



Albuquerque Metropolitan Arroyo Flood Control Authority
State of New Mexico

JUNE 30, 2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT



State of New Mexico

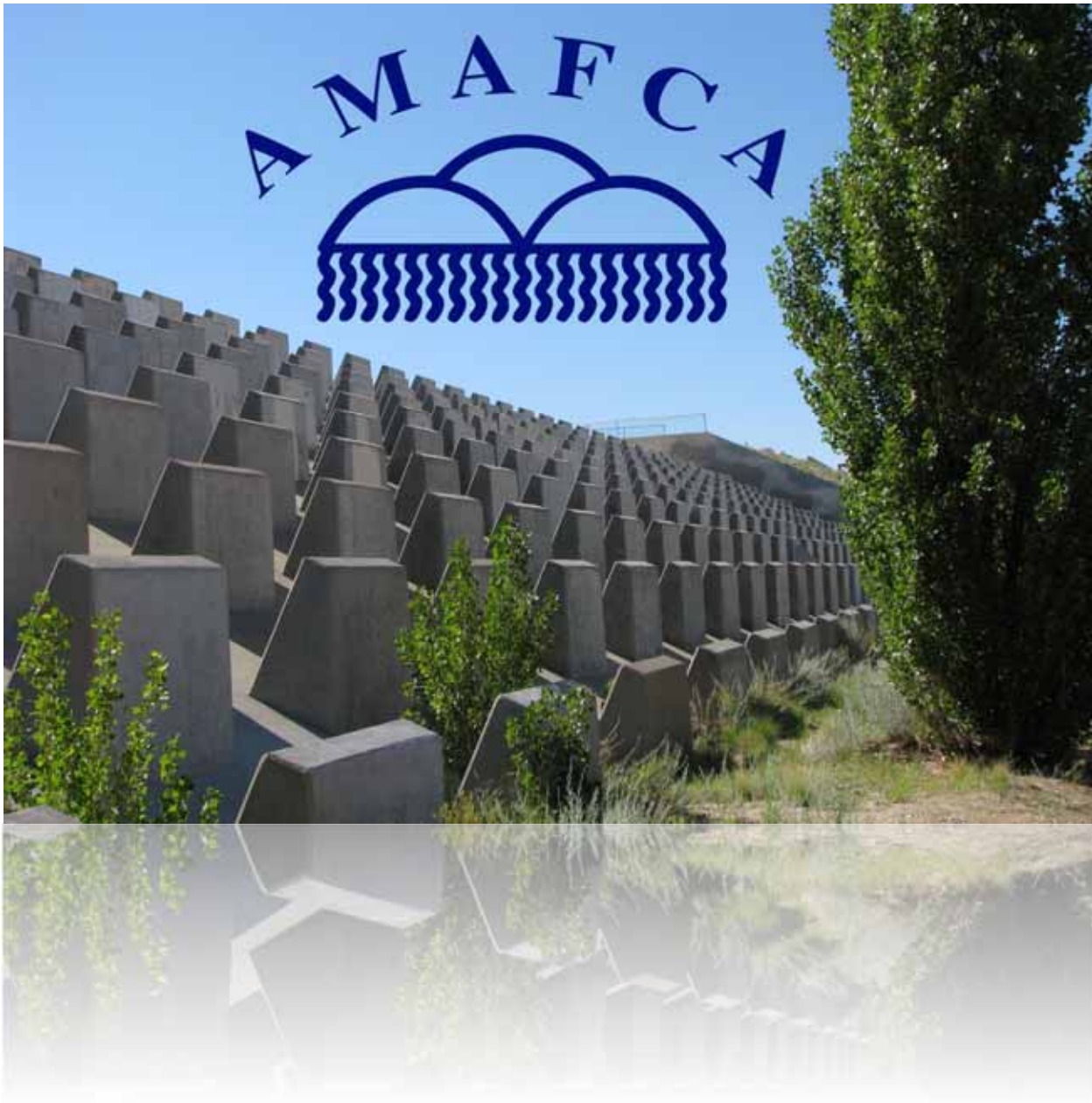
Albuquerque Metropolitan
Arroyo Flood Control Authority

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

For the Fiscal Year Ended:
June 30, 2019

Prepared by:

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





INTRODUCTORY SECTION

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

TABLE OF CONTENTS

June 30, 2019

Introductory Section	V
Table of Contents.....	vi
Letter of Transmittal.....	ix
Certificate of Achievement of Excellence in Financial Reporting.....	xv
Official Roster.....	xvi
Organizational Chart.....	xvii
 Financial Section	 1
Independent Auditors' Report	3
Management's Discussion & Analysis (Unaudited)	7
Financial Statements	16
<i>Government-Wide Statement of Net Position</i>	16
<i>Government-Wide Statement of Activities</i>	19
<i>Balance Sheet – Governmental Funds</i>	20
<i>Reconciliation of the Balance Sheet to the Statement of Net Position – Governmental Activities</i>	21
<i>Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds</i>	22
<i>Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities – Governmental Activities</i>	23
<i>Statement of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual – General Fund</i>	25
<i>Statement of Fiduciary Net Position - Fiduciary Funds</i>	26
<i>Statement of Changes in Fiduciary Net Position – Fiduciary Funds</i>	27
Notes to Financial Statements	28
 Required Supplemental Information	 71
Schedule of Proportionate Share of the Net Pension Liability.....	73
Schedule of PERA Contributions.....	74
Schedule of Proportionate Share of the OPEB – Healthcare Liability.....	75
Schedule of OPEB – Healthcare Contributions.....	76
 Supplementary Information	 77
Budgetary Comparison Schedules – Budget and Actual	79
<i>Debt Service Fund</i>	79
<i>Capital Projects Fund</i>	80
<i>Acquisitions & Savings Fund</i>	81
<i>Agency & Areawide Fund</i>	82
Combining Statement of Fiduciary Net Position – Fiduciary Funds.....	84
 Statistical Section	 87
Net Position by Component.....	89
Changes in Net Position	90
Fund Balances of Governmental Funds.....	92
Changes in Fund Balances of Governmental Funds.....	94

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

TABLE OF CONTENTS

June 30, 2019

Assessed Value and Estimate of Actual Value of Property	96
Property Tax Rates: Direct and Overlapping (per \$1,000 of Assessed Valuation).....	99
Principal Property Taxpayers	101
Property Tax Levies and Collections	103
Legal Debt Margin Information	104
Ratios of General Bonded Debt Outstanding	107
Direct and Overlapping Governmental Activities Debt as of June 30, 2019.....	108
Demographic and Economic Statistics.....	110
Principal Employers	112
Full-Time Equivalent AMAFCA Employees by Function	115
Operating Indicators by Function	116
State Compliance.....	119
Schedule of Investments, Deposits, and Pledged Collateral.....	121
Joint Power Agreements.....	122
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	123
Schedule of Findings and Responses	125
Exit Conference.....	126



Low flows in the Alameda Drain

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

Jerry M. Lovato, P.E.
Executive Engineer



Albuquerque Metropolitan Arroyo Flood Control Authority

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

November 27, 2019

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, 2019.

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

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

Carr, Riggs, & Ingram, LLC, have issued an unmodified ("clean") opinion on the Authority's financial statements for the year ended June 30, 2019. Carr, Riggs, & Ingram, LLC have opined that AMAFCA has fairly presented its financial position, in all material respects, in accordance with accounting principles generally accepted in the United States of America. The independent auditor's report is located at the front of the financial section of this report.

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

Profile of AMAFCA

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

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

LETTER OF TRANSMITTAL

June 30, 2019

The Authority is located within Bernalillo County spanning 371 square miles, serving a population of approximately 675,000 and protects nearly \$15.4 billion of net taxable property value. AMAFCA is divided into five (5) geographic districts and is empowered to levy a property tax on real property located within its boundaries for operations and 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 approve 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) for each fund present on the financial statements. The Authority may transfer resources between appropriation levels within the same fund at its discretion. 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, 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 (County), which includes the City of Albuquerque (City), the Village of Los Ranchos and portions of unincorporated county communities. County residents represent 32.6% of New Mexico's population, making it New Mexico's most populous county (United States Census Bureau).

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

Today the economic driver in the urban area is the Governmental Sector; therefore, it is reasonable to anticipate a slow steady growth rate. The Governmental Sector is not as volatile, as other sectors in the economy; therefore, we expect that property tax billings, will continue to have small steady growth.

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

LETTER OF TRANSMITTAL

June 30, 2019

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

Long-term financial planning and major initiatives

As a matter of policy, AMAFCA's General Fund is required to maintain an operating cash reserve equal to three twelfths (3/12ths) its subsequent year (fiscal year ending 6/30/2020) operating budget (\$1,173,964 at 6/30/19). AMAFCA is also required to maintain one and a half percent (1.5%) of its total infrastructure as an infrastructure emergency reserve (\$3,569,442 at 6/30/2019). As of June 30, 2019, the General Fund's cash and investments totaled approximately \$8,954,000. As of June 30, 2019, AMAFCA had approximately \$2.4M available that was in excess of its minimum reserve requirements, which is approximately 54% of our FY19 General Fund budget. The vast majority of these funds are shown as restricted in the General Fund Balance Sheet since the original source of these funds are property taxes that only be spent on flood control activities. Over 99% of AMAFCA's budget is considered Flood Control Activities.

The Authority, with its financial advisors, has also developed a long-term debt plan to finance new construction and improvements to existing facilities. The plan, contingent upon voter approval, pays debt over an 8-10 year life to maintain low interest rates. Based on this plan, the Authority is finalizing its 2019 Project Schedule, which highlights various flood control projects, including multi-agency projects, for the short and near term.

Relevant financial policies

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

For the year ended June 30, 2019, it was determined that the Agency & Area Wide Fund should be included in the report as a Capital Projects fund as opposed to a Fiduciary Fund. This was determined by utilizing the implementation guide for GASB 84.

Another significant policy is Resolution 2016-05 – Cash Reserves, which was passed by the Board of Directors in April 2016. The Authority has a total of \$5,843,406 of contingency reserves, of which \$544,599 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)	\$	1,173,964
Infrastructure Emergency Reserve (1.5% of total infrastructure)		3,569,442
Board of Directors Contingency		500,000
Executive Engineer Contingency		400,000
Insurance & Other Operating Reserve		200,000

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

LETTER OF TRANSMITTAL

June 30, 2019

AMAFCA has historically maintained a conservative approach to budgeting its revenues and expenditures. Over the past 10 years, on average, AMAFCA collects over 104% of its budgeted property taxes and spends less than 95% of its expenditures (approximately 88% for the fiscal year ended June 30, 2019).

Major initiatives

AMAFCA has utilized various forms of instrumentation to collect and monitor, water quantity and quality, data throughout the urban area. This monitoring is an addition to the water quality compliance sampling done by AMAFCA and others to comply with EPA's NPDS - MS4 Watershed Based Permit. The data collected, when coupled with AMAFCA's continued public education, outreach, involvement and participation, as resulted in better water quality. In particular, E.coli is no longer listed as an impairment, for 2 of the 3 assessment units along the Rio Grande, designated by the State of New Mexico Environment Department's 303(d) list, for water quality impairments.

Awards and Acknowledgements

Fiscal years ended June 30, 2016, 2017, and 2018, the Authority prepared a CAFR and the Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the Authority for its CAFR in all years. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. The report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

In the past, AMAFCA, has been recognized locally, for its leadership in stormwater quality, its innovative designs to enhance habitat, and the combination of public use and flood control to create projects that are an asset to the community. Engineering News-Record (ENR) has evaluated projects in Arizona, Nevada and New Mexico and determined that, the AMAFCA - West I-40 Phase IV Project, with its iconic Stormwater Volcano, be awarded a Technical Merit Award in the Water/Environment category. The award highlights AMAFCA's innovation and team work and was presented at a ceremony in Phoenix, Arizona in November 2018.

AMAFCA's Storm Water Quality program was also recognized at the 2019 Stormwater Congress held at the 2019 WEFTEC Conference in Chicago as part of the National Municipal Stormwater and Green Infrastructure Awards Program. AMAFCA's Storm Water Quality Program was categorized as "Silver Level in Innovation" and "Gold Level in Project Management." These levels were selected for

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

LETTER OF TRANSMITTAL

June 30, 2019

AMAFCA's program based on rigorous review and provides a comparative benchmarking level for our community among other 2019 nominees.

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

Respectfully submitted,



Jerry M. Lovato, P.E.
Executive Engineer



Herman Chavez, CPA
Finance & Administration Manager





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Albuquerque Metropolitan Arroyo
Flood Control Authority
New Mexico**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morrill

Executive Director/CEO

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

OFFICIAL ROSTER

June 30, 2019

Board Members

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

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

Administrative Staff

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

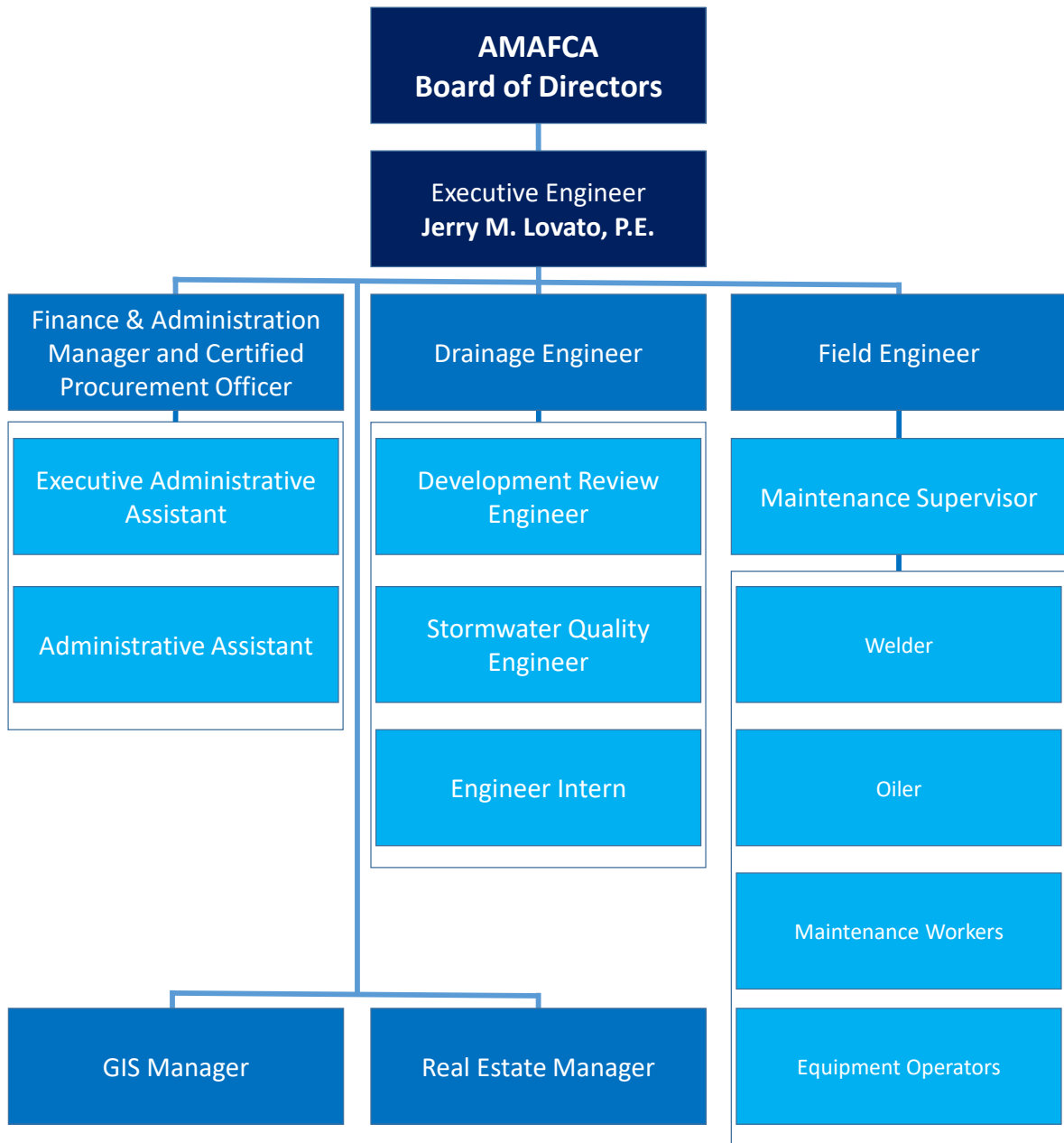
Executive Engineer
Finance & Administration Manager



State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

ORGANIZATIONAL CHART

June 30, 2019







FINANCIAL SECTION



*Storm flow running down the Calabacillas Arroyo over
Grade Control Structure 7a*



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

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

INDEPENDENT AUDITORS' REPORT

Brian S. Colón, Esq.
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, 2019, and the related notes to the financial statements which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Authority, as of June 30, 2019, 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.

Emphasis of Matter

As discussed in Note M to the financial statements, the prior year financial statements have been restated in the amount of \$875,871 in the governmental fund financial statements and \$2,089,330 in the governmental activities related to the Authority's prior year adoption of GASB Statement No. 84, *Fiduciary Activities* and the change in classification of a capital projects fund from a custodial fund. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *management's discussion and analysis* on pages 7 through 15 and the GASB required pension and OBEB schedules, and the notes to the required supplementary information on page 73 through 76 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

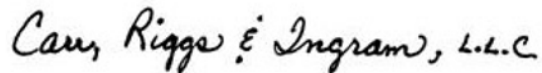
Our audit was conducted for the purpose of forming opinions on the Authority's basic financial statements. The introductory section, the combining fiduciary fund financial statements, the statistical section, the budgetary comparison schedules of the debt service, capital projects, acquisitions & savings, and agency & area wide funds, the schedule of investments, deposits, and pledged collateral and joint power agreements required by section 2.2.2 NMAC, and exit conference are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

The combining fiduciary fund financial statements, schedule of investments, deposits, and pledged collateral and joint power agreements, 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 combining fiduciary fund financial statements, schedule of investments, deposits, and pledged collateral and joint power agreements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section, budgetary comparison schedules of the debt service, capital projects, acquisition & savings, and the agency & area wide funds, the statistical section, and exit conference have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 27, 2019, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.



Carr, Riggs & Ingram, LLC
Albuquerque, New Mexico
November 27, 2019



Before and after views of the Black Mesa Facility Crossover

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority
MANAGEMENT'S DISCUSSION & ANALYSIS (UNAUDITED)

June 30, 2019

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

Authority's Mission

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

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

Authority's Function

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

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

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

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority
MANAGEMENT'S DISCUSSION & ANALYSIS (UNAUDITED)

June 30, 2019

Financial Highlights

The financial position for the Authority has remained steady to slightly improved due to the contributions of infrastructure by outside entities on an entity wide level. The cash and investment position continues to remain strong as our reserves are fully funded, and the Authority has a strong cash position in each fund. The Authority's has set aside approximately \$5.2M for reserves, which is approximately \$545K more than minimum requirements. The following are some of the highlights that lead to this position:

- The financial position of the Authority is strong. As of June 30, 2019, the Authority's cash and investments available for flood control was about \$3.6M, which is approximately 80% of its fiscal year 2020 budget.
- The Authority added approximately \$12.7M to its June 30, 2018 Construction in Progress, and closed out approximately \$5.9M in projects, resulting in about \$3.6M of additions to infrastructure and \$2.3M of projects that do not meet the requirements for capitalization. The Authority has approximately \$12.7M of on-going flood control projects as of June 30, 2019. The Authority has approximately \$10.4M of commitments to complete the existing Construction in Progress.
- The Authority is one of the highest rated government agencies in the state of New Mexico; for the 16th straight year, the Authority received a Standard & Poor's Rating Services of AAA and a AAA rating from Moody's Investors.
- Using GASB 84 Implementation Guidance, the Authority determined that the Agency & Area Wide Fund met the requirements of a Capital Projects fund as opposed to a Fiduciary Fund. This led to a prior period adjustment in the Fund Financial Statements of about \$875K to establish beginning balances and a prior period adjustment of about \$2.1M in the Entity Wide Statements to establish the beginning balances, including construction in progress.
- Total cash and investments increased by approximately \$3.5M 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.
- Other current assets increased due to the timing of collection of joint project funding. The City of Albuquerque paid its portion of the Lower Bear Funding Agreement in August 2019.
- Current liabilities increased by about \$465k. This is primarily related to the increase in the current portion of long-term debt.
- The Authority experienced an increase of its net pension liability of approximately \$555k, to a total net pension liability of approximately \$2.9M. The deferred outflows and inflows of resources related to the pension liability remained steady.
- The Authority experienced a decrease in its net OPEB – Healthcare liability of approximately \$78k, to a total net OPEB – Healthcare liability of approximately \$1.5M. The deferred outflows and inflows of resources related to the pension liability remained steady.

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority
MANAGEMENT'S DISCUSSION & ANALYSIS (UNAUDITED)

June 30, 2019

Overview of Financial Statements

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

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances in a manner similar to a private-sector business. The statement of net position presents information on all the Authority's assets, deferred outflows of resources, liabilities and deferred inflow of resources with the differences between the two reported as net position. Over time, increases in net position may serve as a useful indicator of whether or not the financial position of the Authority is improving or deteriorating. The statement of activities presents information showing how the Authority's net position has changed during the fiscal year. In this statement, all changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some times that will only result in cash flows in future fiscal periods, such as revenues pertaining to uncollected taxes and expenses pertaining to earned but unused vacation.

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

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

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

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority
MANAGEMENT'S DISCUSSION & ANALYSIS (UNAUDITED)

June 30, 2019

The Authority as a whole:

Net Position: Table A-1 summarizes the Authority's net position for the fiscal year ended June 30, 2019 and 2018. 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, 2019.

Table A-1
The Authority's Net Position

	Government Activities June 30, 2019	Government Activities June 30, 2018
Current assets	\$ 58,876,028	\$ 54,455,550
Capital assets, net of depreciation	247,055,898	237,907,298
	<u>305,931,926</u>	<u>292,362,848</u>
Deferred outflow of resources	<u>1,310,148</u>	<u>1,464,997</u>
Total assets & deferred outflow of resources	<u>\$ 307,242,074</u>	<u>\$ 293,827,845</u>
Current liabilities	\$ 12,661,337	\$ 12,195,116
Non-current liabilities	54,575,165	51,605,757
	<u>67,236,502</u>	<u>63,800,873</u>
Deferred inflow of resources	<u>501,136</u>	<u>509,830</u>
Net Position		
Net investment in capital assets	214,988,196	212,351,685
Restricted for:		
Debt service	11,370,400	11,480,764
Capital projects	5,376,052	2,071,286
Unrestricted	<u>7,769,788</u>	<u>3,613,407</u>
Total net position	<u>239,504,436</u>	<u>229,517,142</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 307,242,074</u>	<u>\$ 293,827,845</u>

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority
MANAGEMENT'S DISCUSSION & ANALYSIS (UNAUDITED)

June 30, 2019

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. For the Calendar Year 2019 Property Taxes, the Authority's operating mill levy was 0.172 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. For the Calendar Year 2019 Property Taxes, 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, 2019 were \$14,549,609 as compared to \$14,066,842 for the fiscal year ended June 30, 2018. The budget used conservative property values and collection rates in estimating revenues. The first year and total collections on property taxes remain strong, with first year collections being about 97% and eventually collecting about 99.7%.

Changes in Net Position: The Authority's changes in net position on the Statement of Activities for fiscal year 2019 was \$7,897,964, of which approximately \$1.1M is related to contributions of infrastructure from outside entities. The remainder is a result of timing variances of property tax collections and the spending of bond proceeds. In an ideal situation, those amounts be similar to each other.

The General Fund shows a \$140k increase in fund balance for the year ended June 30, 2019. The Authority anticipated a loss (budgeted a \$575K loss) but was able to control costs and revenues exceeded expectations. The Authority continues to budget at a deficit to utilize cash on deposit and to fund these deficits.

The Debt Service fund shows no change in fund balance. This is due to a consistent bond program. The Authority is able to predict revenues and structure bond sales accordingly.

The Capital Projects Fund shows a \$2.3M increase to fund balance, bringing the balance to \$34.7M. This is due to our bond sale and the collection of joint project funding. Bond proceeds are recognized when received, and the projects related to the bond sale last multiple years. As of August 31, 2019, the Authority has \$17.2M of construction, land purchase, and joint funding commitments, leaving about \$15M available for future projects.

The Acquisitions & Savings Fund showed a \$86k increase to fund balance. In fiscal year 2019, the Acquisitions & Savings Fund received transfers from the General Fund totaling \$231k and either acquired assets or services of approximately \$156k. The Authority has a detailed plan in place to use these funds on future known expenditures.

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority
MANAGEMENT'S DISCUSSION & ANALYSIS (UNAUDITED)

June 30, 2019

The Agency & Area Wide showed an \$872k increase to fund balance. This is related to the timing of construction activity on the Agency and Area Wide Project. The total fund balance of \$1.7M is expected to be spent in FY20.

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

	Government Activities Year Ended June 30, 2019	Government Activities Year Ended June 30, 2018,
Program Revenues		
Revenue from jointly funded projects	\$ 2,850,557	\$ 106,915
General revenues		
Property taxes	14,549,609	14,066,842
Capital asset contributions	1,045,512	800,449
Investment	868,874	451,289
Other	27,865	27,603
Total revenues	19,342,417	15,453,098
Expenses		
Flood control	5,384,809	4,070,051
Planning, engineering, R&D	3,263,133	4,303,616
General government	1,672,709	1,560,467
Interest on long-term debt	1,123,802	910,834
Total expenses	11,444,453	10,844,968
Change in net position	7,897,964	4,608,130
Beginning net position, as restated	231,606,472	224,909,012
Ending net position	<u>\$ 239,504,436</u>	<u>\$ 229,517,142</u>

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority
MANAGEMENT'S DISCUSSION & ANALYSIS (UNAUDITED)

June 30, 2019

Budgetary Performance

General Operating Fund Budget

The General Fund property tax revenues exceeded budgeted amounts by approximately \$80,000. This variance is related to the collection of delinquent property taxes, which is not considered as part of the budget of property tax revenues. Delinquent property taxes collected for the year ended June 30, 2019 was approximately \$110k.

The Authority continued its history trend of being under budget for expenditures. For the year ended June 30, 2019, the Authority was approximately 12% under budget. It should be noted that the Facilities Operations & Maintenance was about 18% under budget due to fuel costs and contract services being under budget. We purposely maintain budgets in these areas to anticipate unknown situations, such as gas prices increasing and the need to rent equipment due to maintenance requirements. Non-salary related Administrative costs were under budget by 18%. This is related to our restructuring of our insurance coverages by raising our deductibles (our fulling funding reserve allowed us to do this) and having a strong safety record that lowered our Workers Compensation Insurance.

The general fund did have minor budget adjustment (totaling \$35k). The adjustments were required to cover new service contracts as well as increased costs for payroll/benefits processing.

Capital Assets – Debt Administration

Capital Assets

AMAFCA currently maintains facilities with an accumulative cost in excess of \$290,000,000. The facilities include 71 dams & ponds, 131 water quality improvement structures, and over 88 miles of channels, arroyos, and pipes. Current estimates indicate that replacing said facilities would be in excess of \$485,000,000.

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

Agency & Area Wide VIII (AAW) (\$1.6M)

The AAW VIII Project constructed overlay 3,000 linear feet of concrete overlay of the North Diversion Channel. The overlay utilized nearly 2,500 cubic yards of concrete, varies from 6" – 9" and creates a cross slope to keep the majority of the water in a newly constructed curb in the channel. This section of the North Diversion Channel is over 50 years old and the overlay will provide an improved bottom section for years to come.

The Agency and Area Wide Flood Control Rehabilitation project provides for the continued rehabilitation and emergency work in AMAFCA, City of Albuquerque, New Mexico Department of Transportation and other jurisdictions' drainage facilities throughout the area. Over the last eleven years, approximately \$12.5 million in improvements and repairs have been made to flood control infrastructure in the greater Albuquerque urban area.

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority
MANAGEMENT'S DISCUSSION & ANALYSIS (UNAUDITED)

June 30, 2019

Mirehaven @ Stormcloud (\$1.1M)

Improvements to the Mirehaven Arroyo were the result of a Turnkey Agreement between AMAFCA and private development. The channel improvements convey a developed 100-year flow rate of 1500 cfs and connected the box culverts at Tierra Pintada to the previously improved channel downstream. These improvements completed the Mirehaven Arroyo system. The channel improvements consisted of 1100 linear feet of shotcrete channel and 4 associated drop structures. This facility provides channelized conveyance of the flood flows and resulted in a reduction of the associated FEMA flood hazard area thus removed homes from potential flooding.

Calabacillas 1a1 Grade Control Structure (\$1.6M)

In 2016, the Calabacillas Arroyo below Swinburne Dam was reevaluated for stability and erodibility. One of the recommendations of the study was the construction of a grade control structure near the outlet of Swinburne dam to protect the structure. Several options were evaluated and a structure adjacent to the dam performed better hydraulically and was less expensive. The structure allows water to move from a higher elevation to a lower elevation and dissipate energy in a controlled manner and prevents further downward or outward erosion that could threaten the houses that are built nearby. Incorporated into the structure is a low flow bypass that allows small flows to move through the structure and emerge in the raised concrete AMAFCA logo, simulating rainfall. During high flows, water passes over the AMAFCA logo, providing energy dissipation. The arroyo below the structure was regraded to match the final erosion slope, and the adjacent downstream structure was modified to prevent flanking. The project also stabilized a rundown channel from Unser Blvd and improved maintenance access to the area.

Please see Note D – Changes in Capital Assets (page 41) for more information on Capital Assets.

Debt Administration

The Authority is one of the highest rated government agencies in the state of New Mexico; for the 16th straight year, the Authority received a Standard & Poor's Rating Services of AAA and a AAA rating from Moody's Investors. The S&P rating included a 2-year positive outlook.

The Authority's legal debt limit is \$80,000,000. Total bonded debt is made up of seven series of general obligation bonds (Series 2012, 2014, 2015, 2016, 2017, 2018 and 2019) which are scheduled to be retired gradually over the next ten years. The total proceeds of these seven series of bonds are \$85,000,000. At June 30, 2019, the Authority's outstanding principal debt was \$57,095,000 resulting in a legal debt margin of 71% of the \$80,000,000 total general obligation bonding capacity. Total outstanding principal and interest at June 30, 2019 was \$64,448,356 versus \$61,576,578 at June 30, 2018. The increase is due to the sale of the \$12,500,000 bond issue. The Authority paid \$10,030,000 in principal and \$1,494,573 in interest for the period ending June 30, 2019.

In June 2019, the Authority sold the second \$12.5M of the \$25M authorized in 2016. The effective interest rate on that sale was 2.40%.

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

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority
MANAGEMENT'S DISCUSSION & ANALYSIS (UNAUDITED)

June 30, 2019

On August 1, 2019, the Authority paid \$10,130,000 of principal and \$834,676 of interest. After the payment was made, the remaining balance of principal is \$45,665,000 and interest of \$6,518,650.

Please see Note E – General Obligation Bonds Payable & Premiums (page 45) for information on Debt Administration.

Economic Factors and Next Year's Budgets and Rates

Residential ad valorem property tax rates decreased from the prior year. The total ad valorem property rate for property tax year 2019 as passed by the Board of Directors is 0.852 (.177 for operations and .675 for debt) for residential, which is the same as property tax year 2018. This rate was adjusted by NM Department of Finance and Administration (NMDFA) to 0.849 for residential through the Yield Control Act. The total non-residential ad valorem property tax rate in fiscal year 2019 was also not adjusted by the Board of Directors and remains at 1.152. The debt service ad valorem property tax rate of 0.675 has remained constant since 1999 and has not seen a rate increase since 1991.

The Authority's fiscal year 2020 adopted budget for the general fund includes estimated property tax revenues of about \$3,877,000, which is an increase from the fiscal year 2019 actual property tax revenues of about \$3,798,000. The Authority does not anticipate conditions that would cause decreases in revenues, but takes a conservative approach as it relates to collections, a 97% collection rate.

The Authority total budgeted expenditures for fiscal year 2020 increased approximately \$240,000 (5%) from fiscal year 2019. Locally, we are noticing price increases in health insurance (12%) and in fuel, materials and general construction costs (2-5%). To plan for those increased costs, the Authority continues to identify areas to can with stand budget cuts so specific areas with increased costs can afford steady or increased budgets. This approach as allowed the Authority to maintain a relatively steady budget overall.

In anticipation of NMDFA requiring the Authority to utilize is Local Government Budget Management System (LGBMS) FY21, the Authority began budgeting utilizing the requirements of LGBMS in FY19 and continued the practice in FY20. This had no effect how the FY20 budget was developed but required a “crosswalk” to LGBMS categories.

Contacting the Authority's Financial Management

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

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

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

FINANCIAL STATEMENTS

Government-Wide Statement of Net Position

June 30, 2019

	Governmental Activities
ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	\$ 2,024,141
Investments	55,127,753
Property tax receivables, net of allowance	797,014
Joint project funding receivables	<u>927,120</u>
Total current assets	<u>58,876,028</u>
CAPITAL ASSETS	
Capital assets not being depreciated	66,622,674
Capital assets being depreciated, net	<u>180,433,224</u>
Total capital assets	<u>247,055,898</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources - pension	1,140,003
Contributions subsequent to measurement - pension	140,413
Contributions subsequent to measurement - OPEB	<u>29,732</u>
Total deferred outflows of resources	<u>1,310,148</u>
Total assets and deferred outflows of resources	<u>\$ 307,242,074</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, 2019

LIABILITIES AND NET POSITION

	Governmental Activities
LIABILITIES	
Current liabilities	
Accounts payable	\$ 1,102,996
Accrued payroll and taxes	43,919
Other liabilities	26,215
Compensated absences payable, current portion	57,447
Bonds payable, current portion	10,735,197
Accrued interest payable	695,563
Total current liabilities	12,661,337
Noncurrent liabilities	
Compensated absences payable - expected to be paid after one year	86,039
Bonds payable, net of current portion	49,965,883
Net pension liability	2,869,867
Net OPEB Healthcare liability	1,536,222
Net OPEB life insurance liability	117,154
Total noncurrent liabilities	54,575,165
Total liabilities	67,236,502
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources - pension	91,848
Deferred inflows of resources - OPEB	409,288
Total deferred inflows of resources	501,136
NET POSITION	
Net investment in capital assets	214,988,196
Restricted	
Debt service	11,370,400
Capital projects	5,376,052
Unrestricted	7,769,788
Total net position	239,504,436
Total liabilities, deferred inflows, and net position	\$ 307,242,074

**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
For Fiscal Year Ended June 30, 2019

	Expenses	Program Revenues Capital Contributions and Revenue from Jointly Funded Projects	Net (Expense) Revenue and Changes in Net Position
Governmental activities:			
Flood control	\$ (5,384,809)	\$ -	\$ (5,384,809)
Planning, engineering, research and development	(3,263,133)	2,850,557	(412,576)
General government	(1,672,709)	-	(1,672,709)
Long-term debt, interest and fees	(1,123,802)	-	(1,123,802)
	<u>\$ (11,444,453)</u>	<u>\$ 2,850,557</u>	<u>(8,593,896)</u>
General revenues:			
Property taxes			14,549,609
Capital asset contributions			1,045,512
Investment			868,874
Other			27,865
			<u>16,491,860</u>
Changes in net position			7,897,964
Net position, beginning of year as previously reported			229,517,142
Restatement of prior years for GASB 84 correction			2,089,330
			<u>231,606,472</u>
Net position, beginning of year as restated			231,606,472
Net position, end of year			<u>\$ 239,504,436</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, 2019

ASSETS

	General Fund	Debt Service Fund	Capital Projects Fund	Acquisitions & Savings Fund	Agency & Area Wide Fund	Total Governmental Funds
ASSETS						
Petty cash	\$ 200	\$ -	\$ -	\$ -	\$ -	\$ 200
Cash in bank	120,500	156	2,089	297	1,900,899	2,023,941
Investments	8,833,087	11,251,680	34,568,465	474,521	-	55,127,753
Property taxes (net) receivables	239,312	557,702	-	-	-	797,014
Joint project funding receivables	-	-	887,120	-	40,000	927,120
Due from Other Funds	-	-	-	-	14,912	14,912
Total assets	\$ 9,193,099	\$ 11,809,538	\$ 35,457,674	\$ 474,818	\$ 1,955,811	\$ 58,890,940

LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES

LIABILITIES						
Accounts payable	\$ 183,948	\$ -	\$ 711,622	\$ -	\$ 207,426	\$ 1,102,996
Accrued payroll and taxes	43,919	-	-	-	-	43,919
Other liabilities	1,215	-	25,000	-	-	26,215
Due to Other Fund	14,912	-	-	-	-	14,912
Total liabilities	243,994	-	736,622	-	207,426	1,188,042
Deferred Inflows	152,734	328,613	-	-	-	481,347
Total liabilities and deferred inflows	396,728	328,613	736,622	-	207,426	1,669,389
FUND BALANCES						
Restricted						
Flood control construction and maintenance	2,267,303	-	-	-	-	2,267,303
Debt service	-	11,480,925	-	-	-	11,480,925
Capital projects	-	-	34,721,052	-	1,748,385	36,469,437
Committed						
Subsequent year's expenditures	1,173,964	-	-	-	-	1,173,964
Contingencies	5,214,041	-	-	-	-	5,214,041
Building and improvements	-	-	-	474,818	-	474,818
Unassigned						
General	141,063	-	-	-	-	141,063
Total fund balances	8,796,371	11,480,925	34,721,052	474,818	1,748,385	57,221,551
Total liabilities and fund balances	\$ 9,193,099	\$ 11,809,538	\$ 35,457,674	\$ 474,818	\$ 1,955,811	\$ 58,890,940

**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, 2019

Total fund balance - governmental funds		\$ 57,221,551
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.		481,347
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		314,333,688
Less accumulated depreciation		(67,277,790)
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		140,413
Deferred outflows - related to net pension liability investment earnings		1,140,003
Net pension liability		(2,869,867)
Deferred Inflows - related to net pension liability		(91,848)
The net OPEB liabilities and related items are not reported in the funds, the following are adjustments related to the net OPEB liabilities:		
Deferred outflows - contributions subsequent to measurement		29,732
Net OPEB liability - healthcare		(1,536,222)
Deferred Inflows - related to net OPEB liability - healthcare		(409,288)
Net OPEB liability - life insurance		(117,154)
Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds:		
Compensated absences payable		(143,486)
Accrued interest payable		(695,563)
General obligation bonds are not due and payable in the current period and, therefore, are not reported in the funds. Bond premium costs are amortized for governmental activities, but are a current other financing source in fund financial statements fund financial statements.		
General obligation bonds		(57,095,000)
Total bond premium		(5,946,522)
Less accumulated amortization		<u>2,340,442</u>
Net position of governmental activities (Statement of Net Position)		<u>\$ 239,504,436</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
For Fiscal Year Ended June 30, 2019

	General Fund	Debt Service Fund	Capital Projects Fund	Acquisitions & Savings Fund	Agency & Area Wide Fund	Total Governmental Funds
REVENUES						
Property taxes	\$ 3,875,717	\$ 10,702,669	\$ -	\$ -	\$ -	\$ 14,578,386
Investments	177,796	92,698	584,527	10,817	3,036	868,874
Revenue from jointly funded projects	-	-	2,792,667	-	57,890	2,850,557
Other	27,865	-	-	-	-	27,865
Total revenues	4,081,378	10,795,367	3,377,194	10,817	60,926	18,325,682
EXPENDITURES						
Current						
General government	1,598,030	-	-	9,968	-	1,607,998
Flood control	1,178,697	-	-	-	-	1,178,697
Planning, engineering, research and development	936,458	-	-	-	-	936,458
Capital outlay	-	-	11,277,547	145,792	1,438,412	12,861,751
Debt service						
Bond principal retirement	-	10,030,000	-	-	-	10,030,000
Interest and fixed charges	-	1,494,573	-	-	-	1,494,573
Bond issuance costs	-	-	93,355	-	-	93,355
Total expenditures	3,713,185	11,524,573	11,370,902	155,760	1,438,412	28,202,832
Excess (deficiency) of revenues over expenditures	368,193	(729,206)	(7,993,708)	(144,943)	(1,377,486)	(9,877,150)
OTHER FINANCING SOURCES AND USES						
Transfers in	-	-	-	231,000	2,250,000	2,481,000
Transfers out	(231,000)	-	(2,250,000)	-	-	(2,481,000)
Face amount from bond sales	-	-	12,500,000	-	-	12,500,000
Bond premium issuance	-	729,367	93,474	-	-	822,841
Total other financing sources and uses	(231,000)	729,367	10,343,474	231,000	2,250,000	13,322,841
Net change in fund balances	137,193	161	2,349,766	86,057	872,514	3,445,691
Fund balances, beginning of year as previously reported	8,659,178	11,480,764	32,371,286	388,761	-	52,899,989
Restatement of prior years for GASB 84 correction	-	-	-	-	875,871	875,871
Fund balances, beginning of year as restated	8,659,178	11,480,764	32,371,286	388,761	875,871	53,775,860
Fund balances, end of year	<u>\$ 8,796,371</u>	<u>\$ 11,480,925</u>	<u>\$ 34,721,052</u>	<u>\$ 474,818</u>	<u>\$ 1,748,385</u>	<u>\$ 57,221,551</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
For Fiscal Year Ended June 30, 2019

Net change in fund balances - governmental funds	\$ 3,445,691
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	10,030,000
Bond premium is not amortized for fund financial statement purposes, but is for governmental activities - current year amortization	574,649
Bond premiums are included as other revenues for fund financial statement purposes, but are capitalized for governmental activities	(822,841)
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	(6,162)
Accrued interest payable	(110,523)
In the governmental funds, pension expense is the actual contributions made to PERA, in the entity wide statements, amounts are shown as a net pension liability, deferred outflows (net of subsequent contributions), and deferred revenues. The net adjustment for the year was:	
	(660,647)
In the governmental funds, OPEB expense is the actual contributions made to NMRHCA and for life insurance, in the entity wide statements, amounts are shown as a net OPEB liability, deferred outflows, and deferred inflows. The net adjustment for the year was:	
	41,433
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:	
	(28,777)
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	10,535,076
Depreciation	(3,645,447)
In the statement of activities, turnkey contributed projects are recorded as revenues. These revenues are not recorded in the governmental fund statements.	
	1,045,512
Changes in net position of governmental activities (statement of activities)	\$ 7,897,964

**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 Budget and Actual –
General Fund

June 30, 2019

	Budget Original	Budget Final	Actual Amount Budgetary Basis	Variance Positive (Negative)
Revenues				
Property taxes	\$ 3,798,468	3,798,468	3,875,717	77,249
Revenue - other	81,000	81,000	205,661	124,661
Total revenues	3,879,468	3,879,468	4,081,378	201,910
Expenditures				
Salary and related payroll costs	2,376,000	2,376,000	2,222,582	153,418
Facilities operations and maintenance	665,386	685,386	563,720	121,666
Stormwater quality	328,654	328,654	320,280	8,374
Planning, Engineering, and R&D	136,217	136,217	101,856	34,361
General & Administrative	306,452	306,452	216,126	90,326
Professional Services	97,063	112,063	68,855	43,208
Information Technology	104,348	123,348	87,625	35,723
Governmental Affairs	154,512	154,512	132,141	22,371
Total expenditures	4,168,632	4,222,632	3,713,185	509,447
Excess (deficiency) of revenues over expenditures before other financing sources and uses	(289,164)	(343,164)	368,193	711,357
Other financing sources and uses				
Transfers from other funds	-	-	-	-
Transfers to other funds	(231,000)	(231,000)	(231,000)	-
Total other financing and uses	(231,000)	(231,000)	(231,000)	-
Net change in fund balance	(520,164)	(574,164)	137,193	711,357
Fund Balance, beginning of year	8,659,178	8,659,178	8,659,178	-
Fund Balance, end of year	\$ 8,139,014	8,085,014	8,796,371	711,357

**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 Net Position - Fiduciary Funds

June 30, 2019

	<u>Total Custodial Funds</u>
ASSETS	
Cash in bank	\$ 205,823
Accounts Receivable	<u>45,000</u>
Total assets	<u>250,823</u>
LIABILITIES	
Accounts payable	<u>46,064</u>
Total liabilities	<u>46,064</u>
NET POSITION	
Restricted Other Organizations	<u>204,759</u>
Total net position	<u>\$ 204,759</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 Changes in Fiduciary Net Position – Fiduciary Funds

June 30, 2019

	<u>Total Custodial Funds</u>
ADDITIONS	
Contributions	
Participation	\$ 239,643
Investments	2
Other	<u>30,913</u>
Total additions	270,558
DEDUCTIONS	
Professional services	120,006
Educational outreach	131,542
Lab costs	3,859
Other	<u>6,150</u>
Total deductions	<u>261,557</u>
Net increase(deficiency) in fiduciary net position	9,001
Net Position, beginning of year	1,071,629
Restatement, note M	<u>(875,871)</u>
Net Position, beginning of year, as restated	<u>195,758</u>
Net position, end of year	<u>\$ 204,759</u>

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

June 30, 2019

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 chair, one as vice-chair, 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, effective for fiscal year 2013 further requires a financial benefit or burden relationship be present

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

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

There were no component units of the Albuquerque Metropolitan Arroyo Flood Control Authority during the year June 30, 2019.

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

2. Basic Financial Statements

The basic financial statements include both government-wide (based on the Authority as a whole) and fund financial statements. The reporting model focus is on either the Authority as a whole or on major individual funds (within the fund financial statements). Both the government-wide and fund financial statements (within the basic financial statements) categorize primary activities as governmental funds. In the government-wide Statement of Net Position, the governmental activities are reflected on a full accrual economic resources basis, which incorporates long-term assets and receivables as well as long-term debt and obligations. During the year ended June 30, 2019, the Authority adopted GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. The Authority only has General Obligation Debt and therefore, the implementation has no effect.

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, 2019.

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.

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

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

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

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

Internal activity among the various funds is eliminated in the government-wide financial statements.

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

3. Basis of Presentation

The financial transactions of the Authority are maintained on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, expenditures or expenses and other financing sources or uses. Government resources are allocated to, and accounted for, in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The various funds are summarized by type in the accompanying financial statements. The various funds are reported by generic classification within the financial statements.

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

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

GOVERNMENTAL FUND TYPES

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

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

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

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

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

Agency & Area Wide Fund. The Agency & Area Wide Fund 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.

Fiduciary Funds. The Authority had Custodial funds during the year ended June 30, 2019. The **Custodial funds** are used to account for assets that the Authority holds for others – including:

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

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

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

NON-CURRENT GOVERNMENTAL ASSETS/LIABILITIES

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

4. Basis of Accounting

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

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

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

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, the Executive Engineer can make transfers between line items. 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, 2019 was properly approved by the Authority's Board and by the Local Government Division. It was subsequently amended.

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

6. Investments

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

7. Compensated Absences

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

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

Compensated absences payables of \$143,486 have been recorded in the government-wide financial statements. Of the \$143,486, \$57,447 is considered the current portion while \$86,039 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, 2019 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, 2018	Additions	Deletions	June 30, 2019	Due Within One Year
Compensated absences payable	\$ 137,324	\$ 134,478	\$ 128,316	\$ 143,486	\$ 57,447

8. Capital Assets

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

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

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:

Office furniture, fixtures, & equipment	5 years
Maintenance tools and automotive equipment	7 years
Stormwater quality equipment	5 years
Telemetry Equipment	5 to 40 years
Office and maintenance buildings	40 years
Infrastructure	70 years

9. Revenues and Expenditures

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

10. Net Position

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

Net Investment in Capital Assets – is intended to reflect the portion of net position which are associated with non-liquid capital assets less outstanding capital asset related debt. The net related debt is the general obligation bonds issued to finance the Authority construction projects. The Authority's debt related to Capital Outlay is \$60,701,080. The Authority includes unspent bond proceeds in the amount of \$29,345,000 and \$711,622 of accounts payable for construction in the calculation of net investment in capital assets.

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

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

11. Fund Balance

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

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

Fund Balance for Subsequent Years Expenditures. In April 2016, the AMAFCA Board of Directors adopted Resolution 2016-05 – *Cash Reserves* that requires a minimum fund balance in the general fund of 25% of the General Fund's subsequent year's budget, less any capital outlay to be funded via transfer from the Acquisitions & Savings fund (\$4,695,856) to ensure the Authority maintains an adequate cash flow position.

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

12. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates. Significant estimates in the Authority's financial statements include the allowance for uncollectible accounts, expected useful lives of capital assets, current portion of accrued compensated absences, and actuarial estimates included in the calculation of the net pension liability and net OPEB liability.

13. Deferred Inflows

Receivables which do not meet the "available" criteria for revenue recognition under the modified accrual basis of accounting are recorded as deferred inflows. Deferred inflows at June 30, 2019 is attributable to the following:

Delinquent property taxes	<u>\$ 481,347</u>
---------------------------	-------------------

14. Pensions

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

15. OPEB - Healthcare

For purposes of measuring the net OPEB Healthcare liability, deferred outflows of resources and deferred inflows of resources related to this OPEB, and OPEB expense, information about the fiduciary net position of the New Mexico Retiree Health Care Authority (NMRHCA) and additions to and deductions from NMRHCA's fiduciary net position have been determined on the same basis as they are reported by NMRCHA's. For this purpose, NMRCHA recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

16. OPEB – Life Insurance

For purposes of measuring the net liability related to OPEB for life insurance, the Authority utilized an alternative measurement method based on a valuation date of June 30, 2017. The Authority participates in the same plan as the City of Albuquerque and demographics of the Authority is similar to the City of Albuquerque, therefore, the Authority utilized the valuation report prepared for the City. Using the valuation report, the Authority calculated a per participant liability of \$3,550 and applied it to the Authority's 33 total members (22 active and 11 retired) to calculate the liability as of June 30, 2019 of \$117,154.

The plan is administered through The Hartford, Group Benefits Division. The Authority covers the full cost of retiree life insurance coverage. The current premium rate is \$0.35 per \$1,000 of life insurance for retired employees, regardless of age. The total expense for the authority for the year

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

ended June 30, 2019 was \$(4,797). The Authority contributed \$1,152 to the plan for the year ended June 30, 2019. The face amount of life insurance coverage is based on each employee's annual compensation in the year preceding retirement. Coverage amounts, for those retiring after 2008 are equal to:

<u>Final Basic Annual Pay</u>	<u>Coverage</u>
\$25,000 but less than \$50,000	½ basic annual pay
Over \$50,000	\$25,000

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

17. Noncash Capital Contributions

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

18. Asset Retirement Obligations

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

19. Subsequent Events

Subsequent events have been evaluated through November 27, 2019, 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, 2019. Management believes no material subsequent events have arisen that would require adjustment or disclosure.

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

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, 2019 100% 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, 2019:

Wells Fargo, Albuquerque, NM - all are demand deposit accounts except for Ditch and Water Safety accounts	
Cash balances per depository at June 30, 2019:	
Checking and unassigned accounts	\$ 303,590
Construction / Capital Projects	93,945
Debt Service Account	156
Acquisitions & Savings Account	150,885
Area Wide Maintenance	105
Area Wide Maintenance Savings	1,900,794
Ditch & Water Safety Task Force	66,258
Mid Rio Grande MS4 CMC	21,221
Storm Quality Education	<u>124,349</u>
Total deposits	2,661,303
Less outstanding checks and adjustments, all accounts	(431,539)
Less agency funds - cash and savings accounts	<u>(205,823)</u>
Net carrying value at June 30, 2019	<u>\$ 2,023,941</u>
Shown as:	
General Fund	\$ 120,500
Debt Service Fund	156
Capital Projects Fund	2,089
Acquisitions & Savings Fund	297
Agency & Area Wide Fund	<u>1,900,899</u>
Total cash per government-wide financial statements	<u>\$ 2,023,941</u>

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

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, 2019, \$2,161,303 of the Authority's deposits of \$2,661,303 with Wells Fargo were subject to custodial credit risk. All of this uninsured amount was collateralized. See Schedule of Pledged Collateral on page 121.

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, 2019

**New MexiGROW LGIP AAAM rated \$55,127,753 35 day WAM (R) and
112 day WAM (F)**

Following are the investment amounts by fund that are included in the State Treasurer Local Government Investment Pool as of June 30, 2019:

General Fund	\$ 8,833,087
Debt Service Fund	11,251,680
Capital Projects Fund	34,568,465
Acquisitions & Savings Fund	<u>474,521</u>
 Total governmental funds	 <u>\$ 55,127,753</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.

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

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, 2019, 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 0.172 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, 2019:

Current property taxes	\$ 315,667
Delinquent property taxes, net of allowance of \$93,495 for doubtful accounts	<u>481,347</u>
Total receivables	<u>\$ 797,014</u>

Of the property taxes noted above, \$86,578 in the General Fund and \$229,089 in the Debt Service Fund are considered available financial resources and considered fully collectible. Delinquent property taxes of \$481,347 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, 2019

NOTE D – CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets follows:

	June 30, 2018 as restated	Additions	Transfers	Sales or Other Dispositions	June 30, 2019
Capital assets not being depreciated					
Infrastructure:					
Land acquisition	\$ 53,885,875	\$ -	\$ -	\$ -	\$ 53,885,875
Building & yard - construction in progress	42,679	-	-	-	42,679
Construction in progress	<u>5,905,462</u>	<u>12,715,960</u>	<u>(3,600,626)</u>	<u>(2,326,676)</u>	<u>12,694,120</u>
Total capital assets not being depreciated	59,834,016	12,715,960	(3,600,626)	(2,326,676)	66,622,674
Capital assets being depreciated					
Operations:					
Furniture and fixtures	140,979	-	-	-	140,979
Maintenance tools and automotive equipment	2,134,088	145,792	-	-	2,279,880
Stormwater quality equipment	27,656	-	-	-	27,656
Telemetry Equipment	850,979	-	-	-	850,979
Office and maintenance buildings	1,802,605	-	20,004	-	1,822,609
Infrastructure:					
Utility relocations	2,036,609	-	-	-	2,036,609
Dams, channels and other improvements	<u>235,926,168</u>	<u>1,045,512</u>	<u>3,580,622</u>	<u>-</u>	<u>240,552,302</u>
Total capital assets being depreciated	<u>242,919,084</u>	<u>1,191,304</u>	<u>3,600,626</u>	<u>-</u>	<u>247,711,014</u>
Total capital assets	302,753,100	13,907,264	-	(2,326,676)	314,333,688
Less accumulated depreciation					
Furniture and fixtures	(98,113)	(12,781)	-	-	(110,894)
Maintenance tools and automotive equipment	(1,562,014)	(153,907)	-	-	(1,715,921)
Stormwater quality equipment	(8,297)	(5,531)	-	-	(13,828)
Telemetry Equipment	(69,542)	(104,372)	-	-	(173,914)
Office and maintenance buildings	(668,350)	(45,768)	-	-	(714,118)
Infrastructure	<u>(61,226,027)</u>	<u>(3,323,088)</u>	<u>-</u>	<u>-</u>	<u>(64,549,115)</u>
Total accumulated depreciation	<u>(63,632,343)</u>	<u>(3,645,447)</u>	<u>-</u>	<u>-</u>	<u>(67,277,790)</u>
Capital assets, net of accumulated depreciation	<u>\$ 239,120,757</u>	<u>\$ 10,261,817</u>	<u>\$ -</u>	<u>\$ (2,326,676)</u>	<u>\$ 247,055,898</u>

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

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

Depreciation was charged as follows to these functions:

General government	\$	58,549
Flood control		3,586,898
Total depreciation	\$	3,645,447

Construction in progress as of June 30, 2019, consisted of the following:

Project	June 30, 2018, as restated	Additions	Transfers to Capital Assets	Deletions	June 30, 2019
Agency Area-wide					
Engineering	121,849	251,378	(146,528)	(55,426)	171,273
Construction	1,091,610	1,187,034	(1,475,277)	(265,212)	538,155
Black Mesa Phase 1a					
Land	-	-	-	-	-
Engineering	1,024,026	431,110	-	-	1,455,136
Construction	-	3,660,339	-	-	3,660,339
SW Valley Flood Reduction Phase II					
Land	3,650	-	-	(3,650)	-
Engineering	167,889	13,553	-	(181,442)	-
Construction	-	-	-	-	-
Boca Negra EAP					
Engineering	294,853	-	-	-	294,853
Calabacillas West Branch DMP					
Engineering	353,846	38,048	-	(391,894)	-
Amole-Hubbell Dam System Analysis					
Engineering	137,792	9,480	-	-	147,272
Valle De Oro Drainage Design					
Engineering	407,687	-	-	-	407,687
Construction	-	-	-	-	-
Pino Dam EAP Phase II					
Engineering	22,093	8,329	-	-	30,422
Boca Negra DMP Update					
Engineering	227,024	58,263	-	-	285,287
Construction	-	-	-	-	-
Louisiana Gibson Drainage					
Engineering	414,712	335,391	-	-	750,103
Construction	191,990	2,691,040	-	-	2,883,030

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

Project	June 30, 2018, as restated	Additions	Transfers to Capital Assets	Deletions	June 30, 2019
Hamilton Dam					
Engineering	22,520	-	-	-	22,520
Construction	-	-	-	-	-
Bear Arroyo WQ Improvements					
Engineering	272,773	125,769	-	-	398,542
Construction	-	561,636	-	-	561,636
Calabacillas 1A1 Grade Control Structure					
Engineering	239,815	91,761	(331,576)	-	-
Construction	695,989	549,694	(1,245,683)	-	-
South Pino Assessment					
Engineering	37,075	-	-	-	37,075
Construction	-	-	-	-	-
Las Ventanas Water Quality					
Engineering	70,879	14,886	-	-	85,765
Construction	-	-	-	-	-
Tijeras Sediment Structure Ph II					
Engineering	63,267	103,887	-	-	167,154
Construction	-	749,159	-	-	749,159
Miscellaneous AMAFCA Construction Project 2018					
Engineering	31,645	57,065	(88,710)	-	-
Construction	-	292,848	(292,848)	-	-
Chamisa Pond Expansion					
Engineering	11,056	-	-	(11,056)	-
Construction	-	-	-	-	-
Dallas Regional Storm Drain					
Engineering	1,422	12,885	-	-	14,307
Construction	-	-	-	-	-
Juan Tabo Hills Bank Protection					
Engineering	-	34,405	-	-	34,405
Construction	-	-	-	-	-
Cost Sharing					
City	-	-	-	-	-
County	-	1,250,000	-	(1,250,000)	-
Other	-	50,000	-	(50,000)	-
Misc Project					
Non-capitalized expenditures	-	138,000	(20,004)	(117,996)	-
Total construction in progress	<u>\$ 5,905,462</u>	<u>\$ 12,715,960</u>	<u>\$ (3,600,626)</u>	<u>\$ (2,326,676)</u>	<u>\$ 12,694,120</u>

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

The detail of construction in progress restatement, project additions and project deletions are as follows:

RESTATEMENT

June 30, 2018, as previously stated	\$ 4,692,003
Restatement to the Agency & Area Wide Project Due to GASB 84, See Note M	<u>1,213,459</u>
June 30, 2018, as restated	<u>\$ 5,905,462</u>

ADDITIONS

Additions from the Capital Projects fund	\$ 11,277,548
Additions from the Agency & Area Wide fund	<u>1,438,412</u>

2019 construction in progress additions \$ 12,715,960

DELETIONS

Transfers to Infrastructure	\$ 3,580,622
Transfers to Office & Maintenance Buildings	20,004
Add cooperative project contributions	<u>1,045,512</u>

2019 capital asset additions \$ 4,646,138

Land	\$ -
Stormwater quality equipment	-
Office & Maintenance Buildings	20,004
Utility relocations	-
Dams, channels and other improvements	<u>4,626,134</u>

Deletions to construction in progress consists of studies & research that do not become part of an infrastructure project and infrastructure built that is owned by another entity.

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 Authority has commitments for construction, professional services, and joint funding agreements of approximately \$18,530,000 as of June 30, 2019. These commitments can be cancelled at any time with notification.

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE E – GENERAL OBLIGATION BONDS PAYABLE & PREMIUMS

The change in general obligation bonds payable is as follows:

	June 30, 2018	Additions	Deletions	June 30, 2019	Due Within One Year
General obligation bonds payable	\$ 54,625,000	\$ 12,500,000	\$ (10,030,000)	\$ 57,095,000	\$ 10,130,000
Bond premium	5,305,665	822,841	(181,984)	5,946,522	-
Bond premium amortization	(1,947,777)	(574,649)	181,984	(2,340,442)	605,197
Total	\$ 57,982,888	\$ 12,748,192	\$ (10,030,000)	\$ 60,701,080	\$ 10,735,197

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

The legal debt limit for the Authority is \$80,000,000 while the total general obligation debt on June 30, 2018 was \$57,095,000. The resulting legal debt margin is \$22,905,000.

The following is the detail for each issue outstanding at June 30, 2019:

Series 2012

Original amount: \$10,000,000

Interest rate - 1.0% to 2.125%

Year ended June 30,	Annual Requirements		
	Principal	Interest	Total
2019	\$ 1,500,000	\$ 15,000	\$ 1,515,000
	<u>\$ 1,500,000</u>	<u>\$ 15,000</u>	<u>\$ 1,515,000</u>

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

Series 2014

Original amount: \$12,500,000

Interest rate - 2.0% to 3.0%

Year ended June 30,	Annual Requirements		
	Principal	Interest	Total
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>\$ 7,800,000</u>	<u>\$ 369,000</u>	<u>\$ 8,169,000</u>

Series 2015

Original amount: \$12,500,000

Interest rate - 2.0% to 3.0%

Year ended June 30,	Annual Requirements		
	Principal	Interest	Total
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>\$ 9,100,000</u>	<u>\$ 547,500</u>	<u>\$ 9,647,500</u>

Series 2016

Original amount: \$12,500,000

Interest rate - 2.0% to 4.0%

Year ended June 30,	Annual Requirements		
	Principal	Interest	Total
2020	\$ 800,000	\$ 275,000	\$ 1,075,000
2021	900,000	249,500	1,149,500
2022	1,500,000	206,000	1,706,000
2023	1,250,000	151,000	1,401,000
2024	1,400,000	98,000	1,498,000
2025	1,750,000	52,500	1,802,500
2026	1,750,000	17,500	1,767,500
	<u>\$ 9,350,000</u>	<u>\$ 1,049,500</u>	<u>\$ 10,399,500</u>

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

Series 2017

Original amount: \$12,500,000

Interest rate - 4.0% to 5.0%

Year ended June 30,	Annual Requirements		
	Principal	Interest	Total
2020	\$ 790,000	\$ 329,750	\$ 1,119,750
2021	825,000	289,375	1,114,375
2022	470,000	257,000	727,000
2023	890,000	223,000	1,113,000
2024	930,000	177,500	1,107,500
2025	980,000	129,750	1,109,750
2026	1,025,000	79,625	1,104,625
2027	1,080,000	27,000	1,107,000
	<u>\$ 6,990,000</u>	<u>\$ 1,513,000</u>	<u>\$ 8,503,000</u>

Series 2018

Original amount: \$12,500,000

Interest rate - 5.0%

Year ended June 30,	Annual Requirements		
	Principal	Interest	Total
2020	\$ 895,000	\$ 419,175	\$ 1,314,175
2021	940,000	373,300	1,313,300
2022	990,000	325,050	1,315,050
2023	1,035,000	274,425	1,309,425
2024	1,090,000	221,300	1,311,300
2025	1,145,000	165,425	1,310,425
2026	1,200,000	106,850	1,306,850
2027	1,260,000	57,980	1,317,980
2028	1,300,000	19,500	1,319,500
	<u>\$ 9,855,000</u>	<u>\$ 1,963,005</u>	<u>\$ 11,818,005</u>

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

Series 2019

Original amount: \$12,500,000

Interest rate - 5.0%

Year ended June 30,	Annual Requirements		
	Principal	Interest	Total
2020	\$ 2,045,000	\$ 224,401	\$ 2,269,401
2021	800,000	348,500	1,148,500
2022	200,000	328,500	528,500
2023	1,300,000	298,500	1,598,500
2024	1,500,000	242,500	1,742,500
2025	1,270,000	187,100	1,457,100
2026	1,385,000	134,000	1,519,000
2027	1,315,000	80,000	1,395,000
2028	1,385,000	39,850	1,424,850
2029	1,300,000	13,000	1,313,000
	<u>\$ 12,500,000</u>	<u>\$ 1,896,351</u>	<u>\$ 14,396,351</u>

Total All Series

Year ended June 30,	Annual Requirements		
	Principal	Interest	Total
2020	10,130,000	1,693,826	11,823,826
2021	8,765,000	1,565,175	10,330,175
2022	8,360,000	1,263,550	9,623,550
2023	6,775,000	981,425	7,756,425
2024	4,920,000	739,300	5,659,300
2025	5,145,000	534,775	5,679,775
2026	5,360,000	337,975	5,697,975
2027	3,655,000	164,980	3,819,980
2028	2,685,000	59,350	2,744,350
2029	1,300,000	13,000	1,313,000
	<u>\$ 57,095,000</u>	<u>\$ 7,353,356</u>	<u>\$ 64,448,356</u>

Bond premiums of \$5,946,522 (\$822,841 in current year) have been capitalized in the government-wide financial statements and are being amortized using straight-line against interest expense over the life of the related bonds payable, which results in materially correct accumulated amortization and amortization expense.

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

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

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

TIER II

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

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

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

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2019, the Authority reported a liability of \$2,869,867 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2018 using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date of June 30, 2018. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2018. The employer's name's proportion of the net pension liability was based on a projection of the Authority's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2018, the Authority's proportion was 0.1684%, which was an increase of 0.0028% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the Authority recognized a pension expense of \$801,060. At June 30, 2019, employer's name reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
the Authority's contributions subsequent to the measurement date	\$ 140,413	\$ -
Differences between expected and actual experience	82,945	75,347
Changes in assumptions	260,194	16,501
Net difference between projected and actual earnings on pension plan investments	212,844	-
Changes in proportion and differences between the Authority contributions and proportionate share of contributions	584,020	-
Total	<u>\$ 1,280,416</u>	<u>\$ 91,848</u>

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

\$140,413 reported as deferred outflows of resources related to pensions resulting from employer's name's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2020	\$ 772,214
2021	201,367
2022	63,540
2023	11,034
2024	-
Thereafter	-

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

Actuarial valuation date	June 30, 2017
Actuarial cost method	Entry age normal
Amortization method	Level percentage of pay
Amortization period	Solved for based on statutory rates
Asset valuation method	4 year smoothed Market Value
Actuarial assumptions:	
• Investment rate of return	7.25% annual rate, net of investment
• Projected benefit payment	100 years
• Payroll growth	3.00% annual rate for the first 9 years, then 3.25% for all other years
• Projected salary increases	3.25% to 13.50% annual rate
• Includes inflation at	2.25% annual rate for the first 9 years, then 2.75% for all other years
• Mortality Assumption	The mortality assumptions are based on the RPH-2014 Blue Collar mortality table with female ages set forward one year. Future improvement in mortality rates is assumed using 60% of the MP-2017 projection scale generationally. For non-public safety groups, 25% of in-service deaths are assumed to be duty related and 35% are assumed to be duty-related for public safety groups.
• Experience Study Dates	July 1, 2008 to June 30, 2017 (demographic) and July 1, 2010 through June 30, 2018 (economic)

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

The total pension liability, net pension liability, and certain sensitivity information are based on an actuarial valuation performed as of June 30, 2017. The total pension liability was rolled-forward from the valuation date to the plan year ended June 30, 2018. These assumptions were adopted by the Board for use in the June 30, 2017 actuarial valuation.

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

ALL FUNDS - Asset Class	Target Allocation %	Long Term Expected Real Rate of Return %
Global Equity	43.50	7.48
Risk Reduction & Mitigation	21.50	2.37
Credit Oriented Fixed Income	15.00	5.47
Real Assets	<u>20.00</u>	6.48
 Total	 100%	

Discount rate: A single discount rate of 7.25% was used to measure the total pension liability as of June 30, 2017. This single discount rate was based on a long-term expected rate of return on pension plan investments of 7.25%, compounded annually, net of expense. Based on the stated assumptions and the projection of cash flows, the plan's fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

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

Sensitivity of the employer name's proportionate share of the net pension liability to changes in the discount rate. The following presents the Authority's proportionate share of the net pension liability calculated using the discount rate of 7.25 percent, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
---------------------------	-------------------------------------	---------------------------

the Authority's proportionate share of the net pension liability

\$ 4,422,272	\$ 2,869,867	\$ 1,586,555
--------------	--------------	--------------

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued FY 18 PERA financial report. The report is available at <http://www.nmpera.org/financial-overview/comprehensive-annual-financial-report>.

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

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

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

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

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

Employees covered by benefit terms. At June 30, 2018, the Fund's measurement date, the following employees were covered by the benefit terms:

Plan membership	
Current retirees and surviving spouses	51,205
Inactive and eligible for deferred benefit	11,471
Current active members	<u>93,349</u>
Total	<u>156,025</u>

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

Active Membership	
State general	19,593
State police and corrections	1,886
Municipal general	17,004
Municipal police	3,820
Municipal FTRE	2,290
Educational Retirement Board	<u>48,756</u>
Total	<u>93,349</u>

Contributions. Employer and employee contributions to the Fund total 3% for non-enhanced retirement plans and 3.75% of enhanced retirement plans of each participating employee's salary as required by Section 10-7C-15 NMSA 1978. The contributions are established by statute and are not based on an actuarial calculation. All employer and employee contributions are non-refundable under any circumstance, including termination of the employer's participation in the Fund. Contributions to the Fund from the Authority were \$29,732 for the year ended June 30, 2019.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflow of Resources Related to OPEB. At June 30, 2019 the Authority reported a liability of \$1,536,222 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2017. The Authority's proportion of the net OPEB liability was based on actual contributions provided to the Fund for the year ending June 30, 2018. At June 30, 2018, the Authority's proportion was .0346 percent.

For the year ended June 30, 2019, the Authority recognized OPEB expense of \$6,904. At June 30, 2019, the Authority reported outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
the Authority's contributions subsequent to the measurement date	\$ 29,732	\$ -
Differences between expected and actual experience	-	88,608
Changes in assumptions	-	22,597
Net difference between projected and actual earnings on pension plan investments	-	18,677
Changes in proportion and differences between the Authority contributions and proportionate share of contributions	-	<u>279,406</u>
Total	<u>\$ 29,732</u>	<u>\$ 409,288</u>

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

Deferred outflows of resources totaling \$29,732 represent Authority contributions to the Fund made subsequent to the measurement date and will be recognized as a reduction of net OPEB liability in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

Year ended June 30:	
2020	\$ 103,048
2021	103,048
2022	103,048
2023	80,669
2024	19,475

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

Actuarial valuation date	June 30, 2017
Actuarial cost method	Entry age normal, level percent of pay
Asset valuation method	Market value of assets
Actuarial assumptions:	
• Inflation	2.25 % for PERA members
• Projected payroll increases	3.25% to 12.50% based on years of service, including inflation
• Investment rate of return	7.25%, net of OPEB plan investment expense and margin for adverse deviation including inflation
• Health care cost trend rate	8% graded down to 4.5% over 14 years for Non-Medicare medical plan costs and 7.5% graded down to 4.5% over 12 for Medicare medical plan costs
• Morality	PERA members: RP-2000 Combined Healthy Mortality

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

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

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

Asset Class	<u>Long Term Rate of Return</u>
U.S. core fixed income	2.10
U.S. equity - large cap	7.10
Non U.S. - emerging markets	10.20
Non U.S. - developed equities	7.80
Private equity	11.80
Credit and structured finance	5.30
Real estate	4.90
Absolute return	4.10
U.S. equity - small/mid cap	7.10

Discount Rate. The discount rate used to measure the Fund's total OPEB liability is 4.08% as of June 30, 2018. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at rates proportional to the actuary determined contribution rates. For this purpose, employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries are not included. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members through the fiscal year ending June 30, 2028. Thus, the 7.25% discount rate was used to calculate the net OPEB liability through 2029. Beyond 2029, the index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher. Thus, 4.08% is the blended discount rate.

Sensitivity of the net OPEB liability to changes in the discount rate and healthcare cost trend rates. The following presents the net OPEB liability of the Authority, as well as the Authority's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.08% or 1-percentage-point higher (5.08%) than the current discount rate:

1% Decrease (3.08%)	Current Discount Rate (4.08%)	1% Increase (5.08%)
<u>\$ 1,859,190</u>	<u>\$ 1,536,222</u>	<u>\$ 1,281,148</u>

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

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

1% Decrease	Current Trend Rate	1% Increase
\$ 1,305,789	\$ 1,536,222	\$ 1,715,960

OPEB plan fiduciary net position. Detailed information about the OPEB plan's fiduciary net position is available in NMRHCA's audited financial statements for the year ended June 30, 2018.

Payable Changes in the Net OPEB Liability. At June 30, 2019, the Authority did not have any reported payables for outstanding contributions due to NMRHCA.

NOTE H – INTERFUND BALANCES

The following are the interfund balances as of June 30, 2019. The balance is due to the utilization of the Agency & Area Wide Project to complete an operational task.

<u>Due From</u>	<u>Due To</u>	<u>Amount</u>
General Fund	Agency & Area Wide	\$ 14,912

NOTE I – TRANSFERS

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

<u>Fund</u>	<u>To</u>	<u>Amount</u>
Major Fund:		
General Fund	Acquisitions & Savings	\$ 231,000
Capital Projects	Agency & Areawide	\$2,250,000

NOTE J – 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 \$3,569,442 as of June 30, 2019. This reserve was fully funded as of June 30, 2019.

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, 2019 was \$500,000.

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

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, 2019 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, 2019 was \$200,000.

The Authority has an additional \$544,599 that has been designated for contingencies by the Board of Directors and has not been placed into the categories above. This funding is considered to be excess of minimum funding requirements.

NOTE K – RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; error omissions; and natural disasters, for which the Authority carries insurance policies for the Fiscal Year ending June 30, 2019 as follows:

Worker's Compensation

a. Name of insurance agent	New Mexico Self-Insurers' Fund
b. Policy Number	4020W
c. Amount of coverage	Unlimited
d. Expiration date	6/30/19
e. Premium paid	\$31,193

Property

a. Name of insurance agent	New Mexico Self-Insurers' Fund
b. Policy Number	4020P
c. Amount of coverage	Scheduled Values
d. Expiration date	6/30/19
e. Premium paid	\$5,651

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	6/30/19
e. Premium paid	\$10,023

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	6/30/19
e. Premium paid	\$30,210

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

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	6/30/19
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	6/30/19
e. Premium paid	\$6,143

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, 2019, 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, 2020.

NOTE L – 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 \$890,509 at June 30, 2019 was recorded by the Authority. An estimated allowance for doubtful accounts of \$93,495 was also provided in conjunction with this receivable, resulting in a net amount recorded of \$797,014.

Depreciation on capital assets is a second significant estimate. Depreciation expense totaled \$3,645,447 for the year ended June 30, 2019.

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

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

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

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

NOTE M – RESTATEMENT

GASB 84

The Authority implemented GASB 84 – Fiduciary Activities for the year ended June 30, 2018. At that time the Authority included the Agency & Area Wide Fund as a Fiduciary Fund. However, subsequent to implementation, the GASB issued an implementation guide. This guidance shows that the Agency & Area Wide Fund should have been classified as Capital Projects Fund, not as a Fiduciary Fund. The Authority made the following restatements related to the Agency & Area Wide Fund:

Adjustment to Entity Wide Statement

Inclusion of beginning balance (net adjustment)	\$ 875,871
Inclusion of beginning construction in progress	<u>1,213,459</u>
Total	2,089,330

Adjustment to Fund Balance Sheets

Inclusion of beginning balances (net adjustment)	\$ 875,871
--	------------

Adjustment to Fiduciary Fund Statement

Removal of ending balance (net adjustment)	\$ 875,871
--	------------

NOTE N – SUBSEQUENT EVENTS

Participation in City of Albuquerque Self-Funded Health Insurance

Employees of the Authority participate in the same Healthcare Insurance plan as the City of Albuquerque. On July 1, 2019, the City changed its Healthcare Insurance to a self-funded plan. The Authority as not anticipating any impact from the change. The Authority continues to pay premiums and assumes no additional risk as with previous years. Should the City end the self-funded plan, AMAFCA is not due a refund of unspent premiums.

Acquisition of Property

In September 2019 AMAFCA acquired a 26-space mobile home park for the location of a future flood control facility. There are currently five vacancies with the remaining spaces rented at \$345.00 per month plus utilities. Once the tenants are relocated in accordance with the Authority's relocation procedure, the site will then be cleared of personal property and utilities and prepared for the construction of the flood control project.

Contract Defaults

In FY19, AMAFCA awarded the Agency and Area-Wide Flood Control Rehabilitation VIIIb and the Lower Bear Tributary Arroyo Regional Flood Control and Water Quality Improvements Projects to construction contractor GandyDancer LLC. The projects were bid separately but GandyDancer was the low bidder on each project. Both projects began in early 2019 and, by mid-year 2019, the projects were behind schedule. AMAFCA requested updates and improvement plans on both projects but never

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

received appropriate or feasible information/schedules from GandyDancer. Ultimately, AMAFCA took the step of declaring GandyDancer in default of contract on both projects in August of 2019. The Agency and Area-Wide Flood Control Rehabilitation VIIIb Project is ~20% complete and the Lower Bear Tributary Arroyo Regional Flood Control and Water Quality Improvements Project is ~44% complete.

The performance bonds to ensure the completion of both projects were written by the same bonding company. AMAFCA has been working with the bonding company to complete the projects to the standards set forth in the plans and specifications for the jobs. The bonding company will be receiving proposals from contraction contractors to finish each of the jobs in late October of 2019. After the proposals are received, the bonding company and AMAFCA will finalize the agreements to finish both projects. The bonding company will cover bid prices from the selected new contractor(s) that are above the original bid prices from GandyDancer and pay for the correction of any substandard work that was installed.

NOTE O – NEW ACCOUNTING STANDARDS IMPLEMENTATION

The Authority has evaluated pronouncements through GASB 91 and do not believe any have a significant impact to the Authority's financial statements.

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE P – TAX ABATEMENTS

The following are Industrial Revenue Bonds affecting the Authority:

Other Entities Disclosure - AMAFCA - Fiscal Year Ended June 30, 2019					
Agency number for Agency making the disclosure (Abating Agency)	5001	5001	5001	5001	5001
Abating Agency Name	Bernalillo County	Bernalillo County	Bernalillo County	Bernalillo County	Bernalillo County
Abating Agency Type	County	County	County	County	County
Tax Abatement Agreement Name	Admiral Beverage Corporation Project	Arroyo Vista Apartments Project	CCC&S Family Project (dated 11/1/2016)	CFV Solar Test Laboratory, Inc. Project	Cottonwood Apartment Project
Name of agency affected by abatement agreement (Affected Agency)	Albuquerque Metro Arroyo Flood Control Authority	Albuquerque Metro Arroyo Flood Control Authority	Albuquerque Metro Arroyo Flood Control Authority	Albuquerque Metro Arroyo Flood Control Authority	Albuq. Metro Arroyo Flood Control Authority
Agency number of Affected Agency	4003	4003	4003	4003	4003
Agency type of Affected Agency	Special District	Special District	Special District	Special District	Special District
Recipient(s) of tax abatement	Admiral Beverage Corporation	Arroyo Vista Apartments, LLC	CCC&S Family LLC	CFV Solar Test Laboratory, Inc.	GSL Properties
Tax abatement program (name and brief description)	Taxable Industrial Revenue Bonds (Series 2012)	PRB - Multifamily Housing Revenue Bonds, in one or more tax-exempt or taxable series (Arroyo Vista Project)	IRB - Taxable Industrial Revenue Bonds, Series 2016	Taxable Industrial Revenue Bonds (Series 2010)	Multi-Family Refunding Revenue Bonds (Series 2006A) and Taxable Multi-Family Housing Revenue Bonds
Specific Tax(es) Being Abated	Real & Personal Property tax	Real Property Tax	Real Property Tax	Personal Property Tax	Real Property Tax
Authority under which abated tax would have been paid to Affected Agency	NMSA §7-37-6	NMSA §3-45 Municipal Housing Law	NMSA §7-37-6	NMSA §7-37-6	NMSA 7-37-6
Gross dollar amount, on an accrual basis, by which the Affected Agency's tax revenues were reduced during the reporting period as a result of the tax abatement agreement	Real Property tax : \$5,312.15 Personal Property tax : \$123.22	Real Property tax : \$388.31 Personal Property tax : \$	Real Property tax : \$756.58 Personal Property tax : \$	Real Property tax : \$ Personal Property tax : \$246.37	Real Property tax : \$3,634.59 Personal Property tax : \$
For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by the Affected Agency in association with the foregone tax revenue, list the amount of payments received in the current fiscal year	none	none	none	none	none
If the Abating Agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission	N/A	N/A	N/A	N/A	N/A

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

5001	5001	5001	5001	5001	5001
Bernalillo County	Bernalillo County	Bernalillo County	Bernalillo County	Bernalillo County	Bernalillo County
County	County	County	County	County	County
Desert Willow Apartments Project	Friedman Recycling Project	General Mills Operations Project (dated 11/1/2016)	Glenrio Project	Harrington Project 2015	Hotel Chaco Project
Albuquerque Metro Arroyo Flood Control Authority	Albuquerque Metro Arroyo Flood Control Authority	Albuq. Metro Arroyo Flood Control Authority	Albuquerque Metro Arroyo Flood Control Authority	Albuq. Metro Arroyo Flood Control Authority	Albuquerque Metro Arroyo Flood Control Authority
4003	4003	4003	4003	4003	4003
Special District	Special District	Special District	Special District	Special District	Special District
Desert Willow Limited Partnership	Friedman Recycling of Albuquerque, LLC	General Mills Operations LLC	Glenrio LLLP	Harrington Properties	Hotel Chaco, LLC
Multifamily Housing Refunding Revenue Bonds Series 2008, replacing Series 1998.	Taxable Industrial Revenue Bonds (Series 2012A and 2012B and 2012C)	Taxable Industrial Revenue Bonds (Series 2016)	New Mexico Multifamily Housing Revenue Bonds (Series 2013)	Taxable Industrial Revenue Bonds	Taxable Industrial Revenue Bonds (Series 2015A)
Real Property Tax	Real Property Tax	Personal Property Tax	Real Property Tax	Real & Personal Property tax	Real & Personal Property tax
NMSA §7-37-6	NMSA §7-37-6	NMSA 7-37-6	NMSA §7-37-6	NMSA 7-37-6	NMSA §7-37-6
Real Property tax : \$2,583.35 Personal Property tax : \$	Real Property tax : \$729.22 Personal Property tax : \$	Real Property tax : \$ Personal Property tax : \$1,208.20	Real Property tax : \$4,505.65 Personal Property tax : \$	Real Property tax : \$344.15 Personal Property tax : \$106.98	Real Property tax : \$5,206.21 Personal Property tax : \$106.03
none	none	none	none	none	none
N/A	N/A	N/A	N/A	N/A	N/A

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

Other Entities Disclosure - AMAFCA - Fiscal Year Ended June 30, 2019					
Agency number for Agency making the disclosure (Abating Agency)	5001	5001	5001	5001	5001
Abating Agency Name	Bernalillo County	Bernalillo County	Bernalillo County	Bernalillo County	Bernalillo County
Abating Agency Type	County	County	County	County	County
Tax Abatement Agreement Name	One Central Entertainment Hub Project	Rio Bravo Brewing Project dated 2/1/2016)	Rio Vista Apartments Project (dated 11/1/2016)	Rodgers/JSR Holdings Project	SBS Technologies, Inc. Corporate Headquarters Project
Name of agency affected by abatement agreement (Affected Agency)	Albuq. Metro Arroyo Flood Control Authority	Albuq. Metro Arroyo Flood Control Authority	Albuq. Metro Arroyo Flood Control Authority	Albuquerque Metro Arroyo Flood Control Authority	Albuquerque Metro Arroyo Flood Control Authority
Agency number of Affected Agency	4003	4003	4003	4003	4003
Agency type of Affected Agency	Special District	Special District	Special District	Special District	Special District
Recipient(s) of tax abatement	One Central Associates	DRB Properties and Rio Bravo Brewing Co	Rio Housing Associates	JSR Holdings, LLC	Brunacini Development LTD. CO.
Tax abatement program (name and brief description)	IRB - Taxable Industrial Revenue Bonds, Series 2016B	IRB - Taxable Industrial Revenue Bonds (Series 2016)	IRB - Taxable Industrial Revenue Bonds (Series 2016)	Taxable Industrial Revenue Bonds (Series 2014)	Taxable Industrial Revenue Bonds (Series 2004)
Specific Tax(es) Being Abated	Real Property Tax	Real Property Tax	Real Property Tax	Real Property Tax	Real Property Tax
Authority under which abated tax would have been paid to Affected Agency	NMSA §7-37-6	NMSA §7-37-6	NMSA §7-37-6	NMSA §7-37-6	NMSA §7-37-6
Gross dollar amount, on an accrual basis, by which the Affected Agency's tax revenues were reduced during the reporting period as a result of the tax abatement agreement	Real Property tax : \$174.97 Personal Property tax : \$	Real Property tax : \$336.47 Personal Property tax : \$	Real Property tax : \$688.58 Personal Property tax : \$	Real Property tax : \$370.68 Personal Property tax : \$	Real Property tax : \$1598.32 Personal Property tax : \$
For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by the Affected Agency in association with the foregone tax revenue, list the amount of payments received in the current fiscal year	none	none	none	none	none
If the Abating Agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission	N/A	N/A	N/A	N/A	N/A

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

5001	5001	5001	5001	5001	5001
Bernalillo County	Bernalillo County	Bernalillo County	Bernalillo County	Bernalillo County	Bernalillo County
County	County	County	County	County	County
Sennheiser New Mexico LLC Project	Silver Moon Lodge Project	GAHP Project IRB (Sterling Downtown)	Tempur Production USA, Inc. Project	The Tortilla Building, LLC Project	The Village at Avalon Project (dated 12/1/2015)
Albuquerque Metro Arroyo Flood Control Authority	Albuquerque Metro Arroyo Flood Control Authority	Albuquerque Metro Arroyo Flood Control Authority	Albuquerque Metro Arroyo Flood Control Authority	Albuquerque Metro Arroyo Flood Control Authority	Albuq. Metro Arroyo Flood Control Authority
4003	4003	4003	4003	4003	4003
Special District	Special District	Special District	Special District	Special District	Special District
Sennheiser New Mexico LLC	Silver Moon Lodge LLLP	The Greater Albuquerque Housing Partnership (GAHP),	Tempur Production USA, Inc.	The Tortilla Building, LLC (leasee) and Flagship Food Group North America LLC (subleasee)	Village at Avalon Apartments
Taxable Industrial Revenue Bonds (Series 2004)	New Mexico Multifamily Housing Revenue Bonds (Series 2013A and 2013B)	PRB - Multifamily Housing Revenue Note (The Sterling Downtown Project), Series 2016	Taxable Industrial Revenue Bonds (Series 2005A and 2005B)	Industrial Development Project	Series 2015 Multifamily Housing Revenue Bonds.
Real & Personal Property tax	Real Property Tax	Real Property Tax	Real & Personal Property tax	Real Property Tax	Real Property Tax
NMSA §7-37-6	NMSA §7-37-6	NMSA §3-45 Municipal Housing Law	NMSA §7-37-6	NMSA §7-37-6	NMSA §7-37-6
Real Property tax : \$ Personal Property tax : \$	Real Property tax : \$2,272.81 Personal Property tax : \$	Real Property tax : \$121.14 Personal Property tax : \$	Real Property tax : \$15,523.49 Personal Property tax : \$11,430.85	Real Property tax : \$2,076.47 Personal Property tax : \$	Real Property tax : \$5,878.52 Personal Property tax : \$
none	none	none	none	none	none
N/A	N/A	N/A	N/A	N/A	N/A

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

Other Entities Disclosure - AMAFCA - Fiscal Year Ended June 30, 2019				
Agency number for Agency making the disclosure (Abating Agency)	5001	5001	5001	5001
Abating Agency Name	Bernalillo County	Bernalillo County	Bernalillo County	Bernalillo County
Abating Agency Type	County	County	County	County
Tax Abatement Agreement Name	United Poly Systems Project dated 2014)	US Foodservice, Inc. Project	Valencia Retirement Apartments Project (1/1/2000)	Verizon Wireless (VAW) LLC Facilities Project
Name of agency affected by abatement agreement (Affected Agency)	Albuq. Metro Arroyo Flood Control Authority	Albuquerque Metro Arroyo Flood Control Authority	Albuq. Metro Arroyo Flood Control Authority	Albuquerque Metro Arroyo Flood Control Authority
Agency number of Affected Agency	4003	4003	4003	4003
Agency type of Affected Agency	Special District	Special District	Special District	Special District
Recipient(s) of tax abatement	Gold Mesa Investments	US Foodservice, Inc.	Valencia Limited Partnership	Verizon Wireless (VAW) LLC, Coors/Central Realty LLC
Tax abatement program (name and brief description)	Taxable Industrial Revenue Bonds	Taxable Industrial Revenue Bonds (Series 2011)	Multi-Family Refunding Revenue Bonds (Senior Series 2001A) and MFRR Bonds (Jr Subord Series 2001C)	Taxable Industrial Revenue Bonds (Series 2006A)
Specific Tax(es) Being Abated	Personal Property Tax	Real Property Tax	Real Property Tax	Real Property Tax
Authority under which abated tax would have been paid to Affected Agency	NMSA §7-37-6	NMSA §7-37-6	NMSA §7-37-6	NMSA §7-37-6
Gross dollar amount, on an accrual basis, by which the Affected Agency's tax revenues were reduced during the reporting period as a result of the tax abatement agreement	Real Property tax : \$ Personal Property tax : \$422.24	Real Property tax : \$4,618.56 Personal Property tax : \$	Real Property tax : \$2,954.72 Personal Property tax : \$	Real Property tax : \$7,510.56 Personal Property tax : \$
For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by the Affected Agency in association with the foregone tax revenue, list the amount of payments received in the current fiscal year	none	none	none	none
If the Abating Agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission	N/A	N/A	N/A	N/A

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

5001	5001	5001	452	452
Bernalillo County	Bernalillo County	Bernalillo County	New Mexico Hospital Equipment Loan Council	New Mexico Hospital Equipment Loan Council
County	County	County	State Agency	State Agency
Vitality Works, Inc. Project	Wagner Equipment Project (dated 12/1/2015)	West Publishing Corporation Project	Lease Agreement (New Mexico Hospital Equipment Loan Council/Lovelace Health System, Inc. dated 10/1/2011; 'Lovelace Heart Hospital')	Lease Agreement (New Mexico Hospital Equipment Loan Council/Lovelace Health System, Inc. dated 12/1/2007; 'Lovelace Women's Hospital Project')
Albuquerque Metro Arroyo Flood Control Authority	Albuq. Metro Arroyo Flood Control Authority	Albuquerque Metro Arroyo Flood Control Authority	Albuquerque Metro Arroyo Flood Control Authority	Albuquerque Metro Arroyo Flood Control Authority
4003	4003	4003	4003	4003
Special District	Special District	Special District	Special District	Special District
Vitality Works, Inc.	Wagner Equipment Co	West Publishing Corporation, Southwest Tiburon LLC	Lovelace Health System, Inc.	Lovelace Health System, Inc.
Taxable Industrial Revenue Bonds (Series 2011)	Taxable Industrial Revenue Bonds (Series 2015)	Taxable Industrial Revenue Bonds (Series 2004A)	New Mexico Hospital Equipment Loan Act (New Mexico Statue 58-23-29)	New Mexico Hospital Equipment Loan Act (New Mexico Statue 58-23-29)
Real Property Tax	Real Property Tax	Real Property Tax	Property Tax	Property Tax
NMSA §7-37-6	NMSA §7-37-6	NMSA §7-37-6	NMSA 7-38	NMSA 7-38
Real Property tax : \$2,658.44 Personal Property tax : \$	Real Property tax : \$770.65 Personal Property tax : \$	Real Property tax : \$2,036.42 Personal Property tax : \$	Est. Property Tax = \$6929	This cannot be Estimated
none	none	none	none	none
N/A	N/A	N/A	N/A	N/A

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

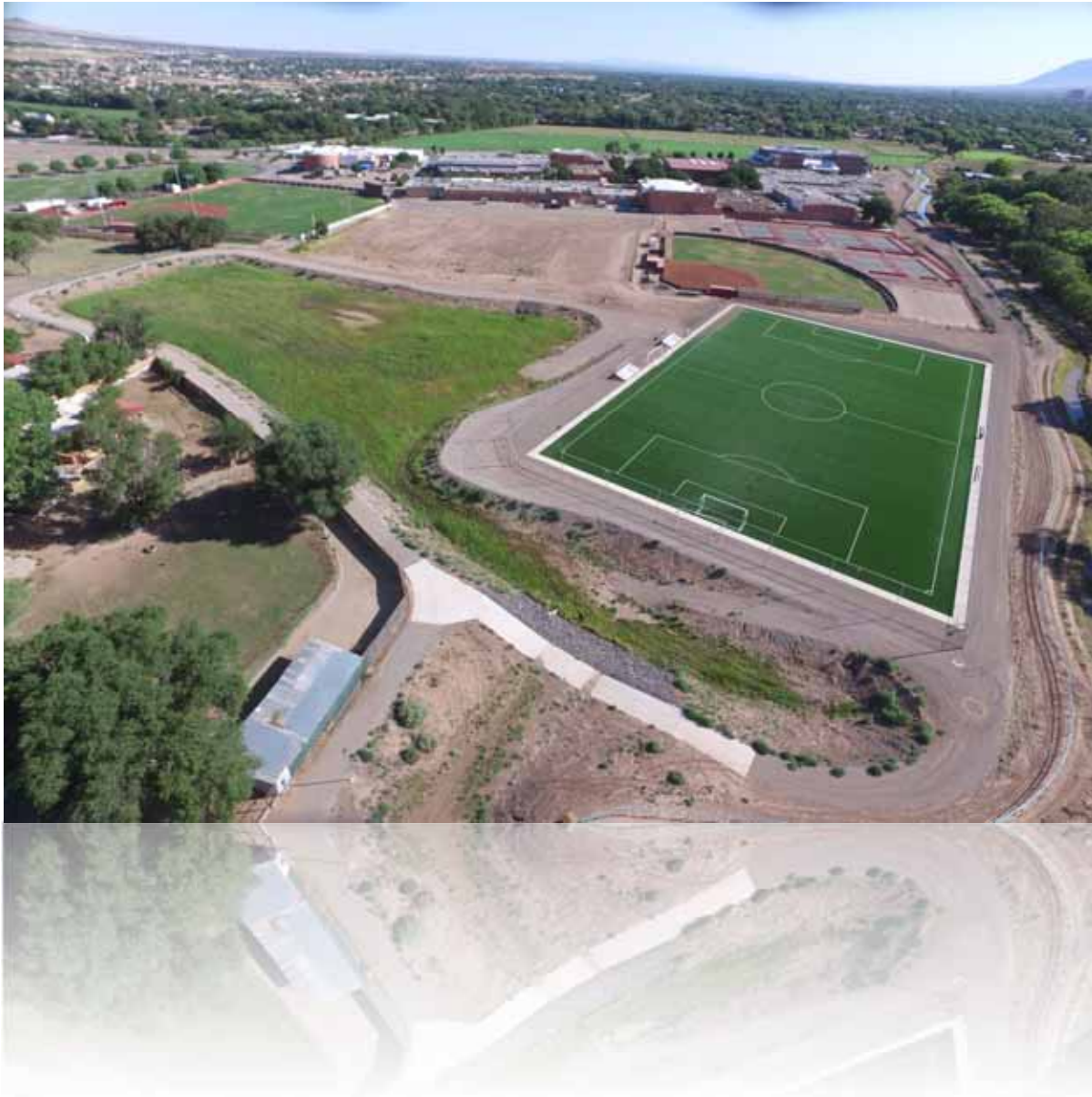
Other Entities Disclosure - AMAFCA - Fiscal Year Ended June 30, 2019			
Agency number for Agency making the disclosure (Abating Agency)	6004	6004	6004
Abating Agency Name	City Of Albuquerque	City Of Albuquerque	City Of Albuquerque
Abating Agency Type	Municipal Government	Municipal Government	Municipal Government
Tax Abatement Agreement Name	General Mills IRB	General Tech IRB	Hotel Adaluz IRB
Name of agency affected by abatement agreement (Affected Agency)	AMAFCA Operating and Debt	AMAFCA Operating and Debt	AMAFCA Operating and Debt
Agency number of Affected Agency	4003	4003	4003
Agency type of Affected Agency	Flood Control District	Flood Control District	Flood Control District
Recipient(s) of tax abatement	General Mills	General Tech	Hotel Adaluz
Tax abatement program (name and brief description)	State of New Mexico Statutes Article 32 Industrial Revenue Bonds City of Albuquerque Code of Ordinances § 3-2-15 INDUSTRIAL REVENUE BOND PROJECTS	State of New Mexico Statutes Article 32 Industrial Revenue Bonds City of Albuquerque Code of Ordinances § 3-2-15 INDUSTRIAL REVENUE BOND PROJECTS	State of New Mexico Statutes Article 32 Industrial Revenue Bonds City of Albuquerque Code of Ordinances § 3-2-15 INDUSTRIAL REVENUE BOND PROJECTS
Specific Tax(es) Being Abated	Property Tax	Property Tax	Property Tax
	The recipient can also apply for abatement of compensating tax on purchase of equipments and investment tax credits from the state of new mexico. There was no abatement for non-property taxes in the current year	The recipient can also apply for abatement of compensating tax on purchase of equipments and investment tax credits from the state of new mexico. There was no abatement for non-property taxes in the current year	The recipient can also apply for abatement of compensating tax on purchase of equipments and investment tax credits from the state of new mexico. There was no abatement for non-property taxes in the current year
Authority under which abated tax would have been paid to Affected Agency	Article VIII state statutes property tax	Article VIII state statutes property tax	Article VIII state statutes property tax
	AMAFCA	AMAFCA	AMAFCA
Gross dollar amount, on an accrual basis, by which the Affected Agency's tax revenues were reduced during the reporting period as a result of the tax abatement agreement	\$8,595.00	\$1,845.00	\$849.00
For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by the Affected Agency in association with the foregone tax revenue, list the amount of payments received in the current fiscal year	none	none	none
If the Abating Agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission	N/A	N/A	N/A

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority


NOTES TO FINANCIAL STATEMENTS

June 30, 2019

6004	6004	6004
City Of Albuquerque	City Of Albuquerque	City Of Albuquerque
Municipal Government	Municipal Government	Municipal Government
Hotel Parq IRB	Ktech (currently owned by Raytheon) IRB	CVI Laser
AMAFCA Operating and Debt	AMAFCA Operating and Debt	AMAFCA Operating and Debt
4003	4003	4003
Flood Control District	Flood Control District	Flood Control District
Hotel Parq	Ktech (currently owned by Raytheon)	CVI Laser
State of New Mexico Statutes Article 32 Industrial Revenue Bonds City of Albuquerque Code of Ordinances § 3-2-15 INDUSTRIAL REVENUE BOND PROJECTS	State of New Mexico Statutes Article 32 Industrial Revenue Bonds City of Albuquerque Code of Ordinances § 3-2-15 INDUSTRIAL REVENUE BOND PROJECTS	State of New Mexico Statutes Article 32 Industrial Revenue Bonds City of Albuquerque Code of Ordinances § 3-2-15 INDUSTRIAL REVENUE BOND PROJECTS
Property Tax	Property Tax	Property Tax
The recipient can also apply for abatement of compensating tax on purchase of equipments and investment tax credits from the state of new mexico. There was no abatement for non-property taxes in the current year	The recipient can also apply for abatement of compensating tax on purchase of equipments and investment tax credits from the state of new mexico. There was no abatement for non-property taxes in the current year	The recipient can also apply for abatement of compensating tax on purchase of equipments and investment tax credits from the state of new mexico. There was no abatement for non-property taxes in the current year
Article VIII state statutes property tax	Article VIII state statutes property tax	Article VIII state statutes property tax
AMAFCA	AMAFCA	AMAFCA
\$1,211.00	\$3,794.00	\$1,417.00
none	none	none
N/A	N/A	N/A



Pond 187a (Laguna de Cuervo) near Rio Grande High School helps provide flood protection in the South Valley



REQUIRED SUPPLEMENTAL INFORMATION



Floating booms at the North Diversion Channel Outfall help capture floating debris to improve water quality

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

June 30, 2019

Last 10 Fiscal Years*

	2019 Measurement Date (As of and for the Year Ended June 30, 2018)	2018 Measurement Date (As of and for the Year Ended June 30, 2017)	2017 Measurement Date (As of and for the Year Ended June 30, 2016)	2016 Measurement Date (As of and for the Year Ended June 30, 2015)	2015 Measurement Date (As of and for the Year Ended June 30, 2014)
AMAFCA's porportion of the net pension liability	0.18%	0.17%	0.17%	0.15%	0.15%
AMAFCA's proportionate share of the net pension liability	2,869,867	2,313,958	2,645,731	1,583,015	1,213,094
AMAFCA's covered payroll	1,467,118	1,482,897	1,421,285	1,360,284	1,275,604
AMAFCA's proportionate share of the net pension liability as a percentage of its covered payroll	195.6%	156.0%	186.2%	116.4%	95.1%
Plan fiduciary net position as a percentage of total pension liability	71%	69%	69%	77%	81%

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

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority
SCHEDULE OF PERA CONTRIBUTIONS

June 30, 2019

Last 10 Fiscal Years*

	As of and for the Year Ended 2019	As of and for the Year Ended 2018	As of and for the Year Ended 2017	As of and for the Year Ended 2016	As of and for the Year Ended 2015
Contractually required contribution	140,413	139,486	140,816	136,173	143,209
Contributions in relation to the contractually required contribution	140,413	139,486	140,816	136,173	143,209
Contribution deficiency (excess)	-	-	-	-	-
AMAFCA's covered payroll	1,468,764	1,467,118	1,482,897	1,421,285	1,360,284
Contributions as a percentage of covered payroll	9.6%	9.5%	9.5%	9.6%	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 FY18 audit available at: <http://www.nmpera.org/financial-overview/comprehensive-annual-financial-report>.

Changes of assumptions. The Public Employees Retirement Association (PERA) of New Mexico Actuarial Valuation as of June 30, 2018 report is available at: <http://www.nmpera.org/financial-overview/comprehensive-annual-financial-report>.

State of New Mexico
 Albuquerque Metropolitan Arroyo Flood Control Authority
 SCHEDULE OF PROPORTIONATE SHARE OF THE OPEB – HEALTHCARE LIABILITY

June 30, 2019

Last 10 Fiscal Years*

	2019 Measurement Date (As of and for the Year Ended June 30, 2018)	2018 Measurement Date (As of and for the Year Ended June 30, 2017)
AMAFCA's proportion of the net OPEB liability	0.03%	0.04%
AMAFCA's proportionate share of the net OPEB liability	1,536,222	1,614,275
AMAFCA's covered employee payroll	1,467,118	1,482,897
AMAFCA's proportionate share of the net OPEB liability as a percentage of its covered employee payroll	104.7%	108.9%
Plan fiduciary net position as a percentage of total OPEB liability	11.3%	11.3%

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

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority
SCHEDULE OF OPEB – HEALTHCARE CONTRIBUTIONS

June 30, 2019

Last 10 Fiscal Years*

	As of and for the Year Ended 2019	As of and for the Year Ended 2018
Contractually required contribution	29,732	29,264
Contributions in relation to the contractually required contribution	29,732	29,264
Contribution deficiency (excess)	-	-
 AMAFCA's covered employee payroll	 1,468,764	 1,467,118
Contributions as a percentage of covered employee payroll	2.0%	2.0%

* 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 NMRHCA Fund COLA and retirement eligibility changes in recent years are described in Note 1 of the NMRHCA FY18 audit available at: <http://nmrhca.org/financial-documents.aspx>.

Changes of assumptions. The NMRHCA Actuarial Valuation as of June 30, 2018 report is available at: <http://nmrhca.org/gasb-reporting.aspx>.



SUPPLEMENTARY INFORMATION



Storm water flows down the San Antonio Arroyo

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

For the Fiscal Year ended June 30, 2019

	Budget Original	Budget Final	Actual Amount Budgetary Basis	Variance Positive (Negative)
Revenues				
Property taxes	\$ 10,349,016	10,349,016	10,702,669	353,653
Investment and other	20,000	20,000	92,698	72,698
Total revenues	10,369,016	10,369,016	10,795,367	426,351
Expenditures				
Debt service:				
Interest and fixed charges	1,526,500	1,526,500	1,494,573	31,927
Bond principal	9,830,000	10,030,000	10,030,000	-
Total expenditures	11,356,500	11,556,500	11,524,573	31,927
Excess (deficiency) of revenues over expenditures before other financing sources and uses	(987,484)	(1,187,484)	(729,206)	458,278
Other financing sources and uses				
Bond Premiums	1,100,000	1,100,000	729,367	(370,633)
Total other financing and uses	1,100,000	1,100,000	729,367	(370,633)
Net change in fund balance	112,516	(87,484)	161	87,645
Fund Balance, beginning of year	11,480,764	11,480,764	11,480,764	-
Fund Balance, end of year	\$ 11,593,280	11,393,280	11,480,925	87,645

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

For the Fiscal Year ended June 30, 2019

	Budget Original	Budget Final	Actual Amount Budgetary Basis	Variance Positive (Negative)
Revenues				
Investment	\$ 100,000	100,000	584,527	484,527
Revenue from jointly funded projects	800,000	800,000	2,792,667	1,992,667
Other revenues	-	-	-	-
Total revenues	900,000	900,000	3,377,194	2,477,194
Expenditures				
Contract - Professional Services**	6,150,000	6,150,000	1,519,118	4,630,882
Land Acquisition**	2,850,000	2,850,000	4,794	2,845,206
Infrastructure**	47,602,000	47,602,000	9,846,990	37,755,010
Total expenditures	56,602,000	56,602,000	11,370,902	45,231,098
Deficiency of revenues over expenditures before other financing uses	(55,702,000)	(55,702,000)	(7,993,708)	47,708,292
Other financing sources and uses				
Transfers to other funds	-	-	(2,250,000)	2,250,000.00
Proceeds from bond sale	25,000,000	25,000,000	12,593,474	(12,406,526)
Total other financing sources and uses	25,000,000	25,000,000	10,343,474	(10,156,526)
Net change in fund balance	(30,702,000)	(30,702,000)	2,349,766	37,551,766
Fund Balance, beginning of year	32,371,286	32,371,286	32,371,286	-
Fund Balance, end of year	\$ 1,669,286	1,669,286	34,721,052	37,551,766

** 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
Acquisitions & Savings Fund

For the Fiscal Year ended June 30, 2019

	Budget Original	Budget Final	Actual Amount Budgetary Basis	Variance Positive (Negative)
Revenues				
Interest income	\$ 3,500	3,500	10,817	7,317
Total revenues	3,500	3,500	10,817	7,317
Expenditures				
Stormwater Quality	16,000	16,000	-	16,000
Planning, Engineering, and R&D	15,000	15,000	4,172	10,828
Information Technology	23,000	23,000	-	23,000
Governmental Affairs	20,000	20,000	1,000	19,000
Capital Outlay - Equipment & Machinery	385,000	385,000	145,792	239,208
Capital Outlay - Buildings & Structures	125,000	125,000	4,796	120,204
Total expenditures	584,000	584,000	155,760	428,240
Excess of revenues over expenditures before other financing sources and uses	(580,500)	(580,500)	(144,943)	435,557
Other financing sources and uses				
Transfers from other funds	231,000	231,000	231,000	-
Transfers to other funds	-	-	-	-
Total other financing sources and uses	231,000	231,000	231,000	-
Net change in fund balance	(349,500)	(349,500)	86,057	435,557
Fund Balance, beginning of year	388,761	388,761	388,761	-
Fund Balance, end of year	\$ 39,261	39,261	474,818	435,557

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

For the Fiscal Year ended June 30, 2019

	Budget Original	Budget Final	Actual Amount Budgetary Basis	Variance Positive (Negative)
Revenues				
Investment	\$ -	-	3,036	3,036
Revenue from jointly funded projects	3,045,000	3,045,000	57,890	(2,987,110)
Other revenues	-	-	-	-
Total revenues	3,045,000	3,045,000	60,926	(2,984,074)
Expenditures				
Contract - Professional Services	375,000	375,000	251,379	123,621
Land Acquisition	-	-	-	-
Infrastructure	2,855,000	2,855,000	1,187,033	1,667,967
Total expenditures	3,230,000	3,230,000	1,438,412	1,791,588
Deficiency of revenues over expenditures before other financing uses	(185,000)	(185,000)	(1,377,486)	(1,192,486)
Other financing sources and uses				
Transfers from other funds	-	-	2,250,000	(2,250,000.00)
Proceeds from bond sale	-	-	-	-
Total other financing sources and uses	-	-	2,250,000	(2,250,000)
Net change in fund balance	(185,000)	(185,000)	872,514	(3,442,486)
Fund balances, beginning of year as previously reported	-	-	-	-
Restatement of prior years for GASB 84 correction	875,871	875,871	875,871	-
Fund balances, beginning of year as restated	875,871	875,871	875,871	-



State of New Mexico
 Albuquerque Metropolitan Arroyo Flood Control Authority
 COMBINING STATEMENT OF FIDUCIARY NET POSITION – FIDUCIARY FUNDS

June 30, 2019

	Agency & Area Wide	Ditch & Water Safety Task Force	Mid Rio Grande MS4 CMC	Stormwater Quality Coordinator	Total Custodial Funds
ASSETS					
Cash in bank	\$ -	\$ 66,258	\$ 15,216	\$ 124,349	\$ 205,823
Accounts Receivable		45,000			45,000
Total assets	-	111,258	15,216	124,349	250,823
LIABILITIES					
Accounts payable	-	8,949	-	37,115	46,064
Total liabilities	-	8,949	-	37,115	46,064
NET POSITION					
Restricted Other Organizations	-	102,309	15,216	87,234	204,759
Total net position	\$ -	\$ 102,309	\$ 15,216	\$ 87,234	\$ 204,759

State of New Mexico
 Albuquerque Metropolitan Arroyo Flood Control Authority
 COMBINING STATEMENT OF FIDUCIARY NET POSITION – FIDUCIARY FUNDS

For the Fiscal Year ended June 30, 2019

	Agency & Area Wide	Ditch & Water Safety Task Force	Mid Rio Grande MS4 CMC	Stormwater Quality Coordinator	Total Custodial Funds
ADDITIONS					
Contributions					
Participation	\$ -	\$ 90,000	\$ -	\$ 149,643	\$ 239,643
Investments	-	2	-	-	2
Other	-	3,174	-	27,739	30,913
Total additions	-	93,176	-	177,382	270,558
DEDUCTIONS					
Professional services	-	56,661	15,408	47,937	120,006
Educational outreach	-	-	-	131,542	131,542
Lab costs	-	-	3,859	-	3,859
Other	-	750	-	5,400	6,150
Total deductions	-	57,411	19,267	184,879	261,557
Net increase(deficiency) in fiduciary net position	-	35,765	(19,267)	(7,497)	9,001
Net Position, beginning of year	875,871	66,544	34,483	94,731	1,071,629
Restatement, note M	(875,871)	-	-	-	(875,871)
Net Position, beginning of year, as restated	-	66,544	34,483	94,731	195,758
Net position, end of year	\$ -	\$ 102,309	\$ 15,216	\$ 87,234	\$ 204,759



North Diversion Channel from a hot air balloon



STATISTICAL SECTION

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

June 30, 2019

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

CONTENTS	Page
Financial Trends	89 – 95
These schedules present information to help the reader understand how the Authority's financial performance and well-being have changed over time.	
Revenue Capacity	96 – 103
These schedules present information to help the reader assess the Authority's most significant revenue source, the property tax	
Debt Capacity	104 – 109
These schedules present information to help the reader assess the affordability of the Authority's current level of outstanding debt and the Authority's ability to issue additional debt in the future	
Demographic and Economic Information	110 – 113
These schedules offer demographic and economic indicators to help the reader understand the environment within which the Authority's financial activities take place.	
Operating Information	115 – 117
These schedules contain service and infrastructure data to help the reader understand how the information in the Authority's financial report relates to the services the Authority provides and the activities it performs.	

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

NET POSITION BY COMPONENT

Last Ten Fiscal Years

June 30, 2019

(ACCRUAL BASIS OF ACCOUNTING)

	2019	2018	2017
Governmental activities			
Net investment in capital assets	\$ 214,988,196	\$ 212,351,685	\$ 195,818,843
Restricted	16,746,452	13,552,050	15,892,539
Unrestricted	7,769,788	3,613,407	15,233,565
Total governmental activities net of position	<u>\$ 239,504,436</u>	<u>\$ 229,517,142</u>	<u>\$ 226,944,947</u>
	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		
Governmental activities			
Net investment in capital assets	\$ 129,335,815		
Restricted	17,843,384		
Unrestricted	8,393,767		
Total governmental activities net of position	<u>\$ 155,572,966</u>		

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

CHANGES IN NET POSITION

Last Ten Years

June 30, 2019

(ACCRUAL BASIS OF ACCOUNTING)

Expenses	2019	2018	2017	2016
Governmental activities:				
Flood Control	\$ 5,384,809	\$ 4,070,051	\$ 4,480,695	\$ 4,142,305
Planning, Engineering, and R&D	3,263,133	4,303,616	4,451,092	3,006,586
General Government	1,672,709	1,560,467	1,616,442	1,576,782
Interest on long-term debt	1,123,802	910,834	840,647	717,601
Total governmental activities expenses	<u>11,444,453</u>	<u>10,844,968</u>	<u>11,388,876</u>	<u>9,443,274</u>
Program Revenues				
Governmental activities:				
Capital Grants and contributions				
Jointly Fund Projects and Contributions	2,850,557	106,915	592,813	30,200
Net (expenses)/revenue				
Governmental activities	(8,593,896)	(10,738,053)	(10,796,063)	(9,413,074)
General Revenue				
Governmental activities:				
Property taxes	14,549,609	14,066,842	13,691,862	13,256,530
Capital asset contributions	1,045,512	800,449	8,859,639	861,957
Investment/interest income	868,874	451,289	190,102	76,431
Other	27,865	27,603	55,762	843,958
Total governmental activities	<u>16,491,860</u>	<u>15,346,183</u>	<u>22,797,365</u>	<u>15,038,876</u>
Change in Net Position				
Governmental activities	7,897,964	4,608,130	12,001,302	5,625,802
Prior period adjustment	2,089,330	(2,035,935)	-	121,347
Total primary government	<u>\$ 9,987,294</u>	<u>\$ 2,572,195</u>	<u>\$ 12,001,302</u>	<u>\$ 5,747,149</u>

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

CHANGES IN NET POSITION

Last Ten Years

June 30, 2019

2015	2014	2013	2012	2011	2010
\$ 4,043,625	\$ 3,922,228	\$ 3,771,101	\$ 3,927,829	\$ 3,813,293	\$ 3,554,648
5,481,072	3,590,305	2,921,174	6,836,356	3,070,468	8,090,278
1,539,855	1,448,259	1,218,857	898,335	1,274,906	1,326,432
649,688	815,980	813,079	775,004	854,393	969,396
11,714,240	9,776,772	8,724,211	12,437,524	9,013,060	13,940,754
429,500	185,204	260,272	852,329	901,418	1,774,595
(11,284,740)	(9,591,568)	(8,463,939)	(11,585,195)	(8,111,642)	(12,166,159)
13,086,450	13,020,812	13,085,894	12,712,512	12,570,792	12,797,745
1,049,855	1,276,659	3,851,907	8,287,878	2,631,925	6,170,872
34,209	24,384	36,683	2,496	50,103	34,419
54,784	40,978	13,658	27,952	(260,210)	23,896
14,225,298	14,362,833	16,988,142	21,030,838	14,992,610	19,026,932
2,940,558	4,771,265	8,524,203	9,445,643	6,880,968	6,860,773
21,516,445	212,848	-	-	-	260,980
\$24,457,003	\$ 4,984,113	\$ 8,524,203	\$ 9,445,643	\$ 6,880,968	\$ 7,121,753

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Years

June 30, 2019

(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

		2019	2018	2017	2016
General Fund					
Post GASB 54					
	Nonspendable	\$ -	\$ -	\$ -	\$ -
	Restricted	2,267,303	2,316,874	2,332,980	2,468,364
	Committed	6,388,005	6,206,135	6,128,300	6,126,497
	Assigned	-	-	-	-
	Unassigned	141,063	136,169	128,770	113,135
Pre GASB 54					
	Reserved	-	-	-	-
	Unreserved - designated	-	-	-	-
	Unreserved - undesignated	-	-	-	-
Total general fund		\$ 8,796,371	\$ 8,659,178	\$ 8,590,050	\$ 8,707,996
All other governmental funds					
Post GASB 54					
	Nonspendable	\$ -	\$ -	\$ -	\$ -
	Restricted	47,950,362	43,852,050	41,733,548	37,175,362
	Committed	474,818	388,761	308,521	304,597
	Assigned	-	-	-	-
	Unassigned	-	-	-	-
Pre GASB 54					
	Reserved	-	-	-	-
	Unreserved - designated	-	-	-	-
	Unreserved - undesignated	-	-	-	-
Total all other governmental funds		\$48,425,180	\$44,240,811	\$42,042,069	\$37,479,959
Total Fund Balance		\$57,221,551	\$52,899,989	\$50,632,119	\$46,187,955

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

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Years

June 30, 2019

2015	2014	2013	2012	2011	2010
\$ -	\$ -	\$ -	\$ -	\$ 77,948	\$ 200
4,880,067	5,050,383	5,168,739	4,843,926	4,622,213	-
3,900,000	3,900,000	3,900,000	3,900,000	3,900,000	3,900,000
-	-	-	-	-	-
44,107	69,291	28,651	43,629	17,239	-
-	-	-	-	-	200
-	-	-	-	-	3,900,000
-	-	-	-	-	4,486,838
\$ 8,824,174	\$ 9,019,674	\$ 9,097,390	\$ 8,787,555	\$ 8,617,400	\$12,287,238
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
30,502,239	26,730,103	21,337,478	18,843,173	15,917,070	-
463,316	362,848	108,733	58,611	8,559	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	17,843,384
-	-	-	-	-	-
-	-	-	-	-	-
\$30,965,555	\$27,092,951	\$21,446,211	\$18,901,784	\$15,925,629	\$17,843,384
\$39,789,729	\$36,112,625	\$30,543,601	\$27,689,339	\$24,543,029	\$30,130,622

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

Last Ten Years

June 30, 2019

(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2019	2018	2017	2016
Revenues				
Property taxes	\$ 14,578,386	\$ 14,046,231	\$ 13,703,472	\$ 13,427,765
Investment/interest income	868,874	451,289	190,102	76,431
Jointly funded projects	2,850,557	106,915	592,813	30,200
Other	27,865	27,603	55,762	773,458
Total revenues	18,325,682	14,632,038	14,542,149	14,307,854
Expenditures				
General government	1,607,998	1,529,457	1,554,037	1,544,459
Flood control	1,178,697	1,143,984	1,059,377	1,064,564
Planning, engineering, and R&D	936,458	907,167	995,714	945,377
Capital outlay	12,861,751	8,618,742	9,754,160	7,970,856
Debt service:				
Principal	10,030,000	12,125,000	9,300,000	8,675,000
Interest	1,494,573	1,328,014	1,085,169	923,055
Bond issuance costs	93,355	95,362	93,245	104,120
Reappraisal fees	-	-	-	-
Total expenditures	28,202,832	25,747,726	23,841,702	21,227,431
Excess (deficiency) of revenues over expenditures	(9,877,150)	(11,115,688)	(9,299,553)	(6,919,577)
Other financing sources (uses)				
Transfers in	2,481,000	208,000	458,521	400,000
Transfers out	(2,481,000)	(208,000)	(458,521)	(400,000)
Bonds issued	12,500,000	12,500,000	12,500,000	12,500,000
Premium on bonds issued	822,841	883,558	1,243,717	817,803
Perminate loss on investments	-	-	-	-
Total other financing sources (uses)	13,322,841	13,383,558	13,743,717	13,317,803
Net change in fund balances	\$ 3,445,691	\$ 2,267,870	\$ 4,444,164	\$ 6,398,226
Debt service as a percentage of non-capital expenditures	75%	79%	74%	72%
Debt service as a percentage of total expenditures	41%	52%	44%	45%

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

Last Ten Years

June 30, 2019

2015	2014	2013	2012	2011	2010
\$ 13,224,992	\$ 12,976,637	\$ 12,998,307	\$ 12,705,720	\$ 12,580,848	\$ 12,767,918
34,209	24,384	36,694	2,496	50,103	34,419
100,000	185,204	260,272	852,329	901,418	1,774,595
32,071	42,758	39,694	27,952	17,239	23,896
13,391,272	13,228,983	13,334,967	13,588,497	13,549,608	14,600,828
1,468,858	1,340,434	1,236,167	666,738	1,056,770	1,132,573
1,114,205	1,246,737	1,199,220	1,400,072	1,314,552	1,214,256
854,293	693,349	684,870	944,721	883,423	927,230
10,085,097	7,432,365	8,892,813	8,668,139	12,675,587	7,378,424
8,400,000	8,975,000	7,775,000	8,100,000	8,350,000	8,275,000
822,994	851,047	888,673	861,750	951,510	1,043,306
108,574	95,610	82,746	65,157	61,276	57,697
132,092	129,884	128,190	126,888	125,866	127,643
22,986,113	20,764,426	20,887,679	20,833,465	25,418,984	20,156,129
(9,594,841)	(7,535,443)	(7,552,712)	(7,244,968)	(11,869,376)	(5,555,301)
100,000	254,000	50,000	206,828	41,553	676,093
(100,000)	(254,000)	(50,000)	(206,828)	(41,553)	(676,093)
12,500,000	12,500,000	10,000,000	10,000,000	10,000,000	10,000,000
775,885	604,468	406,974	391,278	181,984	185,771
(3,940)	-	-	-	-	-
13,271,945	13,104,468	10,406,974	10,391,278	10,181,984	10,185,771
\$ 3,677,104	\$ 5,569,025	\$ 2,854,262	\$ 3,146,310	\$ (1,687,392)	\$ 4,630,470
71%	74%	72%	74%	73%	73%
40%	47%	41%	43%	37%	46%

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, 2019

Fiscal Year Ended June 30,	Real Property		Personal	Property
	Residential	Commercial	Centrally	Livestock
	Property	Property	Assessed	
2019	\$12,225,431,975	\$3,257,477,906	\$ 453,134,739	\$ 823,682
2018	11,726,593,706	3,222,651,871	487,992,412	792,044
2017	11,234,417,245	3,203,372,591	484,785,455	873,523
2016	10,794,783,246	3,196,405,215	465,509,090	1,296,833
2015	10,514,280,082	3,224,774,237	468,981,742	643,266
2014	10,217,174,645	3,251,769,479	435,982,241	727,080
2013	10,028,968,646	3,301,912,328	466,978,148	716,381
2012	9,937,828,235	3,463,173,876	459,888,606	844,508
2011	9,855,763,681	3,497,501,043	450,556,530	940,401
2010	10,065,248,593	3,782,694,143	384,357,602	1,045,409
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				

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, 2019

	Total	Estimated	Assessed
Total Taxable	Direct	Actual	Value as a
Assessed	Tax	Taxable	Percentage of
Value	Rate	Value	Actual Value
\$ 15,936,868,302	0.000	\$18,772,065,801	84.90%
15,438,030,033	0.921	18,230,909,402	84.68%
14,923,448,814	0.921	17,643,101,869	84.59%
14,457,994,384	0.926	17,179,125,152	84.16%
14,208,679,327	0.928	16,835,835,162	84.40%
13,905,653,445	0.929	16,517,673,706	84.19%
13,798,575,503	0.930	16,333,455,627	84.48%
13,861,735,225	0.926	16,386,042,070	84.59%
13,804,761,655	0.926	16,251,390,322	84.95%
14,233,345,747	0.970	16,545,240,152	86.03%



Strong runoff in 2019 greatly increased flows in the Rio Grande

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, 2019

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Albuquerque Flood Control										
Operating	0.250	0.247	0.246	0.251	0.253	0.254	0.255	0.251	0.251	0.252
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	0.925	0.922	0.921	0.926	0.928	0.929	0.930	0.926	0.926	0.927
Rio Grande Conservancy										
District	5.365	5.140	4.874	4.672	4.433	4.221	4.230	4.231	4.244	4.238
Village of Los Ranchos de Albuquerque										
Debt service	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Bernalillo County (3)										
Operating	7.875	7.900	7.971	8.139	8.137	8.189	8.138	7.864	7.769	7.505
Debt service	1.265	1.265	1.265	1.265	1.265	1.246	0.897	0.897	0.555	0.880
Open space	0.196	0.195	0.200	0.200	-	-	-	0.100	0.100	0.100
Judgment	0.009	0.009	0.010	0.011	0.012	0.013	0.013	0.013	0.014	0.015
City of Albuquerque										
Operating	6.322	6.325	6.389	6.515	6.494	6.544	6.544	6.544	6.433	6.203
Debt Service	4.976	4.976	4.976	4.976	4.976	4.976	4.976	4.976	4.976	4.976
Albuquerque Public Schools										
Operating	0.323	0.322	0.320	0.330	0.325	0.327	0.325	0.319	0.315	0.304
Debt Service	4.118	4.101	4.061	4.089	3.787	3.883	3.416	4.020	4.317	4.316
Capital Improvement	1.951	1.937	1.953	1.977	1.987	2.000	2.000	2.000	2.000	2.000
Building	3.951	3.925	3.948	3.947	3.950	3.978	3.981	3.983	3.988	3.985
School District Ed. Tech Debt	0.367	0.384	0.378	0.347	0.644	0.430				
Central NM Community College (fka TVI)										
Operating	2.845	2.825	2.830	2.860	2.871	2.882	2.848	2.770	2.717	2.632
Debt Service	1.000	1.000	1.000	0.550	0.550	0.550	0.550	0.550	0.550	0.550
Hospitals	6.400	6.405	6.247	6.360	6.357	6.400	6.400	6.400	6.400	6.400
Village of Tijeras										
Operating	1.322	1.350	1.327	1.305	1.316	1.316	1.315	1.310	1.316	1.271
Rio Rancho										
Operating	7.650	7.650	7.650	7.187	6.411	5.725	5.159	4.438	3.447	3.084
Debt Service	2.768	2.051	2.016	1.848	1.881	1.789	1.617	1.645	2.060	2.067
State of New Mexico	1.360	1.360	1.360	1.360	1.360	1.360	1.360	1.362	1.530	1.150
Note - When there are separate residential and non-residential rates, the direct rate is a combined proportion of the rates and not the actual mill levy rate										
(1) County is no longer required to attach special district's schedules to the abstract-info is not available for property tax vallues.										
(2) The Open Space mill levy was expired for fiscal years 2013, 2014, and 2015.										
(3) All portions of the City of Rio Rancho that are in the AMAFCA Jurisdiction are undeveloped.										
Source: County Assessor's Office, County Treasurer's Office and State Department of Finance and Administration										



Before and after views of the Black Mesa Facility's Dominican Crossing

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

PRINCIPAL PROPERTY TAXPAYERS

Current Year and Ten Years Ago

June 30, 2019

Taxpayer	2019			2010		
	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	237,792,217	1	1.432%	92,642,984	1	0.625%
New Mexico Gas Company (formerly PNM - Gas Services) (1)	44,725,955	2	0.269%	41,032,422	3	0.277%
Comcast of NM Inc.	35,469,693	3	0.214%	-	-	-
Qwest Corp (fka) U.S. West Communication Inc.	32,733,555	4	0.197%	88,539,118	2	0.597%
Verizon Wireless	23,798,083	5	0.143%	21,206,069	5	0.143%
Northland Altezza LLC	20,275,859	6	0.122%	-		
VTR Lovelace Mc &Rehab LLC	19,628,346	7	0.118%	-		
Southwest Airlines	18,507,625	8	0.111%	24,936,592	4	0.168%
Presbyterian Healthcare	17,401,445	9	0.105%	-	-	
AT&T Mobility	16,121,371	10	0.097%	-	-	-
GCC Rio Grande Inc.	-	-	-	19,579,783	6	0.132%
Simon Property Group, Ltd (Cottonwood Mall)	-	-	0.000%	15,960,737	7	0.108%
Hunt Updotwn Development				15,025,331	8	0.101%
Pacifica Mesa Studios LLC	-	-	-	14,850,273	9	0.100%
Coronado Center LLC	-	-	-	14,662,580	10	0.099%
Total	\$466,454,149		2.810%	\$348,435,889		2.351%
Source: County Treasurer's Office						



State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Fiscal Years

June 30, 2019

Fiscal Year Ended June 30,	Operational Tax Levy for Fiscal Year	Debt Service Tax Levy for Fiscal Year	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
				Amount	Percentage of Levy		Amount	Percentage of Levy
2019	\$ 3,914,611	\$ 10,817,683	\$ 14,732,294	\$ 14,275,124	96.90%	\$ -	\$ 14,275,124	96.90%
2018	3,786,004	10,434,961	14,220,965	13,768,721	96.82%	268,026	14,036,747	98.70%
2017	3,719,996	10,099,783	13,819,779	13,384,425	96.85%	367,078	13,751,503	99.51%
2016	3,668,745	9,774,080	13,442,825	13,012,483	96.80%	390,566	13,403,049	99.70%
2015	3,629,814	9,601,007	13,230,821	12,777,699	96.58%	423,891	13,201,590	99.78%
2014	3,583,263	9,381,191	12,964,454	12,525,108	96.61%	414,534	12,939,642	99.81%
2013	3,548,623	9,295,686	12,844,309	12,380,769	96.39%	440,023	12,820,792	99.82%
2012	3,469,730	9,200,038	12,669,768	12,176,642	96.11%	471,877	12,648,519	99.83%
2011	3,456,560	9,166,116	12,622,676	12,072,834	95.64%	520,213	12,593,047	99.77%
2010	3,586,958	9,446,644	13,033,602	12,306,293	94.42%	698,176	13,004,469	99.78%

The levies are requested by the County Commission and set by the Department of Finance and Administration, State of New Mexico
The County Treasurer levies and collects the taxes and distributes to all taxing jurisdictions.
Source: County Treasurer's Office



State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

LEGAL DEBT MARGIN INFORMATION

Last Ten Fiscal Years

June 30, 2019

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Debt Limit	\$ 80,000,000	\$ 80,000,000	\$ 80,000,000	\$ 80,000,000
Total net debt applicable to limit (1)	57,095,000	54,625,000	54,250,000	51,050,000
Legal debt margin	<u>\$ 22,905,000</u>	<u>\$ 25,375,000</u>	<u>\$ 25,750,000</u>	<u>\$ 28,950,000</u>
Total net debt applicable to the limit as a percentage of debt limit	71.37%	68.28%	67.81%	63.81%

Note: The calculation excludes premium as the legal margin requirements does not include any premium or discounts.

This accounts for the difference between the Financial Statements and this schedule.



State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

LEGAL DEBT MARGIN INFORMATION

Last Ten Fiscal Years

June 30, 2019

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ 80,000,000	\$ 80,000,000	\$ 80,000,000	\$ 80,000,000	\$ 80,000,000	\$ 80,000,000
47,225,000	43,125,000	39,600,000	37,375,000	35,475,000	33,825,000
<u>\$ 32,775,000</u>	<u>\$ 36,875,000</u>	<u>\$ 40,400,000</u>	<u>\$ 42,625,000</u>	<u>\$ 44,525,000</u>	<u>\$ 46,175,000</u>
59.03%	53.91%	49.50%	46.72%	44.34%	42.28%



The new spillway at Louisiana & Gibson has a familiar look

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

June 30, 2019

Fiscal Year	General Obligation Bonds (1)	Less: Amounts Available in Debt Service Fund	Total	Percentage of Personal Income (2)	Percentage of	Per Capita (4)	Personal Income (amounts expressed in thousands)(2)
					Estimated Actual Taxable Value (3) of Property		
2019	\$ 60,701,080	\$ 11,251,836	\$ 49,449,244	0.22%	0.32%	89.67	27,724,780
2018	57,982,888	11,252,174	46,730,714	0.21%	0.32%	85.68	27,724,780
2017	57,256,442	13,546,456	43,709,986	0.21%	0.32%	84.60	27,724,780
2016	53,259,715	12,717,115	40,542,600	0.19%	0.31%	78.83	27,724,780
2015	48,992,726	11,813,184	37,179,542	0.18%	0.29%	72.68	26,831,876
2014	44,425,021	10,861,392	33,563,629	0.17%	0.27%	65.92	25,675,666
2013	40,901,451	10,779,942	30,121,509	0.17%	0.25%	60.69	24,223,839
2012	38,455,348	9,798,482	28,656,866	0.16%	0.23%	57.20	24,689,486
2011	36,250,816	9,242,051	27,008,765	0.15%	0.22%	54.16	24,600,106
2010	34,515,950	9,298,602	25,217,348	0.15%	0.21%	51.98	23,366,125

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

Sources:

- 1) Presented net of original issuance discounts and premiums
- 2) US Census Bureau for Bernalillo County, 2018 and 2017 amounts are unavailable so 2016 were used and can be found in the Schedule of Demographic and Economic Statistics
- 3) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data.
- 4) Population data can be found in the Schedule of Demographic and Economic Statistics
- 5) The Authority only has general obligation bonds, no business type activities, and no component units.

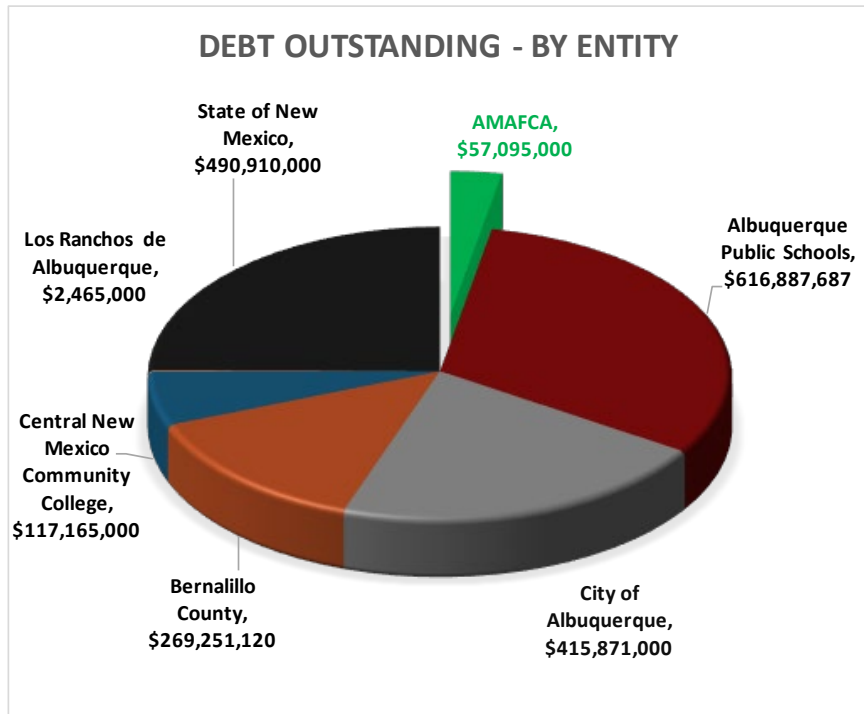
State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT AS OF JUNE 30, 2019

June 30, 2019

				Debt Outstanding	Applicable to AMAFCA	AMAFCA Share of Debt
AMAFCA				\$57,095,000 (1)	100.00%	\$ 57,095,000
Albuquerque Public Schools				616,887,687	100.55%	620,288,727
City of Albuquerque				415,871,000	100.00%	415,871,000
Bernalillo County				269,251,120	102.21%	275,190,534
Central New Mexico Community College				117,165,000	89.50%	104,867,085
Los Ranchos de Albuquerque				2,465,000	100.00%	2,465,000
State of New Mexico				490,910,000	28.00%	137,442,290
						<u>1,556,124,635</u>
						<u>\$ 1,613,219,635</u>
Ratios:						
AMAFCA direct debt to						
assessed valuation						0.36%
Total direct and overlapping debt to						
assessed valuation						10.12%
AMAFCA direct debt to						
actual valuation						0.11%
Total direct and overlapping debt to						
actual valuation						3.13%
AMAFCA debt per capita						\$ 84.12
Direct and overlapping debt per capita						\$ 2,376.92
Source: Debt outstanding data provided by each governmental unit.						
(1) Presented net of original issuance discounts and premiums						
Method: Percentage of overlap is calculated using most current assessed property valuation						
and comparing the respective entity to the Authority.						

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT AS OF JUNE 30, 2019

June 30, 2019



State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Fiscal Years

June 30, 2019

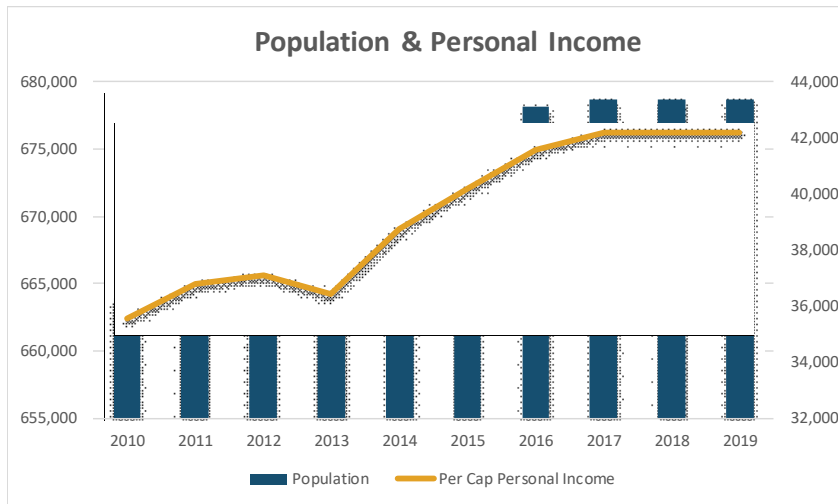
				Personal Income		Per Capita		
	Fiscal			(amounts expressed in thousands) (2)		Personal Income (2)		Unemployment Rate (2)
	Year	Population (1)						
	2019	678,701		NA		NA		NA
	2018	678,701		NA		NA		5.1%
	2017	678,686		28,631,048		42,186		5.0%
	2016	678,165		28,197,423		41,579		5.8%
	2015	676,678		27,209,899		40,211		6.5%
	2014	676,229		26,199,140		38,743		6.6%
	2013	676,497		24,646,815		36,433		7.0%
	2012	673,697		24,982,032		37,082		7.2%
	2011	670,278		24,660,868		36,792		7.5%
	2010	663,948		23,597,376		35,541		7.7%
Education (3)			Percent		School Enrollment (4)			
	Persons age 25 and Over	458,214	100.0%			Elementary School		34,517
	Less than 9th grade	22,452	4.9%			Mid-High Schools		34,464
	9th-12th grade, no diplomas	30,700	6.7%			High Schools		35,621
	High School Graduates	106,306	23.2%			Private and parochial schools		13,030
	Some college, no degree	109,009	23.8%			Technical-vocational Institute		24,480
	Bachelor degree	84,311	18.4%			University of New Mexico		24,393
	Graduate or professional degree	69,190	15.1%					
	Percentage completed high school		88.1%					
	Percentage completed 4 year college		32.8%					
Sources:								
	(1) US Census Bureau for Bernalillo County							
	(2) US Federal Reserve Bank of St. Louis							
	(3) National Center for Education Statistics							
	(4) New Mexico Higher Education Department							
NA	Information not available for these years							

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Fiscal Years

June 30, 2019



State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

PRINCIPAL EMPLOYERS

For the Current Year and Ten Years Ago

June 30, 2019

Employer	2019			2010		
	Employees	Rank	Percentage	Employees	Rank	Percentage
			of Total County Employment			of Total County Employment
Albuquerque Public Schools	14,000	1	4.39%	14,000	3	4.21%
Sandia National Labs	12,769	2	4.00%	7,940	4	2.39%
Kirtland Air Force Base (1)	10,009	3	3.14%	16,200	1	4.87%
City of Albuquerque	6,940	4	2.17%	5,940	8	1.79%
UNM Hospital	5,995	5	1.88%	5,950	7	1.79%
Presbyterian	5,702	6	1.79%	7,369	5	2.22%
State of New Mexico	4,950	7	1.55%	5,910	9	1.78%
University of New Mexico	4,210	8	1.32%	4,300	2	1.29%
Lovelace (formerly Lovelace Sandia Health System)	2,992	9	0.94%	7,000	6	2.11%
NM Veterans Affairs Healthcare System	2,700	10	0.85%	-	-	-
Kirtland Air Force Base (Military) (2)	-	-	-	4,188	10	1.26%
Total	70,267		22.02%	78,797		23.70%
County Quarterly Census of Employment	319,115			332,518		
Sources:						
New Mexico Department of Workforce Solutions, Albuquerque Economic Development						
Notes: (1) Kirtland's employment number includes active duty military, guard reserve, civil service and contract employees. Sandia National Laboratories employees are located at Kirtland Air Force Base, but employment number is shown separately. For 2010, Military is segregated from Civilian.						

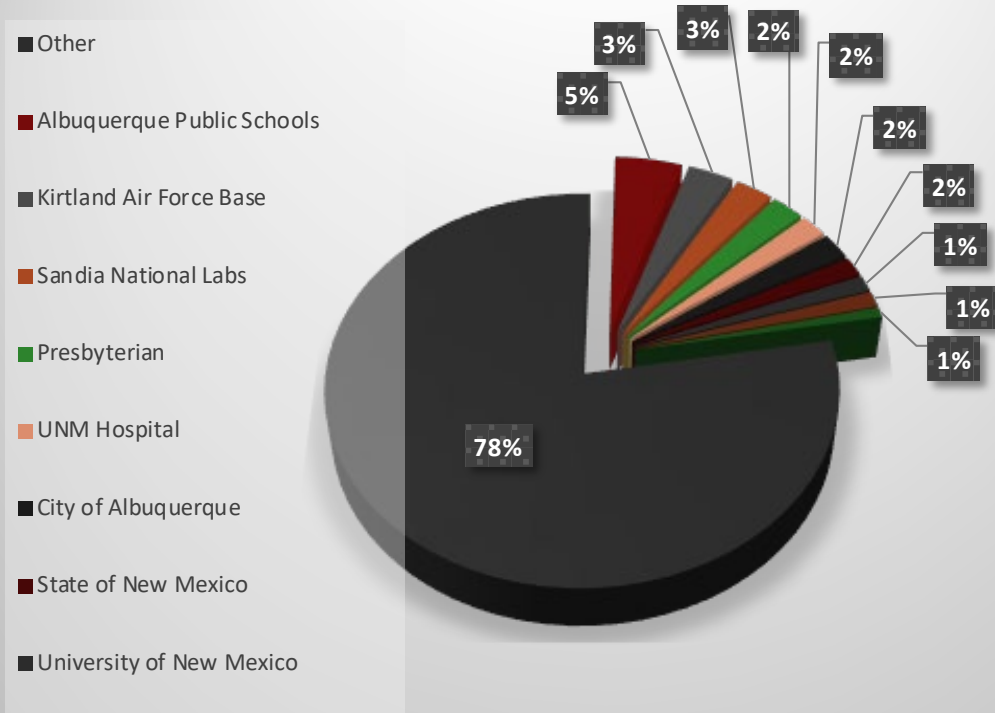
State of New Mexico
 Albuquerque Metropolitan Arroyo Flood Control Authority

PRINCIPAL EMPLOYERS

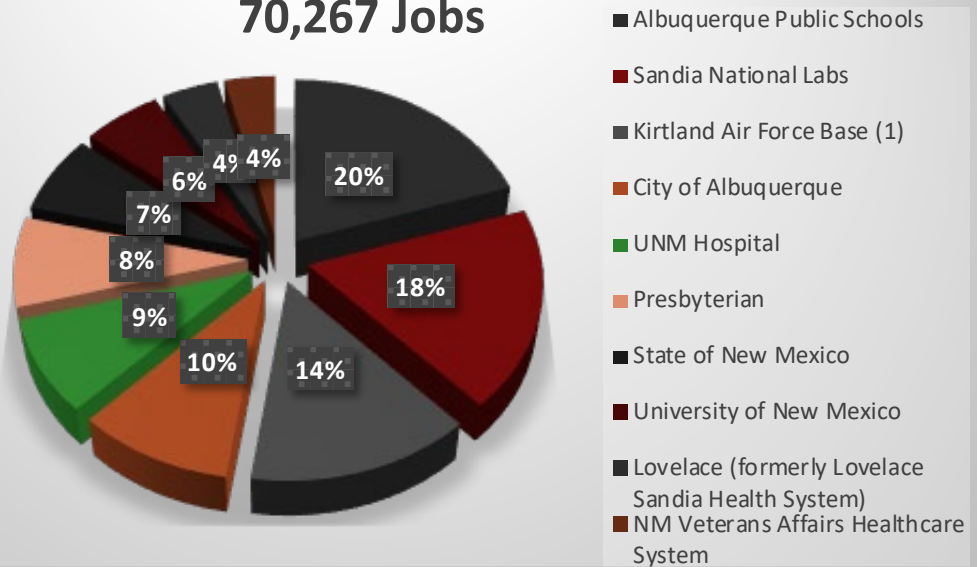
For the Current Year and Ten Years Ago

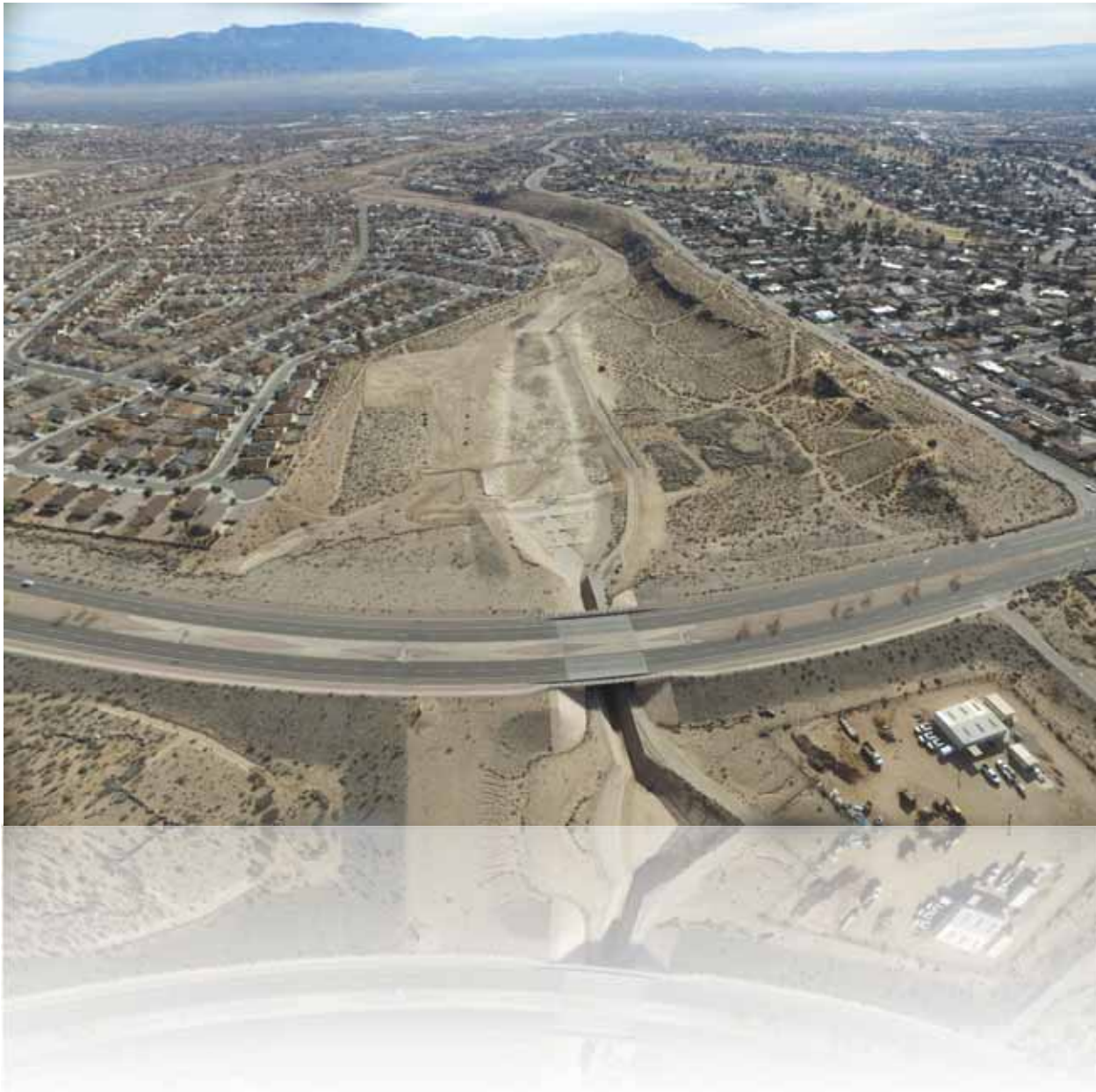
June 30, 2019

2019 Albuquerque Employers



2019 Albuquerque Top 10 Employers:
 70,267 Jobs





*Looking downstream the Calabacillas Arroyo past
Grade Control Structure 1a1*

State of New Mexico
 Albuquerque Metropolitan Arroyo Flood Control Authority
FULL-TIME EQUIVALENT AMAFCA EMPLOYEES BY FUNCTION

Last Ten Fiscal Years

June 30, 2019

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Function										
General & Administrative	5	5	5	5	6	5	5	5	5	5
Planning & Engineering	6	5	6	5	5	5	5	5	5	5
Maintenance	12	12	12	12	12	12	12	12	12	12
	<u>23</u>	<u>22</u>	<u>23</u>	<u>22</u>	<u>23</u>	<u>22</u>	<u>22</u>	<u>22</u>	<u>22</u>	<u>22</u>
Note 1	In December 2018, AMAFCA created the Engineer I position and hired an Engineer in January 2019.									
Note 2	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 3	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, 2019

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Finance				
General Operating Checks	753	729	771	773
Checks for Bond related Expenditures	200	186	182	198
Purchasing				
Number of RFPs and Bids Issued (1)	12 (2)	5 (2)	17	9
Number of On-Call Engineering Task Orders (1)	34 (2)	44	64	47
Flood Control & Infrastructure				
Number of Citizen reported deficiencies (1) (3)	0 (2)	0	5	1
Number of Dams & Ponds	76	71	69	69
Miles of Unlined Arroyos	38.7	39.2	40.2	40.2
Miles of Lined Arroyos	37.8	37.7	36.8	36.7
Miles of Pipe	12.2	11.4	11.4	11.3
Acres/sqr ft of maintained real property	2,378	2,375	2,236	2,236
Vehicle Miles Driven	145,739	126,082	131,178	154,347
Equipment Hours Incurred	3,174	4,878	3,120	2,529
Water Quality				
Number of Water Quality Structures	131	131	131	127
Cubic Yards of Sediment Removal (1)(4)	15,859	105,778	50,728	14,444
Cubic Yards of Trash/Debris Removal (1)(4)	1,282	1,612	1,705	822
Planning & Engineering				
LOMRs Completed (1)	-	-	3	1
Development Reviews				
CPC	31	35	71	44
EPC	32	34	59	55
DRB	64	45	60	47
PWDN	60	45	61	48
Grading Plan Approvals (1)	-	-	-	-
Annual Rainfall (1)				
Annual - @ Albuquerque Support	6.48 (2)	8.72	7.67	6.68
Monsoon Season (July - September)	2.83	4.00	4.54	3.04
North Diversion Channel Peak Discharge (cfs)	3,130	7,190	4,620	5,660
Rio Grande River Peak Flow Rate (cfs)	5,720	2,800	5,660	3,950
(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.				
(5) The Authority began tracking development reviews differently in 2015, no prior data				

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

OPERATING INDICATORS BY FUNCTION

Last Ten Fiscal Years

June 30, 2019

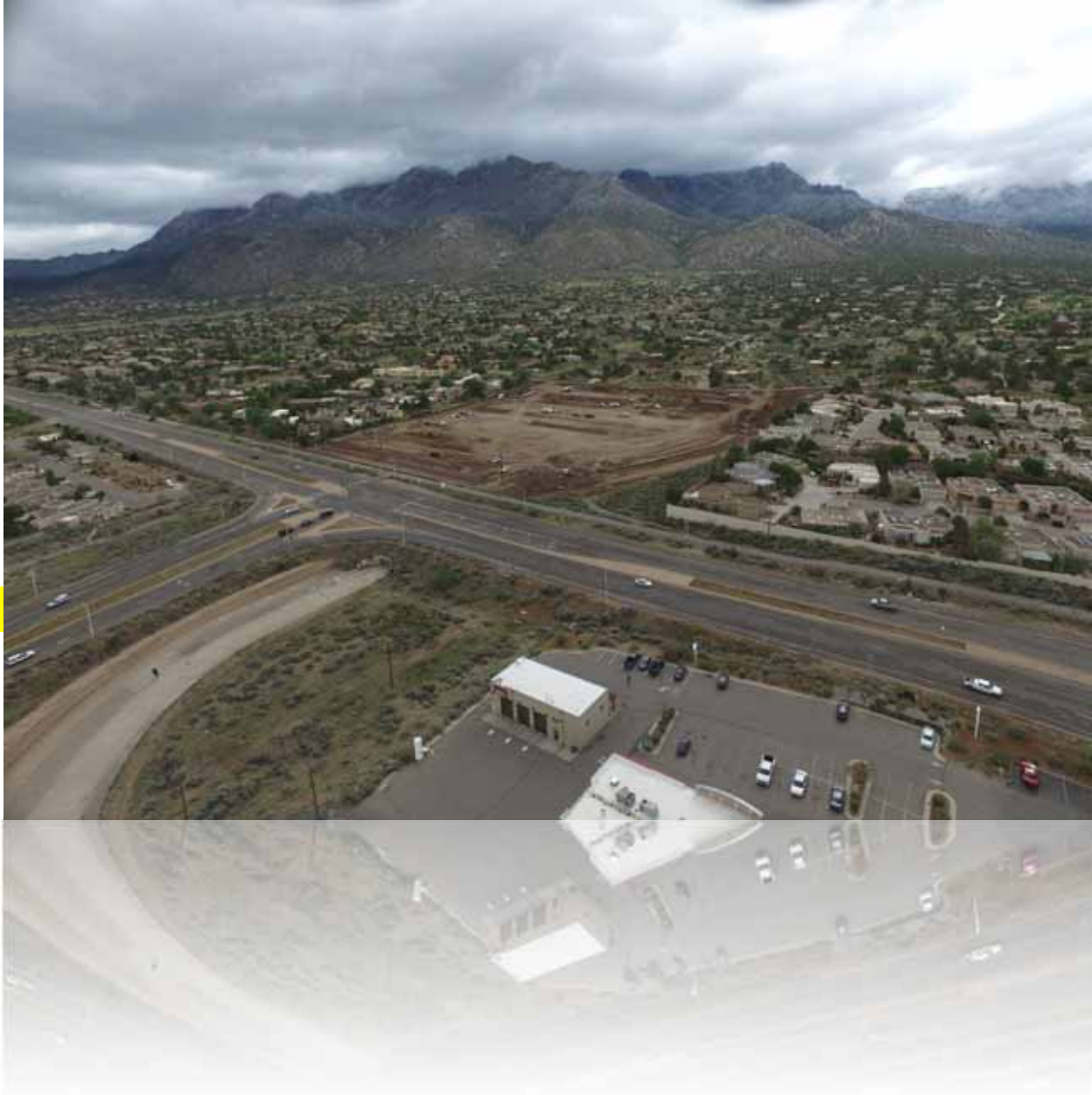
<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
867	812	821	782	851	867
226	218	200	153	208	231
26	17	20	11	13	13
66	61	47	57	10	37
31	21	20	8	7	21
69	67	66	65	63	59
40.1	40.1	31.8	31.6	30.2	30.2
36.7	36.7	36.7	36.7	36.5	35.8
11.2	11.0	10.4	10.2	10.0	9.9
2,236	2,204	2,204	2,185	2,173	2,158
141,143	148,836	168,048	158,029	118,817	138,787
3,360	2,368	2,993	3,275	2,553	3,261
126	118	112	112	104	98
34,976	30,000	55,700	27,700	16,600	82,945
2,399	3,025	15,000	1,498	280	814
1	2	7	3	4	1
37	-	-	-	-	-
43	-	-	-	-	-
41	-	-	-	-	-
56	-	-	-	-	-
-	56	79	68	55	76
11	9	9	5	5	9
5	6	7	3	2	6
4,000	4,530	8,340	4,510	2,000	5,370
3,070	3,770	4,350	2,510	1,490	5,410



Black Dam water quality structure



STATE COMPLIANCE



Winter storm clouds gather around the Sandia Mountains

State of New Mexico
 Albuquerque Metropolitan Arroyo Flood Control Authority
SCHEDULE OF INVESTMENTS, DEPOSITS, AND PLEDGED COLLATERAL
 Last Ten Fiscal Years
 June 30, 2019

New Mexico State Treasurer, Santa Fe, NM - Investments:	
Local Government Investment Pool	<u>\$ 55,127,753</u>
Wells Fargo Bank, Albuquerque, NM - Demand Deposit Accounts:	
Depository balances as of June 30, 2019	
Checking	
General account	\$ 274,421
Construction/Capital Projects	93,945
Debt Service account	156
AMAFCA Unassigned account	29,169
Acquisitions & Savings	150,885
Storm Quality Education	124,349
Area Wide Maintenance	105
MRG Stormwater MS4 CMC	21,221
Ditch & Water Safety Task Force Fund	<u>57,288</u>
	751,539
Savings	
Area Wide Maintenance Savings	1,900,794
Ditch & Water Safety Task Force Swim Pass	<u>8,970</u>
Total depository balances	2,661,303
Less FDIC insurance coverage	<u>(500,000)</u>
Uninsured balance	<u>\$ 2,161,303</u>
Collateralization required (50%)	<u>\$ 1,080,652</u>
Freddy Mac, Interest Only Securities at market value par \$13,654,324; interest rate 4.00%; maturity date 12/1/48 CUSIP #3132VLPD3	
	\$ 13,147,531
Fanny Mae, Interest Only Securities at market value par \$3,913,320; interest rate 3.0%; maturity date 7/1/42 CUSIP #31417CLM5	
	<u>1,979,044</u>
Total collateral	<u>\$ 15,126,575</u>
Collateralization in deficit of requirement	<u>\$ -</u>

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority
JOINT POWER AGREEMENTS

June 30, 2019

The Authority has no Joint Powers Agreements.

**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

Brian S. Colón, Esq.
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, 2019, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated November 27, 2019.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Carr, Riggs & Ingram, L.L.C.

Carr, Riggs & Ingram, LLC
Albuquerque, New Mexico
November 27, 2019

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority
SCHEDULE OF FINDINGS AND RESPONSES

June 30, 2019

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 - Current Status of Prior Year Finding

None

Section III - Financial Statement Findings in accordance with GAGAS

None

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

None

State of New Mexico
Albuquerque Metropolitan Arroyo Flood Control Authority

EXIT CONFERENCE

June 30, 2019

An exit conference was held on November 25, 2019, during a closed session of a special meeting and attended by the following:

AMAFCA Board Members

Ronald D. Brown
Deborah L. Stover

Chair
Secretary/Treasurer

AMAFCA Administrative Staff

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

Executive Engineer
Finance & Administrative Manager

Carr, Riggs & Ingram, LLC Staff

Alan D. Bowers, Jr, CPA, CITP
Benjamin Martinez, CPA

Partner
Senior Manager