,350,000	8,275,000	7,650,000	6,200,000	6,550,000
861,750	951,510	1,043,306	1,161,820	741,619	807,863
65,157	61,276	57,697	56,768	56,674	-
126,888	125,866	127,643	86,756	84,981	73,464
20,833,465	25,418,984	20,156,129	19,953,538	26,026,280	21,948,993
(7,244,968)	(11,869,376)	(5,555,301)	(7,517,343)	(11,023,513)	(9,828,462)
206,828	41,553	676,093	175,000	-	-
(206,828)	(41,553)	(676,093)	(175,000)	-	-
10,000,000	10,000,000	10,000,000	9,750,000	10,750,000	-
391,278	181,984	185,771	48,750	53,596	-
-	-	-	-	-	-
10,391,278	10,181,984	10,185,771	9,798,750	10,803,596	-
\$ 3,146,310	\$ (1,687,392)	\$ 4,630,470	\$ 2,281,407	\$ (219,917)	\$ (9,828,462)

State of New Mexico
 Albuquerque Metropolitan Arroyo Flood Control Authority
ASSESSED VALUE AND ESTIMATE OF ACTUAL VALUE OF PROPERTY
 Last Ten Fiscal Years
 June 30, 2016

Fiscal Year Ended June 30,	Real Property		Personal Property	
	Residential Property	Commercial Property	Centrally Assessed	Livestock
	2016	\$10,794,783,246	\$3,196,405,215	\$ 465,509,090
2015	10,514,280,082	3,224,774,237	468,981,742	643,266
2014	10,217,174,645	3,251,769,479	435,982,241	727,080
2013	10,028,968,646	3,301,912,328	466,978,148	716,381
2012	9,937,828,235	3,463,173,876	459,888,606	844,508
2011	9,855,763,681	3,497,501,043	450,556,530	940,401
2010	10,065,248,593	3,782,694,143	384,357,602	1,045,409
2009	9,610,004,787	3,361,388,954	440,563,696	1,077,191
2008	8,932,771,850	3,298,645,662	439,706,262	1,151,583
2007*	8,088,297,441	2,951,309,705	359,277,491	929,584
The levies are requested by the Board of Directors and set by the Department of Finance and Administration, State of New Mexico.				
The Bernalillo County Treasurer levies and collects the taxes and distributes to all taxing jurisdictions.				
Source: County Assessor's Office and State Department of Finance and Administration				
Note1	2007 Data was unavailable with the exception of "Total Taxable Assessed Value." The remainder of the 2007 amounts are estimates based on the average of 2010-2008.			

State of New Mexico
 Albuquerque Metropolitan Arroyo Flood Control Authority
 ASSESSED VALUE AND ESTIMATE OF ACTUAL VALUE OF PROPERTY
 Last Ten Fiscal Years
 June 30, 2016

Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
\$14,457,994,384	0.935	\$17,179,125,152	84.16%
14,208,679,327	0.928	16,835,835,162	84.40%
13,905,653,445	0.929	16,517,673,706	84.19%
13,798,575,503	0.930	16,333,455,627	84.48%
13,861,735,225	0.926	16,386,042,070	84.59%
13,804,761,655	0.926	16,251,390,322	84.95%
14,233,345,747	0.970	16,545,240,152	86.03%
13,413,034,628	0.923	15,642,889,410	85.75%
12,672,275,357	0.919	14,798,225,717	85.63%
11,399,814,221	0.931	13,286,496,761	85.80%



Don Felipe Dam, located on the Albuquerque's Southwest Mesa, protects portions of the southwest valley from flooding

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

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

Last Ten Fiscal Years

June 30, 2016

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Albuquerque Flood Control										
Operating	0.253	0.253	0.254	0.255	0.251	0.251	0.252	0.248	0.244	0.256
Debt service	0.675	0.675	0.675	0.675	0.675	0.675	0.675	0.675	0.675	0.675
Total direct rate	0.928	0.928	0.929	0.930	0.926	0.926	0.927	0.923	0.919	0.931
Rio Grande Conservancy										
District	4.672	4.433	4.221	4.230	4.231	4.244	4.238	4.246	4.250	4.635
Village of Los Ranchos de Albuquerque										
Debt service	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
Bernalillo County (3)										
Operating	8.139	8.137	8.189	8.138	7.864	7.769	7.505	7.430	7.489	7.393
Debt service	1.265	1.265	1.246	0.897	0.897	0.555	0.880	0.880	0.888	0.830
Open space	0.200	-	-	-	0.100	0.100	0.100	0.100	0.100	0.250
Judgment	0.011	0.012	0.013	0.013	0.013	0.014	0.015	0.015	0.016	0.018
City of Albuquerque										
Operating	6.515	6.494	6.544	6.544	6.544	6.433	6.203	4.134	3.136	3.166
Debt Service	4.976	4.976	4.976	4.976	4.976	4.976	4.976	6.976	7.976	7.976
Albuquerque Public Schools										
Operating	0.330	0.325	0.327	0.325	0.319	0.315	0.304	0.303	0.304	0.302
Debt Service	4.089	3.787	3.883	3.416	4.020	4.317	4.316	4.304	4.308	2.167
Capital Improvement	1.977	1.987	2.000	2.000	2.000	2.000	2.000	1.999	2.000	1.995
Building	3.947	3.950	3.978	3.981	3.983	3.988	3.985	3.944	3.947	3.975
School District Ed. Tech Deb	0.347	0.644	0.430							
Central NM Community College (fka TVI)										
Operating	2.860	2.871	2.882	2.848	2.770	2.717	2.632	2.596	2.584	2.625
Debt Service	0.550	0.550	0.550	0.550	0.550	0.550	0.550	0.550	0.550	0.550
Hospitals	6.360	6.357	6.400	6.400	6.400	6.400	6.400	6.429	6.428	6.487
Village of Tijeras										
Operating	1.305	1.316	1.316	1.315	1.310	1.316	1.271	1.283	1.265	1.253
Rio Rancho										
Operating	7.187	6.411	5.725	5.159	4.438	3.447	3.084	2.624	2.484	5.236
Debt Service	1.848	1.881	1.789	1.617	1.645	2.060	2.067	2.060	2.060	1.826
State of New Mexico	1.360	1.360	1.360	1.360	1.362	1.530	1.150	1.250	1.291	1.291
<p>Note - When there are separate residential and non-residential rates, the direct rate is a combined portion of the rates and not the actual mill levy rate</p> <p>(1) County is no longer required to attach special district's schedules to the abstract-info is not available for property tax values.</p> <p>(2) The Open Space mill levy was expired for fiscal years 2013, 2014, and 2015.</p> <p>(3) All portions of the City of Rio Rancho that are in the AMAFCA Jurisdiction are undeveloped.</p> <p>Source: County Assessor's Office, County Treasurer's Office and State Department of Finance and Administration</p>										



Remnants of a storm trickle down the Embudo Channel

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

PRINCIPAL PROPERTY TAXPAYERS

Current Year and Ten Years Ago

June 30, 2016

Taxpayer	2016			2007		
	Taxable Assessed	Rank	Percentage of Total Taxable Assessed	Taxable Assessed	Rank	Percentage of Total Taxable Assessed
	Value		Value	Value		Value
Public Service Company of						
New Mexico - Electric Services	196,758,172	1	1.361%	106,244,751	2	0.932%
Qwest Corp (fka)						
U.S. West Communication Inc.	52,271,337	2	0.362%	114,279,353	1	1.002%
New Mexico Gas Company (formerly						
PNM - Gas Services) (1)	40,714,618	3	0.282%	29,771,751	3	0.261%
Comcast of NM Inc.	28,370,564	4	0.196%	-	-	-
Southwest Airlines	21,728,600	5	0.150%	19,210,731	5	0.169%
AT&T	21,481,749	6	0.149%	-	-	-
Verizon Wireless	20,316,805	7	0.141%	11,860,836	10	0.104%
GCC Rio Grande Inc.	12,062,049	8	0.083%	-	-	-
BNSF	11,956,962	9	0.083%	-	-	-
T-Mobile	8,774,035	10	0.061%			
AHS Albuquerque Regional Medical Center	-	-	-	25,066,400	4	0.220%
Simon Property Group, Ltd						
(Cottonwood Mall)	-	-	-	15,960,737	6	0.140%
Voicestream PCS II Corp	-	-	-	13,826,083	7	0.121%
HUB Trust (Real Estate)	-	-	-	13,780,721	8	0.121%
Heitman Properties of NM (Retail)	-	-	-	12,881,412	9	0.113%
Total	<u>\$414,434,891</u>		<u>2.866%</u>	<u>\$362,882,775</u>		<u>3.183%</u>
Source: County Treasurer's Office						
(1) PNM Gas Services became the new company, New Mexico Gas Company, in tax year 2010						



State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Fiscal Years

June 30, 2016

Fiscal Year	Operational Tax	Debt Service Tax	Total Tax	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
				Amount	Percentage of Levy		Amount	Percentage of Levy
Ended June 30,	Levy for Fiscal Year	Levy for Fiscal Year	Levy for Fiscal Year					
2016	3,668,745	9,773,183	\$ 13,441,928	\$ 13,012,483	96.81%	\$ -	\$ 13,012,483	96.81%
2015	3,628,337	9,598,490	13,226,827	12,777,699	96.60%	267,652	13,045,351	98.63%
2014	3,583,093	9,380,509	12,963,602	12,525,108	96.62%	369,741	12,894,849	99.47%
2013	3,548,619	9,295,371	12,843,990	12,380,769	96.39%	417,106	12,797,875	99.64%
2012	3,469,779	9,200,157	12,669,936	12,176,642	96.11%	456,390	12,633,032	99.71%
2011	3,456,610	9,166,241	12,622,851	12,072,834	95.64%	509,452	12,582,286	99.68%
2010	3,586,990	9,446,735	13,033,725	12,306,293	94.42%	664,828	12,971,121	99.52%
2009	3,330,085	9,023,438	12,353,523	11,823,139	95.71%	500,227	12,323,366	99.76%
2008	3,098,354	8,501,366	11,599,720	11,174,881	96.34%	408,003	11,582,884	99.85%
2007	2,930,726	7,671,781	10,602,507	10,233,086	96.52%	354,414	10,587,500	99.86%



State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

LEGAL DEBT MARGIN INFORMATION

Last Ten Fiscal Years

June 30, 2016

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Debt Limit	\$ 80,000,000	\$ 80,000,000	\$ 80,000,000	\$ 80,000,000
Total net debt applicable to limit (1)	51,050,000	47,225,000	43,125,000	39,600,000
Legal debt margin	<u>\$ 28,950,000</u>	<u>\$ 32,775,000</u>	<u>\$ 36,875,000</u>	<u>\$ 40,400,000</u>
Total net debt applicable to the limit as a percentage of debt limit	63.81%	59.03%	53.91%	49.50%



State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

LEGAL DEBT MARGIN INFORMATION

Last Ten Fiscal Years

June 30, 2016

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ 80,000,000	\$ 80,000,000	\$ 80,000,000	\$ 80,000,000	\$ 80,000,000	\$ 80,000,000
37,375,000	35,475,000	33,825,000	32,100,000	30,000,000	24,450,000
<u>\$ 42,625,000</u>	<u>\$ 44,525,000</u>	<u>\$ 46,175,000</u>	<u>\$ 47,900,000</u>	<u>\$ 50,000,000</u>	<u>\$ 55,550,000</u>
46.72%	44.34%	42.28%	40.13%	37.50%	30.56%



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

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

June 30, 2016

Fiscal Year	General Obligation Bonds (1)	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated	Per Capita (3)	Actual Taxable Value	Population
				Actual Taxable Value (2) of Property			
2016	\$ 51,050,000	\$ 12,717,115	\$ 38,332,885	0.27%	56.54	14,457,994,384	677,970
2015	47,225,000	11,813,184	35,411,816	0.25%	52.23	14,288,261,509	677,970
2014	43,125,000	10,861,392	32,263,608	0.23%	47.76	14,020,986,394	675,551
2013	39,600,000	10,779,942	28,820,058	0.21%	42.75	13,888,651,975	674,221
2012	37,375,000	9,798,482	27,576,518	0.21%	40.95	13,324,011,770	673,460
2011	35,475,000	9,242,051	26,232,949	0.19%	39.10	13,804,761,655	670,968
2010	33,825,000	9,298,602	24,526,398	0.17%	36.91	14,233,345,747	664,425
2009	32,100,000	9,249,416	22,850,584	0.17%	35.56	13,413,034,629	642,527
2008	30,000,000	9,234,156	20,765,844	0.16%	32.68	12,672,275,357	635,444
2007	24,450,000	7,504,902	16,945,098	0.15%	26.95	11,399,814,221	628,825
Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements.							
Sources:							
1) Presented net of original issuance discounts and premiums							
2) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data.							
3) Population data can be found in the Schedule of Demographic and Economic Statistics							
4) The Authority only has general obligation bonds, no business type activities, and no component units.							

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

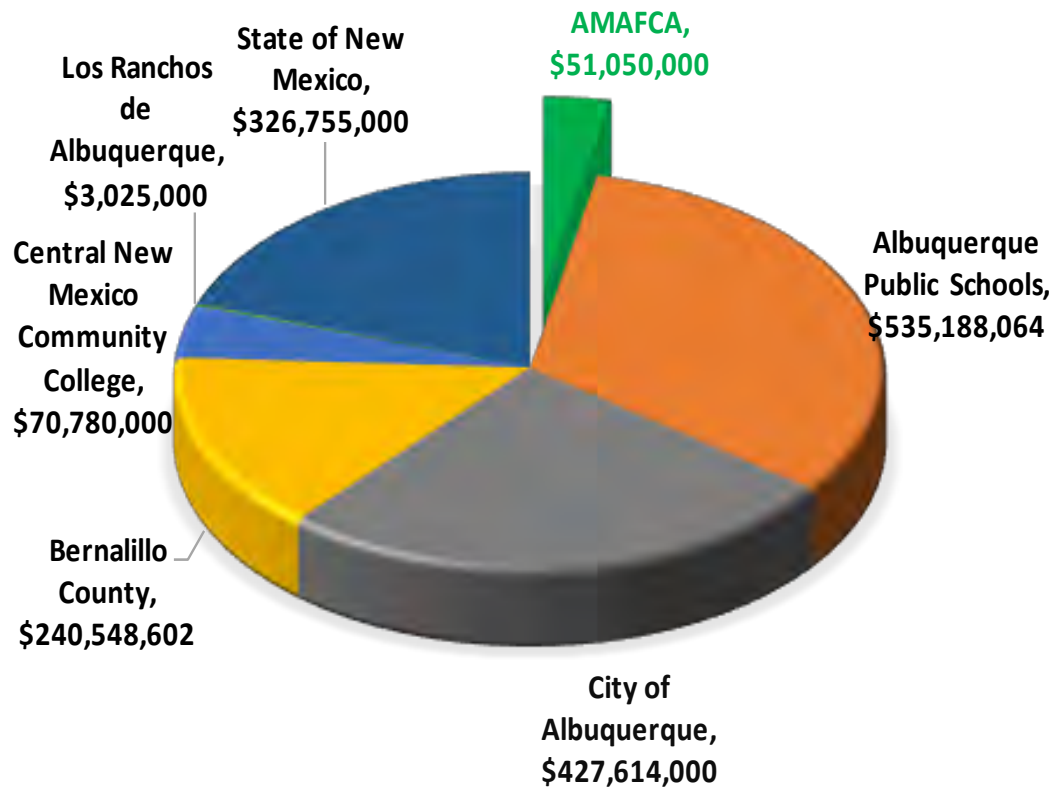
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT AS OF JUNE 30, 2016

June 30, 2016

				Debt		Applicable to		AMAFCA
				Outstanding		AMAFCA		Share of
								Debt
AMAFCA				\$ 51,050,000	(1)	100.00%		\$ 51,050,000
Albuquerque Public Schools				535,188,064		93.65%		501,202,994
City of Albuquerque				427,614,000		100.00%		427,614,000
Bernalillo County				240,548,602		95.83%		230,505,969
Central New Mexico Community College				70,780,000		79.80%		56,484,672
Los Ranchos de Albuquerque				3,025,000		100.00%		3,025,000
State of New Mexico				326,755,000		24.65%		80,532,753
								<u>1,299,365,387</u>
								<u>\$ 1,350,415,387</u>
Ratios:								
								0.35%
								9.34%
								0.10%
								2.62%
								\$ 75.30
								\$ 1,991.85
Source: Debt outstanding data provided by each governmental unit.								
(1) Presented net of original issuance discounts and premiums								
Note: Percentage of overlap based on most current assessed property valuation.								

June 30, 2016

DEBT OUTSTANDING - BY ENTITY



State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Fiscal Years

June 30, 2016

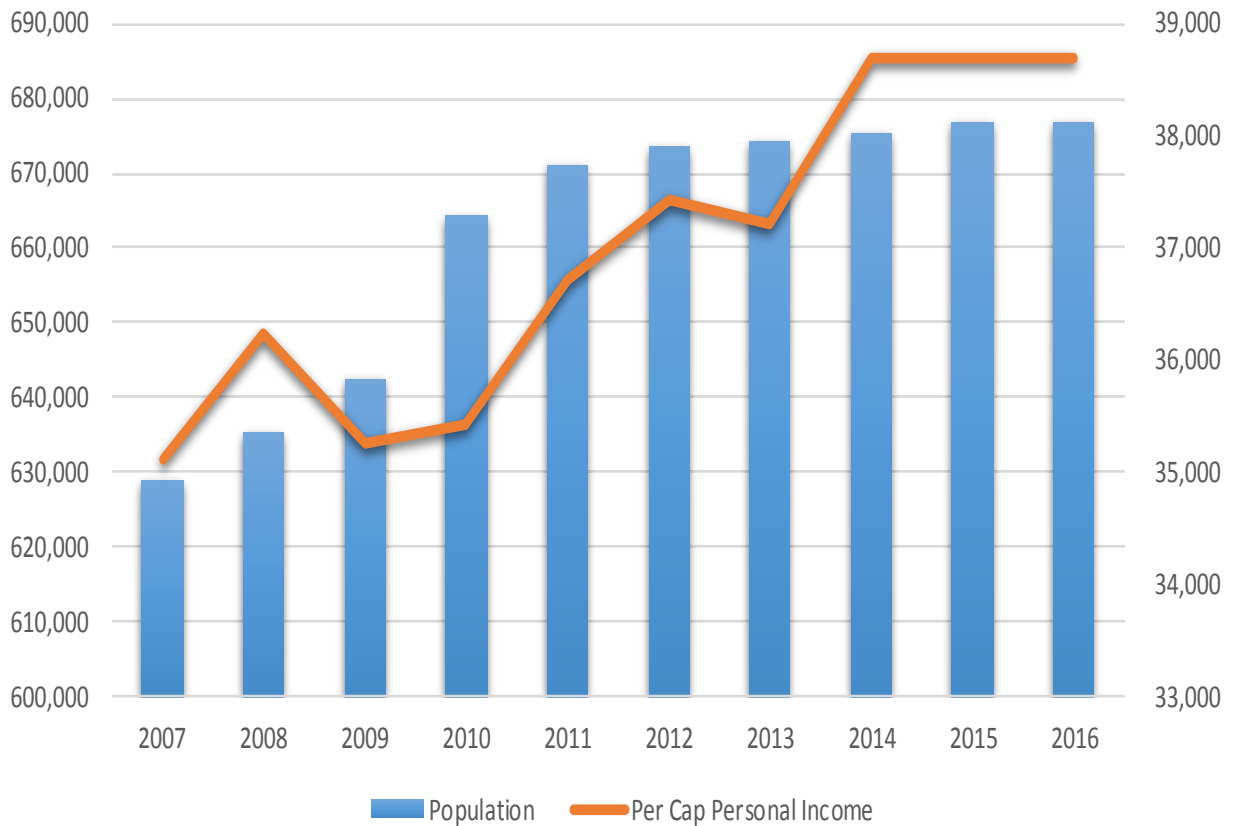
Fiscal Year	Population (1)	Personal Income (amounts expressed in thousands) (1)	Per Capita Personal Income	Unemployment Rate (3)
2016	677,970	NA	NA	6.20%
2015	677,970	NA	NA	6.10%
2014	675,551	26,137,068	38,690	6.10%
2013	674,221	25,096,528	37,223	6.90%
2012	673,460	25,202,220	37,422	7.10%
2011	670,968	24,630,564	36,709	7.20%
2010	664,425	23,530,611	35,415	8.50%
2009	642,527	22,650,362	35,252	7.00%
2008	635,444	23,025,949	36,236	4.40%
2007	628,825	22,086,220	35,123	3.30%
Education (4)				
		Percent	School Enrollment (2)	
Persons age 25 and Over	446,795		Elementary School	45,700
Less than 9th Grade	24,574	5.5%	Mid-High Schools	19,982
9th-12th grade, no diplomas	29,935	6.7%	High Schools	26,563
High School Graduates	105,444	23.6%	Private and parochial schools	14,180
Some college, no degree	108,124	24.2%	Technical-vocational Institute	29,963
Associate degree	33,956	7.6%	University of New Mexico	27,906
Bachelor degree	79,976	17.9%		
Graduate or professional deg	64,338	14.4%		
Percentage completed high school		87.8%		
Percentage completed 4 year college		32.3%		
Sources:				
(1) NM Mid-Region Council of Governments				
(2) New Mexico Higher Education Department				
(3) New Mexico Department of Workforce Solutions				
(4) National Center for Education Statistics				
NA	Information not available for these years			

DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Fiscal Years

June 30, 2016

Population & Personal Income



State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

PRINCIPAL EMPLOYERS

For the Current Year and Ten Years Ago

June 30, 2016

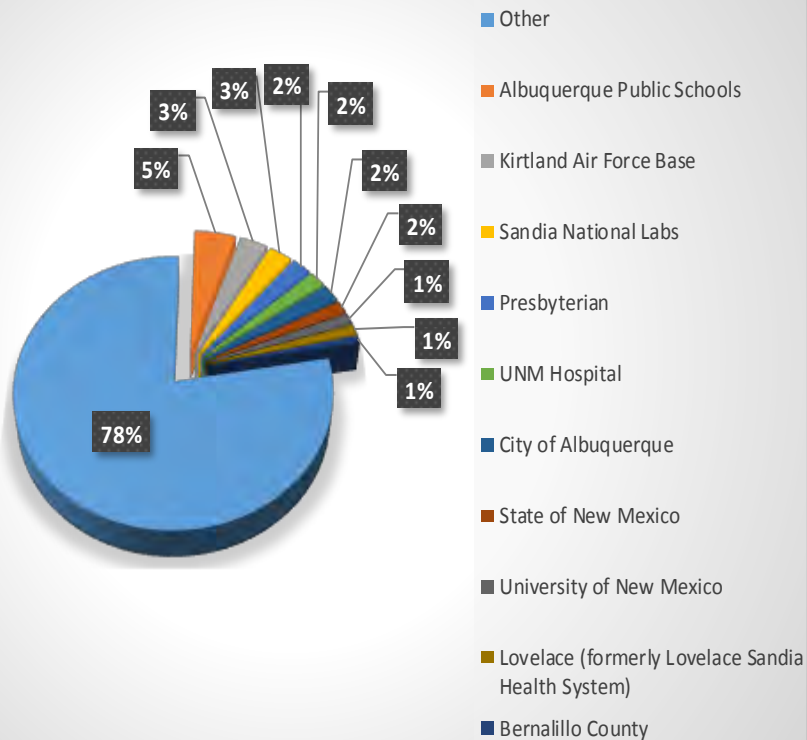
Employer	2016			2007		
	Employees	Rank	Percentage	Employees	Rank	Percentage
			of Total County			of Total County
	<u>Employees</u>	<u>Rank</u>	<u>Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Employment</u>
Albuquerque Public Schools	14,810	1	4.64%	14,480	1	4.30%
Kirtland Air Force Base (1)	10,125	2	3.17%	13,740	2	4.08%
Sandia National Labs	8,400	3	2.63%	7,720	3	2.29%
Presbyterian	7,310	4	2.29%	6,670	5	1.98%
UNM Hospital	6,021	5	1.89%	4,600	9	1.37%
City of Albuquerque	6,940	6	2.17%	6,710	4	1.99%
State of New Mexico	4,950	7	1.55%	5,490	6	1.63%
University of New Mexico	4,210	8	1.32%	4,300	10	1.28%
Lovelace (formerly Lovelace Sandia Health Sys)	4,000	9	1.25%	5,200	7	1.55%
Bernalillo County	2,648	10	0.83%	-	-	-
Intel Corporation	-	-	-	4,700	8	1.40%
Total	69,414		21.75%	73,610		21.88%
County Quarterly Census of Employment	319,115			336,429		
Sources:						
New Mexico Department of Workforce Solutions, Albuquerque Economic Development						
Notes: (1) For 2014, Kirtland's employment number includes active duty military, guard reserve, civil service and contract employees. Sandia National Laboratories employees are located at Kirtland Air Force Base, but employment number is shown separately.						

PRINCIPAL EMPLOYERS

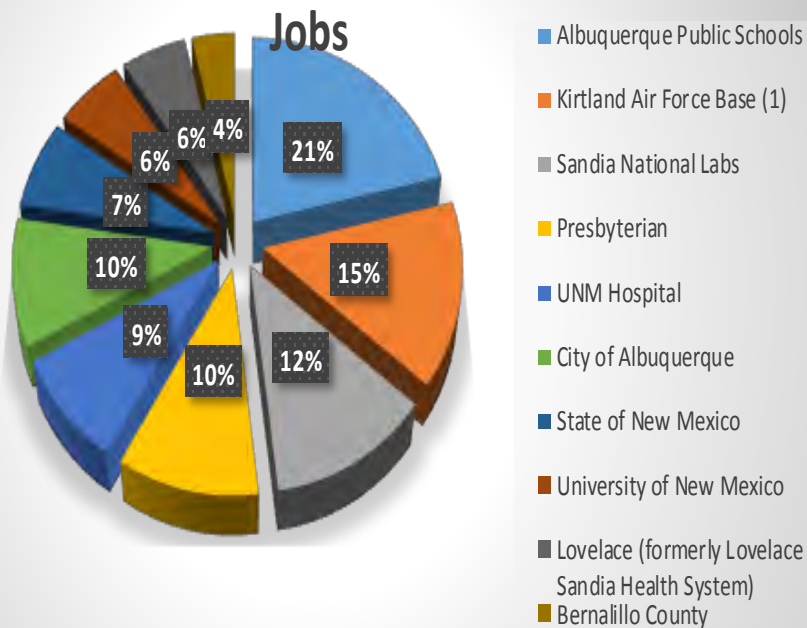
For the Current Year and Ten Years Ago

June 30, 2016

2016 Albuquerque Employers



2016 Albuquerque Top 10 Employers - 69,414 Jobs





Grouted boulders provide naturalistic bank protection for arroyos in the Albuquerque area

State of New Mexico
 Albuquerque Metropolitan Arroyo Flood Control Authority
FULL-TIME EQUIVALENT AMAFCA EMPLOYEES BY FUNCTION
 Last Ten Fiscal Years
 June 30, 2016

Full-Time Equivalent Employees as of June 30

Function	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
General & Administrative	5	6	5	5	5	5	5	5	5	5
Planning & Engineering	5	5	5	5	5	5	5	5	4	4
Maintenance	12	12	12	12	12	12	12	11	10	10
	<u>22</u>	<u>23</u>	<u>22</u>	<u>22</u>	<u>22</u>	<u>22</u>	<u>22</u>	<u>21</u>	<u>19</u>	<u>19</u>

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

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

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

OPERATING INDICATORS BY FUNCTION

Last Ten Fiscal Years

June 30, 2016

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Finance				
General Operating Checks	773	867	812	821
Checks for Bond related Expenditures	198	226	218	200
Purchasing				
Number of RFPs and Bids Issued (1)	7 (2)	26	17	20
Number of On-Call Engineering Task Orders (1)	32 (2)	66	61	47
Flood Control & Infrastructure				
Number of Citizen reported deficiencies (1) (3)	1 (2)	31	21	20
Number of Dams & Ponds	69	69	67	66
Miles of Unlined Arroyos	40.2	40.1	40.1	31.8
Miles of Lined Arroyos	36.7	36.7	36.7	36.7
Miles of Pipe	11.3	11.2	11.0	10.4
Acres/sqr ft of maintained real property	2,236	2,236	2,204	2,204
Vehicle Miles Driven	154,347	141,143	148,836	168,048
Equipment Hours Incurred	2,529	3,360	2,368	2,993
Water Quality				
Number of Water Quality Structures	127	126	118	112
Cubic Yards of Sediment Removal (1)(4)	12,956 (2)	34,976	30,000	55,700
Cubic Yards of Trash/Debris Removal (1)(4)	750 (2)	2,399	3,025	15,000
Planning & Engineering				
LOMRs Completed (1)	1	1	2	7
Grading Plan Approvals (1)	94	66	56	79
Annual Rainfall (1)				
Annual - @ Albuquerque Sunport	3.46 (2)	11	9	9
Monsoon Season (July - September)	2.10 (2)	5	6	7
(1) Calendar Year				
(2) Through issuance of the CAFR				
(3) Calls received by the City of Albuquerque "311 Line" noting flooding or ponding caused by runoff The issue may not be at or pertaining to an AMAFCA facility.				
(4) Prior to 2010, AMAFCA utilized other methods for tracking sediment and debris removal. Reporting these amounts would cause data to be uncomparable.				
Source: All data provided by AMAFCA departments unless otherwise noted.				

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

OPERATING INDICATORS BY FUNCTION

Last Ten Fiscal Years

June 30, 2016

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
782	851	867	929	961	905
153	208	231	205	143	162
11	13	13	17	13	19
57	10	37	17	20	34
8	7	21	16	39	47
65	63	59	58	52	51
31.6	30.2	30.2	29.1	28.6	28.6
36.7	36.5	35.8	35.8	35.8	35.7
10.2	10.0	9.9	8.2	5.1	5.0
2,185	2,173	2,158	2,158	2,157	2,151
158,029	118,817	138,787	124,632	114,549	91,948
3,275	2,553	3,261	2,505	2,566	3,453
112	104	98	97	85	79
27,700	16,600	82,945	-	-	-
1,498	280	814	-	-	-
3	4	1	2	4	3
68	55	76	116	95	120
5	5	9	7	8	10
3	2	6	4	5	3



North Camino Arroyo Crossing at I-25

STATE COMPLIANCE



AMAFCA is a leader in reducing the trash and debris that enters the Rio Grande from stormwater

State of New Mexico
 Albuquerque Metropolitan Arroyo Flood Control Authority
 SCHEDULE OF INVESTMENTS, DEPOSITS, AND PLEDGED COLLATERAL

June 30, 2016

New Mexico State Treasurer, Santa Fe, NM - Investments:	
Local Government Investment Pool	<u>\$ 46,050,693</u>
Wells Fargo Bank, Albuquerque, NM - Demand Deposit Accounts:	
Depository balances as of June 30, 2016	
Checking	
General account	\$ 305,767
Construction/Capital Projects	286,898
Debt Service account	65,756
AMAFCA Unassigned account	113,593
Storm Quality Education	75,449
Area Wide Maintenance	556
Boca Negra Dam	675
Ditch & Water Safety Task Force Fund	<u>61,047</u>
	909,741
Savings	
Area Wide Maintenance Savings	1,293,004
Boca Negra Dam Savings	-
Ditch & Water Safety Task Force Swim Pass	<u>7,360</u>
	2,210,105
Less FDIC insurance coverage	<u>(568,407)</u>
Uninsured balance	<u>\$ 1,641,698</u>
Collateralization required (50%)	<u>\$ 820,849</u>
Fannie Mae, Interest Only Securities at market value	
par \$25,446; interest rate 3.0%; maturity date 9/1/42	
CUSIP #3138MALJ5	\$ 19,548
par \$598,660; interest rate 3.00%; maturity date 6/1/43	
CUSIP #3138WRDD9	475,503
par \$657,791; interest rate 3.0%; maturity date 6/1/43	
CUSIP #3138WVPL9	<u>556,233</u>
Total collateral	<u>\$ 1,051,283</u>

State of New Mexico
 Albuquerque Metropolitan Arroyo Flood Control Authority
 SCHEDULE OF MEMORANDUM OF UNDERSTANDING AGREEMENTS

June 30, 2016

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	
Audit responsibility	AMAFCA
Fiscal Agent	AMAFCA
Agency where revenues/expenditures are reported	AMAFCA, NMSLO, City

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

State of New Mexico
 Albuquerque Metropolitan Arroyo Flood Control Authority
 SCHEDULE OF MEMORANDUM OF UNDERSTANDING AGREEMENTS

June 30, 2016

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

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

June 30, 2016

YR (This column not on 2016)	Contract # / State-Wide Agreement #	RFBA/RFP Signed (This column not on 2016)	YR and Type of Procurement	Awarded Vendor	\$ Amount of Award	\$ Amount of original rates	\$ Amount of original rates	Name and Physical Address of ALL Vendors that responded	Is State or Vendor (Y or N) (Based on Stationary Preference Column)	Vendor In-Choice (Y or N)	Brief Description of the Scope of Work
2010	11/21		RFP	Wilson & Company, Inc.	\$ 225,000.00	\$ 225,000.00	\$ 225,000.00	Wilson & Company, Inc. - 4500 Lang Ave NE, Albuquerque, NM 87109	Y	N	Blind Description of the Scope of Work
2010	11/21		RFP	Thompson Engineering Consultants, Inc.	\$ 319,141.82	\$ 319,141.82	\$ 319,141.82	Thompson Engineering Consultants, Inc. - PO Box 85780, Albuquerque, NM 87183	Y	N	Mesa Verde Type Extension Project
2012	02/24		RFP	Rodriguez, Rael, Anaya, P.C.	hourly rates, no set contract amount	no change to original rates	no change to original rates	Rodriguez, Rael & Anaya, P.C. - 500 Marquette NW, Suite 700, Albuquerque, NM 87102	Y	N	Farm Industry Storm Drains
2012	02/27		RFP	Wilson & Company, Inc.	\$ 399,988.00	\$ 399,988.00	\$ 399,988.00	Wilson & Company, Inc. - 4600 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
2012	04/26		RFP	George K. Baum & Company	hourly rates, no set contract amount	no change to original rates	no change to original rates	George K. Baum & Company - One Park Square, 6501 Americas Parkway NE, Suite 360, Albuquerque, NM 87110	N	N	Financial Advisor Services
2012	04/26		RFP	Modall, Spelling, Roehl, Harris & Sisk, P.A.	hourly rates, no set contract amount	no change to original rates	no change to original rates	Modall, Spelling, Roehl, Harris & Sisk, P.A. - PO Box 2168, Albuquerque, NM 87103	N	N	Bond Counsel Services
2012	10/25		RFP	Baharian Huston, Inc.	\$ 161,430.00	\$ 161,430.00	\$ 161,430.00	Baharian Huston, Inc. - Courtyard 1, 7500 Jefferson Street NE, Albuquerque, NM 87110	Y	N	Boca Negra Dam EAP
2012	11/02		Bid	Sallis Brothers Construction, Inc.	\$ 3,674,522.94	\$ 4,005,393.26	\$ 4,005,393.26	Sallis Brothers Construction, Inc. - PO Box 65299, Albuquerque, NM 87109	Y	N	Boca Negra Dam Construction
2012	11/06		Bid	Mountain West GolfScapes, Inc.	\$ 418,838.00	\$ 201,948.00	\$ 201,948.00	Mountain West GolfScapes, Inc. - PO Box 1630, Perilla, NM 87042	Y	N	Ecosystem Preservation and Landscaping
2013	01/26		RFP	Tetra Tech	\$ 247,950.00	\$ 309,645.00	\$ 309,645.00	Tetra Tech, Inc. - 6121 Indian School Road NE, Suite 205, Albuquerque, NM 87110	N	N	Chabollas West Branch Drainage Management Plan
2013	04/13		RFP	Wilson & Company, Inc.	\$ 119,634.00	\$ 171,455.13	\$ 171,455.13	Wilson & Company, Inc. - 4500 Lang Ave NE, Albuquerque, NM 87109	N	N	Upper Rio Grande Watershed Drainage & Water Quality Management Plan
2013	06/23		RFP	Smith Engineering Company, Inc.	\$ 181,121.00	\$ 229,714.70	\$ 229,714.70	Smith Engineering Company, Inc. - 2201 San Pedro Drive NE, Suite 400, Albuquerque, NM 87110	Y	N	Agency & Area-Wide Flood Control Maintenance Contract 2013-2014
2013	06/26		RFP	Wilson & Company, Inc.	\$ 153,193.75	\$ 185,342.50	\$ 185,342.50	Wilson & Company, Inc. - 4500 Lang Ave NE, Albuquerque, NM 87109	Y	N	Engineering Services for Valle de Oro Wildlife Rehabilitation Facility Site Plan
2013	12/31		RFP	Wilson & Company, Inc.	\$ 68,426.00	\$ 80,248.00	\$ 80,248.00	Wilson & Company, Inc. - 4600 Lang Ave NE, Albuquerque, NM 87110	N	N	Black Mesa Phase II - Construction Rhyolite Dam Outfall
2014	02/04		Bid	Guzman Construction Solutions, LLC	\$ 84,575.00			Guzman Construction Solutions, LLC - 6801 Highway 47, Besque, NM 87008	Y	N	New Mexico State Land Office Bankline Restoration Project
2014	04/03		Bid	Sallis Brothers Construction, Inc.	\$ 841,336.65			Sallis Brothers Construction, Inc. - 3109 Love Road SW, Albuquerque, NM 87105	Y	N	Chabollas Arroyo GCS 7A and Bank Protection Project

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

SCHEDULE OF VENDOR INFORMATION

June 30, 2016

YR (This column not on NM example)	DATE Contract Signed (This column not on NM example)	REP/REP #/ State Agreement #	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)	Waiver of choice preference (Y or N)	Brief Description of the Scope of Work
						Guzman Construction Solutions, LLC - 6020 Industry Way SE, Albuquerque, NM 87105	Y	N	
						Apple Mountain Constructors - 148 Camino Del Norte, Estancia, NM 87016	Y	N	
						Sierra Valley Contractors, LLC - PO Box 3831, Truth or Consequences, NM 87901	Y	N	
						CJ Mead Construction Company - PO Box 392, Edgewood, NM 87015-0392	Y	N	
						7077 Club Construction - 7077 Club Rd NW, Albuquerque, NM 87120	Y	N	
						Star Paving Company - 5000 Edgewood Blvd NE, Albuquerque, NM 87112	Y	N	
2014	04/16		Guzman Construction Solutions, LLC	\$ 369,550.00		Sails Brothers Construction, Inc. - PO Box 66339, Albuquerque, NM 87193-6239	Y	N	Calabacillas Arroyo GCS 1A and Bank Protection Project
2014	05/02		RMCI	\$ 512,550.00		Star Paving Company - 3109 Love Road SW, Albuquerque, NM 87113	Y	N	Miscellaneous AMAFCA Construction Projects 2014
						Weston Solutions, Inc. - 3840 Commons Avenue NE, Albuquerque, NM 87109-5831	N	N	
						Parsons Brinckerhoff - 6100 Upton Blvd, Suite 700, Albuquerque, NM 87110	N	N	
						Smith Engineering Company, Inc. - 2201 San Pedro Drive NE, Bldg. 4, Suite 200, Albuquerque, NM 87110	Y	N	
						Larkin Group NM, Inc. - 8500 Menaul Blvd NE, Suite A-440, Albuquerque, NM 87109	Y	N	
						Hill-Zollars, Inc. - 6507 America Parkway NE, Suite 350, Albuquerque, NM 87112	N	N	
2014	05/22		Weston Solutions, Inc.	\$ 268,862.48	\$ 319,973.46	Smith Engineering Company, Inc. - 2201 San Pedro Drive NE, Bldg. 4, Suite 200, Albuquerque, NM 87110	Y	N	Design and Construction Management Engineering Services for North Diversion Channel Outfall Bahlub Reclamation Project
						Weston Solutions, Inc. - 3840 Commons Avenue NE, Albuquerque, NM 87109-5831	Y	N	
						Weston Solutions, Inc. - 3840 Commons Avenue NE, Albuquerque, NM 87109-5831	Y	N	
						Weston Solutions, Inc. - 3840 Commons Avenue NE, Albuquerque, NM 87109-5831	Y	N	
						Weston Solutions, Inc. - 3840 Commons Avenue NE, Albuquerque, NM 87109-5831	Y	N	
						Weston Solutions, Inc. - 3840 Commons Avenue NE, Albuquerque, NM 87109-5831	Y	N	
2014	08/25		New Mexico Underground Contractors, Inc.	\$ 1,007,326.00	\$ 719,940.06	Weston Solutions, Inc. - 3840 Commons Avenue NE, Albuquerque, NM 87109-5831	Y	N	Construction Contract Block - Mesa Phase 1A Recline Dam Outfall Project
2014	10/30		Sails Brothers Construction, Inc.	\$ 998,387.12	\$ 951,623.33	Mountain States Constructors, Inc. - 3601 Palm American Fwy, Albuquerque, NM 87107	Y	N	Construction Contract Calabacillas Arroyo GCS 6A and Bank Protection Project
2014	12/05		Mountain States Constructors, Inc.	\$ 1,640,463.00	\$ 1,842,538.87	Mountain States Constructors, Inc. - 3601 Palm American Fwy, Albuquerque, NM 87107	Y	N	Construction Contract North Diversion Channel Outfall Bahlub Reclamation Project
2014	12/18		Smith Engineering Company, Inc.	\$ 172,197.00	\$ 186,898.10	Smith Engineering Company, Inc. - 2201 San Pedro Drive NE, Bldg. 4, Suite 200, Albuquerque, NM 87110	Y	N	Design and Construction Management Engineering Services for Wide Flood Control Memberships Contract 2014-2015
2015	01/22		Larkin Group	\$ 322,372.00	\$ 641,028.00	Larkin Group NM, Inc. - 8500 Menaul Blvd NE, Suite A-440, Albuquerque, NM 87112	Y	N	Design and Construction Management Engineering Services South West Valley Flood Reduction Project Phase IIA - Post 187 Outfall Project
2015	02/03		URS	\$ 198,700.00	\$ 213,696.00	URS - One Park Square 6501 Americas Parkway NE, Aurbis 300, Albuquerque, NM 87110-5311	Y	N	Design and Construction Management Engineering Services for AMAFCA Reclamation Project Phase 1
2015	04/13		Guzman Construction Solutions, LLC	\$ 684,812.75		Sierra Valley Contractors, LLC - PO Box 3831, Truth or Consequences, NM 87901	Y	N	Construction Contract Pond 187A Excavation Project
2015	04/13		Sails Brothers	\$ 1,200,934.92	\$ 1,390,421.94	Sails Brothers Construction, Inc. - PO Box 66339, Albuquerque, NM 87193-6239	Y	N	Wide Flood Control Maintenance 2014-2015
2015	05/15		Phis Construction	\$ 394,256.00		Phis Construction, LLC - 387 N. Mission Drive, Pueblo West, CO 81007	N	N	Construction Contract Recline Malpais Dam WCC Improvements Contract Open Channel Modeling, Year 27
2015	05/21		University of New Mexico	\$ 82,483.00		UNM - c/o Ms. Shannon Dantchley, Pre-Award Services, Main Campus, MSC01 1247, 1 University of New Mexico, Albuquerque, NM 87131-0001	Y	N	San Mateo to Moon Mini Drainage Management Plan
						Smith Engineering Company, Inc. - 2201 San Pedro Drive NE, Bldg. 4, Suite 200, Albuquerque, NM 87110	Y	N	
						Souder, Miller & Associates - 3451 Catalina Road NE, Suite D, Albuquerque, NM 87107-1948	Y	N	
						Stammlich, Inc. - PO Box 9721, Albuquerque, NM 87199	Y	N	
						Parsons Brinckerhoff - 6100 Upton Blvd, Suite 700, Albuquerque, NM 87110	Y	N	

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

SCHEDULE OF VENDOR INFORMATION

June 30, 2016

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.

Schedule of Vendor Information listing for Purchases Exceeding \$60,000 (excluding GFT)

Year	RFQ	Vendor Name	Address	City	State	Zip	Phone	Service Description
2011	12/23	URS	Behnamian Huston, Inc. - Courtyard 1, 7500 Jefferson Street NE, Albuquerque, NM 87109-4335	Albuquerque	NM	87109		On-Call Engineering Services Cat 1
			Terra Tech, Inc. - 6127 Indian School Road NE, Suite 205, Albuquerque, NM 87110	Albuquerque	NM	87110		On-Call Engineering Services Cat 1
			T.V. Lin International - 500 4th Street NW, Suite 409, Albuquerque, NM 87102	Albuquerque	NM	87102		On-Call Engineering Services Cat 1
			Southwest Water Design LLC - 2000 Central Ave NE, Suite 100, Albuquerque, NM 87106	Albuquerque	NM	87106		On-Call Engineering Services Cat 1
			Southwest Water Design LLC - 2000 Central Ave NE, Suite 100, Albuquerque, NM 87106	Albuquerque	NM	87106		On-Call Engineering Services Cat 1
			Southwest Water Design LLC - 2000 Central Ave NE, Suite 100, Albuquerque, NM 87106	Albuquerque	NM	87106		On-Call Engineering Services Cat 1
			Southwest Water Design LLC - 2000 Central Ave NE, Suite 100, Albuquerque, NM 87106	Albuquerque	NM	87106		On-Call Engineering Services Cat 1
			Southwest Water Design LLC - 2000 Central Ave NE, Suite 100, Albuquerque, NM 87106	Albuquerque	NM	87106		On-Call Engineering Services Cat 1
			Southwest Water Design LLC - 2000 Central Ave NE, Suite 100, Albuquerque, NM 87106	Albuquerque	NM	87106		On-Call Engineering Services Cat 1
			Southwest Water Design LLC - 2000 Central Ave NE, Suite 100, Albuquerque, NM 87106	Albuquerque	NM	87106		On-Call Engineering Services Cat 1
			Southwest Water Design LLC - 2000 Central Ave NE, Suite 100, Albuquerque, NM 87106	Albuquerque	NM	87106		On-Call Engineering Services Cat 1
			Southwest Water Design LLC - 2000 Central Ave NE, Suite 100, Albuquerque, NM 87106	Albuquerque	NM	87106		On-Call Engineering Services Cat 1
			Southwest Water Design LLC - 2000 Central Ave NE, Suite 100, Albuquerque, NM 87106	Albuquerque	NM	87106		On-Call Engineering Services Cat 1
			Southwest Water Design LLC - 2000 Central Ave NE, Suite 100, Albuquerque, NM 87106	Albuquerque	NM	87106		On-Call Engineering Services Cat 1
			Southwest Water Design LLC - 2000 Central Ave NE, Suite 100, Albuquerque, NM 87106	Albuquerque	NM	87106		On-Call Engineering Services Cat 1
			Southwest Water Design LLC - 2000 Central Ave NE, Suite 100, Albuquerque, NM 87106	Albuquerque	NM	87106		On-Call Engineering Services Cat 1
			Southwest Water Design LLC - 2000 Central Ave NE, Suite 100, Albuquerque, NM 87106	Albuquerque	NM	87106		On-Call Engineering Services Cat 1
			2011	RFP	URS	URS - One Park Square 8501 Americas Parkway NE, Suite 500, Albuquerque, NM 87110-5311	Albuquerque	NM
URS - One Park Square 8501 Americas Parkway NE, Suite 500, Albuquerque, NM 87110-5311	Albuquerque	NM				87110		On-Call Engineering Services Cat 2
URS - One Park Square 8501 Americas Parkway NE, Suite 500, Albuquerque, NM 87110-5311	Albuquerque	NM				87110		On-Call Engineering Services Cat 2
URS - One Park Square 8501 Americas Parkway NE, Suite 500, Albuquerque, NM 87110-5311	Albuquerque	NM				87110		On-Call Engineering Services Cat 2
URS - One Park Square 8501 Americas Parkway NE, Suite 500, Albuquerque, NM 87110-5311	Albuquerque	NM				87110		On-Call Engineering Services Cat 2
URS - One Park Square 8501 Americas Parkway NE, Suite 500, Albuquerque, NM 87110-5311	Albuquerque	NM				87110		On-Call Engineering Services Cat 2
2011	RFP	URS	URS - One Park Square 8501 Americas Parkway NE, Suite 500, Albuquerque, NM 87110-5311	Albuquerque	NM	87110		On-Call Engineering Services Cat 2
			URS - One Park Square 8501 Americas Parkway NE, Suite 500, Albuquerque, NM 87110-5311	Albuquerque	NM	87110		On-Call Engineering Services Cat 2
2012	RFP	URS	URS - One Park Square 8501 Americas Parkway NE, Suite 500, Albuquerque, NM 87110-5311	Albuquerque	NM	87110		On-Call Engineering Services Cat 2
			URS - One Park Square 8501 Americas Parkway NE, Suite 500, Albuquerque, NM 87110-5311	Albuquerque	NM	87110		On-Call Engineering Services Cat 2
			URS - One Park Square 8501 Americas Parkway NE, Suite 500, Albuquerque, NM 87110-5311	Albuquerque	NM	87110		On-Call Engineering Services Cat 2
			URS - One Park Square 8501 Americas Parkway NE, Suite 500, Albuquerque, NM 87110-5311	Albuquerque	NM	87110		On-Call Engineering Services Cat 2
			URS - One Park Square 8501 Americas Parkway NE, Suite 500, Albuquerque, NM 87110-5311	Albuquerque	NM	87110		On-Call Engineering Services Cat 2
			URS - One Park Square 8501 Americas Parkway NE, Suite 500, Albuquerque, NM 87110-5311	Albuquerque	NM	87110		On-Call Engineering Services Cat 2
			URS - One Park Square 8501 Americas Parkway NE, Suite 500, Albuquerque, NM 87110-5311	Albuquerque	NM	87110		On-Call Engineering Services Cat 2
			URS - One Park Square 8501 Americas Parkway NE, Suite 500, Albuquerque, NM 87110-5311	Albuquerque	NM	87110		On-Call Engineering Services Cat 2
			URS - One Park Square 8501 Americas Parkway NE, Suite 500, Albuquerque, NM 87110-5311	Albuquerque	NM	87110		On-Call Engineering Services Cat 2
			URS - One Park Square 8501 Americas Parkway NE, Suite 500, Albuquerque, NM 87110-5311	Albuquerque	NM	87110		On-Call Engineering Services Cat 2
2014	RFP	URS	URS - One Park Square 8501 Americas Parkway NE, Suite 500, Albuquerque, NM 87110-5311	Albuquerque	NM	87110		On-Call Engineering Services Cat 2
			URS - One Park Square 8501 Americas Parkway NE, Suite 500, Albuquerque, NM 87110-5311	Albuquerque	NM	87110		On-Call Engineering Services Cat 2
			URS - One Park Square 8501 Americas Parkway NE, Suite 500, Albuquerque, NM 87110-5311	Albuquerque	NM	87110		On-Call Engineering Services Cat 2
			URS - One Park Square 8501 Americas Parkway NE, Suite 500, Albuquerque, NM 87110-5311	Albuquerque	NM	87110		On-Call Engineering Services Cat 2
			URS - One Park Square 8501 Americas Parkway NE, Suite 500, Albuquerque, NM 87110-5311	Albuquerque	NM	87110		On-Call Engineering Services Cat 2
			URS - One Park Square 8501 Americas Parkway NE, Suite 500, Albuquerque, NM 87110-5311	Albuquerque	NM	87110		On-Call Engineering Services Cat 2
			URS - One Park Square 8501 Americas Parkway NE, Suite 500, Albuquerque, NM 87110-5311	Albuquerque	NM	87110		On-Call Engineering Services Cat 2
			URS - One Park Square 8501 Americas Parkway NE, Suite 500, Albuquerque, NM 87110-5311	Albuquerque	NM	87110		On-Call Engineering Services Cat 2
			URS - One Park Square 8501 Americas Parkway NE, Suite 500, Albuquerque, NM 87110-5311	Albuquerque	NM	87110		On-Call Engineering Services Cat 2
			URS - One Park Square 8501 Americas Parkway NE, Suite 500, Albuquerque, NM 87110-5311	Albuquerque	NM	87110		On-Call Engineering Services Cat 2

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

INDEPENDENT AUDITORS' REPORT

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and the budgetary comparison of the general fund of the Albuquerque Metropolitan Arroyo Flood Control Authority (the Authority) as of and for the year ended June 30, 2016, 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, presented as supplementary information, and have issued our report thereon dated October 26, 2016.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

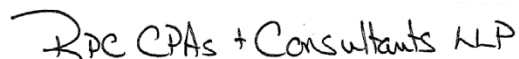
We noted a certain matter that is required to be reported per section 12-6-5 NMSA 1978 that we have described in the accompanying schedule of Section 12-6-5 NMSA 1978 Findings as item NM 2016-001.

Authority's Response to Findings

The Authority's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The Authority's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

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



RPC CPAs + Consultants, LLP
Albuquerque, New Mexico
October 26, 2016

STATE OF NEW MEXICO
ALBUQUERQUE METROPOLITAN ARROYO FLOOD CONTROL AUTHORITY
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2016

Section I – Summary of Auditors’ Results

Financial Statements:

1. Type of auditors’ report issued	Unmodified
2. Internal control over financial reporting:	
a. Material weaknesses identified?	None noted
b. Significant deficiencies identified not considered to be material weaknesses?	None noted
c. Noncompliance material to the financial statements noted?	None noted

Section II – Financial Statement Findings in accordance with GAGAS

None

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

NM 2016-001 Deficiency in Journal Entry Review Process

Condition: During our process of understanding the entity and its environment, we noted the following deficiency in internal control that do not rise to the level of a significant deficiency:

- During our audit procedures over the journal entry process, we noted that there is a review of the nonstandard journal entries recorded in the general ledger. However, we noted that there is no review of the entire population of journal entries that are recorded to ensure that there are no entries being recorded that are not approved.

Criteria: The Committee of Sponsoring Organizations (COSO) internal control integrated framework consists of five critical elements that must be present in carrying out the achievement objectives of an organization. These elements are known as the control environment, risk assessment, control activities, information and communication, and monitoring.

Effect: The potential effect of not reviewing the list of journal entries (entire population) posted to the general ledger (system generated) increases the potential for unapproved journal entries to be recorded without approval.

Cause: AMAFCA currently utilizes sequentially numbered journal vouchers that are submitted to the Executive Engineer for approval and did not take into account internal controls over the completeness of the population.

Auditors’ Recommendation: We recommend the Authority periodically (at least quarterly) produce (someone other than the Finance and Administration Manager) a report of all journal entries posted to the general ledger and compare/review this against the approved journal entry listing.

Agency Response: Effective for July 2016, on a monthly basis, the AMAFCA staff began producing an accounting system generated report that shows the last approved journal voucher and an open ended date for all posted journal vouchers. The report, along with the journal vouchers itself, are submitted to the Executive Engineer for approval.

EXIT CONFERENCE

June 30, 2016

An exit conference was held on October 26, 2016, and attended by the following:

AMAFCA Board Members

Bruce M. Thomson	Chair
Ronald D. Brown	Secretary-Treasurer

AMAFCA Administrative Staff

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

RPC CPAs + Consultants, LLP Staff

Robert Cordova, CPA	Partner
Danny Martinez, CPA	Manager