



Albuquerque Metropolitan Arroyo Flood Control Authority  
State of New Mexico

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**JUNE 30, 2017**  
**COMPREHENSIVE ANNUAL**  
**FINANCIAL REPORT**



State of New Mexico

Albuquerque Metropolitan  
Arroyo Flood Control Authority

COMPREHENSIVE ANNUAL  
FINANCIAL REPORT

For the Fiscal Year Ended:  
June 30, 2017

**Prepared by:**

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





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# INTRODUCTORY SECTION

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State of New Mexico  
Albuquerque Metropolitan Arroyo Flood Control Authority

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



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

Jerry M. Lovato, P.E.  
Executive Engineer



# 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](http://www.amafca.org)

November 6, 2017

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

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

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

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

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

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

## Profile of AMAFCA

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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, 2017

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

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

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

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

## Local Economy

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

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

State of New Mexico  
Albuquerque Metropolitan Arroyo Flood Control Authority

LETTER OF TRANSMITTAL

June 30, 2017

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

### Long-term financial planning and major initiatives

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

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

### Relevant financial policies

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

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

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

State of New Mexico  
Albuquerque Metropolitan Arroyo Flood Control Authority

LETTER OF TRANSMITTAL

June 30, 2017

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

## Major initiatives

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

## Awards and Acknowledgements

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

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

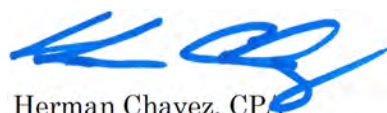
In addition, the Authority has been rated "AAA" by the nation's top two rating agencies, Standard & Poor's and Moody's, for the last 15 years. Maintaining the ratings is due to a conservative approach to financial affairs as well as demonstrating stable leadership.

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

Respectfully submitted,



Jerry M. Lovato, P.E.  
Executive Engineer



Herman Chavez, 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, 2016**

Executive Director/CEO



State of New Mexico  
Albuquerque Metropolitan Arroyo Flood Control Authority

OFFICIAL ROSTER

June 30, 2017

## Board Members

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

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

## Administrative Staff

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

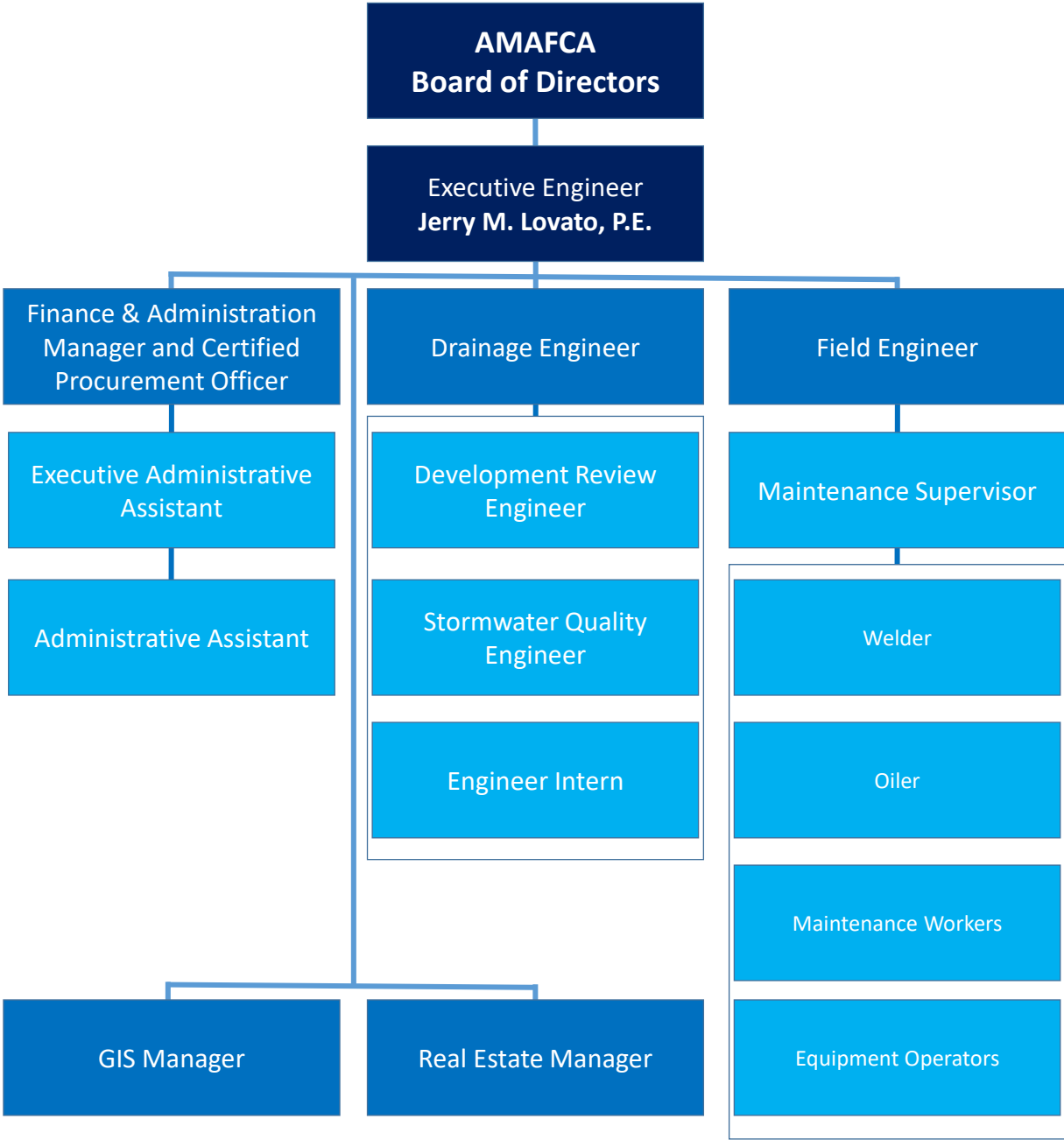
Executive Engineer  
Finance & Administration Manager



State of New Mexico  
Albuquerque Metropolitan Arroyo Flood Control Authority

ORGANIZATIONAL CHART

June 30, 2017







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# FINANCIAL SECTION

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

## INDEPENDENT AUDITORS' REPORT

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

### Report on Financial Statements

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

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

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

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

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

## Opinions

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

## Other Matters

### *Required Supplementary Information*

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

### *Other Information*

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

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

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

**Other Reporting Required by *Government Auditing Standards***

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

RPC CPAs + Consultants LLP

RPC CPAs + Consultants, LLP  
Albuquerque, New Mexico  
November 6, 2017

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



*Modeled at the UNM Hydraulics Lab and then implemented near I-40 and 98<sup>th</sup> Street, this volcano ‘erupts’ with stormwater to increase the oxygen content before water flows to the river*

State of New Mexico  
Albuquerque Metropolitan Arroyo Flood Control Authority

MANAGEMENT'S DISCUSSION & ANALYSIS (UNAUDITED)

Required Supplementary Information

June 30, 2017

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

### Authority's Mission

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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

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**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)**

Required Supplementary Information

June 30, 2017

## Financial Highlights

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

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

## Overview of Financial Statements

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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,



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

Required Supplementary Information

June 30, 2017

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

The fund financial statements are designed to report information about groupings of related accounts that are used to maintain control over resources that have been 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 agency funds. Since the resources of these funds are not available to support the Authority, they are not reflected in the government-wide financial statements.

State of New Mexico  
Albuquerque Metropolitan Arroyo Flood Control Authority

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

Required Supplementary Information

June 30, 2017

*The Authority as a whole:*

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

Table A-1  
The Authority's Net Position

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

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

Required Supplementary Information

June 30, 2017

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

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

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

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

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

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

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

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

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

State of New Mexico  
Albuquerque Metropolitan Arroyo Flood Control Authority

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

Required Supplementary Information

June 30, 2017

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

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

State of New Mexico  
Albuquerque Metropolitan Arroyo Flood Control Authority

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

Required Supplementary Information

June 30, 2017

## Budgetary Performance

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### General Operating Fund Budget

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

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

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

## Capital Assets – Debt Administration

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### Capital Assets

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

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

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

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

State of New Mexico  
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**MANAGEMENT'S DISCUSSION & ANALYSIS (UNAUDITED)**

Required Supplementary Information

June 30, 2017

*Boca Negra Dam (\$5.9M)*

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

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

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

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

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

### **Debt Administration**

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

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

State of New Mexico  
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**MANAGEMENT'S DISCUSSION & ANALYSIS (UNAUDITED)**

Required Supplementary Information

June 30, 2017

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

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

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

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

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

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

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

## **Contacting the Authority's Financial Management**

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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](http://www.amafca.org)

State of New Mexico  
Albuquerque Metropolitan Arroyo Flood Control Authority

**FINANCIAL STATEMENTS**

Government-Wide Statement of Net Position

June 30, 2017

**ASSETS**

	<u>Governmental Activities</u>
<b>CURRENT ASSETS</b>	
Cash and cash equivalents	\$ 371,881
Investments	51,410,693
Property tax receivables, net of allowance	<u>812,952</u>
Total current assets	<u>52,595,526</u>
<b>CAPITAL ASSETS</b>	
Capital assets not being depreciated	60,872,655
Capital assets being depreciated, net	<u>174,593,308</u>
Total capital assets	<u>235,465,963</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows related to pension activity	<u>1,011,300</u>
Total assets and deferred outflows of resources	<u>\$ 289,072,789</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, 2017

**LIABILITIES AND NET POSITION**

**LIABILITIES**

Current liabilities

Accounts payable	\$ 1,319,376
Accrued payroll and taxes	129,318
Other liabilities	25,200
Compensated absences payable, current portion	61,847
Bonds payable, current portion	12,657,112
Accrued interest payable	<u>565,470</u>

Total current liabilities 14,758,323

Noncurrent liabilities

Compensated absences payable - expected to be paid after one year	98,196
Bonds payable, net of current portion	44,599,330
Net pension liability	<u>2,645,732</u>

Total noncurrent liabilities 47,343,258

Total liabilities 62,101,581

**DEFERRED INFLOWS OF RESOURCES**

Deferred inflows related to pension activity	<u>26,261</u>
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**NET POSITION**

Net investment in capital assets	195,818,843
Restricted	
Debt service	13,779,513
Capital projects	2,113,026
Unrestricted	<u>15,233,565</u>

Total net position 226,944,947

Total liabilities, deferred inflows, and net position \$ 289,072,789

*\*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, 2017

	Expenses	Program Revenues Capital Contributions and Revenue from Jointly Funded Projects	Net (Expense) Revenue and Changes in Net Position
Governmental activities			
Flood control	\$ (4,480,695)	\$ -	\$ (4,480,695)
General government	(1,616,442)	-	(1,616,442)
Planning, engineering, research and development	(995,714)	-	(995,714)
Noncapitalized project costs	(3,455,378)	9,452,452	5,997,074
Long-term debt, interest and fees	(840,647)	-	(840,647)
	<u>\$ (11,388,876)</u>	<u>\$ 9,452,452</u>	<u>(1,936,424)</u>
General revenues			
Property taxes			13,691,862
Investment			190,102
Other			55,762
			<u>13,937,726</u>
Changes in net position			12,001,302
Net position, beginning of year			<u>214,943,645</u>
Net position, end of year			<u>\$ 226,944,947</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, 2017

**ASSETS**

	General Fund	Debt Service Fund	Capital Projects Fund	Acquisitions & Savings Fund	Building & Yard Improvement Fund	Total Governmental Funds
<b>ASSETS</b>						
Petty cash	\$ 200	\$ -	\$ -	\$ -	\$ -	\$ 200
Cash in bank	243,319	100,126	28,236	-	-	371,681
Investments	8,528,606	13,446,330	29,127,236	308,521	-	51,410,693
Property taxes (net) & other receivables	249,433	563,519	-	-	-	812,952
	<u>9,021,558</u>	<u>14,109,975</u>	<u>29,155,472</u>	<u>308,521</u>	<u>-</u>	<u>52,595,526</u>
Total assets	<u>\$ 9,021,558</u>	<u>\$ 14,109,975</u>	<u>\$ 29,155,472</u>	<u>\$ 308,521</u>	<u>\$ -</u>	<u>\$ 52,595,526</u>

**LIABILITIES AND FUND BALANCES**

<b>LIABILITIES</b>						
Accounts payable	\$ 142,939	\$ -	\$ 1,176,437	\$ -	\$ -	\$ 1,319,376
Accrued payroll and taxes	129,318	-	-	-	-	129,318
Other liabilities	200	-	25,000	-	-	25,200
	<u>272,457</u>	<u>-</u>	<u>1,201,437</u>	<u>-</u>	<u>-</u>	<u>1,473,894</u>
Total liabilities	272,457	-	1,201,437	-	-	1,473,894
Deferred Inflows	<u>159,051</u>	<u>330,462</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>489,513</u>
Total liabilities and deferred inflows	431,508	330,462	1,201,437	-	-	1,963,407
<b>FUND BALANCES</b>						
Restricted						
Flood control construction and maintenance	2,332,980	-	-	-	-	2,332,980
Debt service	-	13,779,513	-	-	-	13,779,513
Capital projects	-	-	27,954,035	-	-	27,954,035
Committed						
Subsequent year's expenditures	1,085,893	-	-	-	-	1,085,893
Contingencies	5,042,407	-	-	-	-	5,042,407
Building and improvements	-	-	-	308,521	-	308,521
Unassigned						
General	<u>128,770</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>128,770</u>
Total fund balances	<u>8,590,050</u>	<u>13,779,513</u>	<u>27,954,035</u>	<u>308,521</u>	<u>-</u>	<u>50,632,119</u>
Total liabilities and fund balances	<u>\$ 9,021,558</u>	<u>\$ 14,109,975</u>	<u>\$ 29,155,472</u>	<u>\$ 308,521</u>	<u>\$ -</u>	<u>\$ 52,595,526</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 Balance Sheet to the Statement of Net Position – Governmental Activities

June 30, 2017

Total fund balance - governmental funds		\$ 50,632,119
Amounts reported for governmental activities in the statement of net position are different because:		
Delinquent property taxes receivable net of allowance for doubtful accounts are not considered available financial resources and therefore are reported as deferred inflows in fund financial statements.		489,513
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental fund balance sheet. These assets consist of:		
Total capital assets	\$ 295,516,899	
Less accumulated depreciation	<u>(60,050,936)</u>	
Total capital assets, net of depreciation		235,465,963
The net pension liability and related items are not reported in the funds, the following are adjustments related to the net pension liability:		
Deferred outflows - related to pension activity		1,011,300
Net pension liability		(2,645,732)
Deferred Inflows - related to pension activity		(26,261)
Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds:		
Compensated absences payable		(160,043)
Accrued interest payable		(565,470)
General obligation bonds are not due and payable in the current period and, therefore, are not reported in the funds. Bond premium costs are amortized for governmental activities, but are a current other financing source in fund financial statements		
General obligation bonds	(54,250,000)	
Total bond premium	(4,607,878)	
Less accumulated amortization	<u>1,601,436</u>	
Total general obligation bonds, net of premiums and related accumulated amortization		<u>(57,256,442)</u>
Net position of governmental activities (Statement of Net Position)		<u>\$ 226,944,947</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, 2017

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

*\*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, 2017

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

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

State of New Mexico  
Albuquerque Metropolitan Arroyo Flood Control Authority

FINANCIAL STATEMENTS

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

For Fiscal Year Ended June 30, 2017

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

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

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Albuquerque Metropolitan Arroyo Flood Control Authority

**FINANCIAL STATEMENTS**

Statement of Fiduciary Assets and Liabilities – All Agency Funds

June 30, 2017

**ASSETS**

Cash in bank and savings	<u>\$ 1,414,182</u>
Total assets	<u><u>\$ 1,414,182</u></u>

**LIABILITIES**

Funds held for others	<u><u>\$ 1,414,182</u></u>
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*\*The accompanying notes are an integral part of these financial statements.*



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NOTES TO FINANCIAL STATEMENTS

June 30, 2017

**NOTE A – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**1. Function and Definition of Entity**

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

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

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

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

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

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

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June 30, 2017

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

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

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

## 2. Basic Financial Statements

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

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

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June 30, 2017

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

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

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

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

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

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

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

### 3. Basis of Presentation

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

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

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

**GOVERNMENTAL FUND TYPES**

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

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

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

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

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

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

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

**NON-CURRENT GOVERNMENTAL ASSETS/LIABILITIES**

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

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#### 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, transfers may be made between line items with the approval of the Authority's Board. Transfers between funds and any increase in the original budget, in addition to approval by the Authority's Board, must be presented to the Local Government Division of the New Mexico Department of Finance and Administration for their approval. The original budget, approved by the Authority's Board and the Local Government Division, may be subsequently amended if approved by the Authority's Board and the Local Government Division. Actual expenditures for each budget may not legally exceed the appropriations in total, including budgeted beginning cash balances. The Authority's budget for the fiscal year ended June 30, 2017 was properly approved by the Authority's Board and by the Local Government Division. It was subsequently amended.

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**6. Investments**

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

**7. Compensated Absences**

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

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

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

	June 30, 2016	Additions	Deletions	June 30, 2017	Due Within One Year
Compensated absences payable	\$ 150,071	\$ 98,166	\$ 88,194	\$ 160,043	\$ 61,847

**8. Capital Assets**

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

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

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

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

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

#### 9. Revenues and Expenditures

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

#### 10. Net Position

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

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

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

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

#### 11. Fund Balance

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

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

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

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

## 12. Use of Estimates

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



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**13. Deferred Inflows**

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

Delinquent property taxes	<u>\$ 489,513</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, on the economic resources measurement focus and accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**15. Noncash Capital Contributions**

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

**16. Subsequent Events**

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

State of New Mexico  
Albuquerque Metropolitan Arroyo Flood Control Authority

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2017

**NOTE B – CASH AND INVESTMENTS**

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

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

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

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

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

Cash balances per depository at June 30, 2017:

Checking and unassigned accounts	\$	348,136
Construction / Capital Projects		74,059
Debt Service Account		100,126
Storm Quality Education		109,135
Ditch & Water Safety Task Force		88,531
Mid Rio Grande MS4 CMC		68,949
Area Wide Maintenance		257
Area Wide Maintenance Savings		<u>1,147,309</u>
Total deposits		1,936,502
Less outstanding checks and adjustments, all accounts		(150,639)
Less agency funds - cash and savings accounts		<u>(1,414,182)</u>
Total cash per governmental fund financial statements		<u>371,681</u>
Petty Cash		<u>200</u>
Net carrying value at June 30, 2017	\$	<u><u>371,881</u></u>

Shown as:

General Fund	\$	243,319
Debt Service Fund		100,126
Capital Projects Fund		28,236
Acquisitions & Savings Fund		<u>-</u>
Total cash per governmental fund financial statements		<u>371,681</u>
Petty Cash		<u>200</u>
Total cash per government-wide financial statements	\$	<u><u>371,881</u></u>

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

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

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

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

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

**June 30, 2017**

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

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

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

General Fund	\$ 8,528,606
Debt Service Fund	13,446,330
Capital Projects Fund	29,127,236
Acquisitions & Savings Fund	<u>308,521</u>
 Total governmental funds	 <u>\$ 51,410,693</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](http://www.nmsto.gov).

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NOTES TO FINANCIAL STATEMENTS

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**NOTE C – PROPERTY TAXES AND PROPERTY TAX RECEIVABLES**

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

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

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

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

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

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

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June 30, 2017

**NOTE D – CHANGES IN CAPITAL ASSETS**

A summary of changes in capital assets follows:

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

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

Depreciation was charged as follows to these functions:

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

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June 30, 2017

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

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

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



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

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

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

Transfers to Capital Assets	\$ 14,435,306
Add cooperative project contributions	<u>8,859,639</u>
 2017 project additions	 <u>\$23,294,945</u>
 Land	 \$ 342,115
Stormwater quality equipment	27,656
Utility relocations	
Dams, channels and other improvements	<u>22,925,174</u>
 2017 project additions	 <u>\$23,294,945</u>

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

**NOTE E – GENERAL OBLIGATION BONDS PAYABLE & PREMIUMS**

The change in general obligation bonds payable is as follows:

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

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

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

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

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Series 2010

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

Year ended June 30,	Annual Requirements		
	Principal	Interest	Total
2018	\$ 2,275,000	\$ 24,172	\$ 2,299,172
	<u>\$ 2,275,000</u>	<u>\$ 24,172</u>	<u>\$ 2,299,172</u>

Series 2011

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

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

Series 2012

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

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

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Series 2014

Original amount: \$12,500,000

Interest rate - 2.0% to 3.0%

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

Series 2015

Original amount: \$12,500,000

Interest rate - 2.0% to 3.0%

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

Series 2016

Original amount: \$12,500,000

Interest rate - 2.0% to 4.0%

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

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Series 2017

Original amount: \$12,500,000

Interest rate - 2.0% to 4.0%

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

Total All Series

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

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

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**NOTE F – PUBLIC EMPLOYEES' RETIREMENT PLAN**

Plan description. The Public Employees Retirement Fund (PERA Fund) is a cost-sharing, multiple employer defined benefit pension plan. This fund has six divisions of members, including State General, State Police/Adult Correction Officer, Municipal General, Municipal Police/Detention Officers, Municipal fire, and State Legislative Divisions, and offers 24 different types of coverage within the PERA plan. All assets accumulated may be used to pay benefits, including refunds of member contributions, to any of the plan members or beneficiaries, as defined by the terms of this plan. Certain coverage plans are only applicable to a specific division. Eligibility for membership in the PERA Fund is set forth in the Public Employees Retirement Act (Chapter 10, Article 11, NMSA 1978). Except as provided for in the Volunteer Firefighters Retirement Act (10-11A-1 to 10-11A-7, NMSA 1978), the Judicial Retirement Act (10-12B-1 to 10-12B-19, NMSA 1978), the Magistrate Retirement Act (10-12C-1 to 10-12C-18, NMSA 1978), and the Educational Retirement Act (Chapter 22, Article 11, NMSA 1978), and the provisions of Sections 29-4-1 through 29-4-11, NMSA 1978 governing the State Police Pension Fund, each employee and elected official of every affiliated public employer is required to be a member in the PERA Fund.

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

1% Decrease (6.48%)	Current Discount Rate (7.48%)	1% Increase (8.48%)
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The Authority's proportionate share of the net pension liability

\$ 3,944,550	\$ 2,645,731	\$ 1,568,426
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**Pension plan fiduciary net position.** Detailed information about the pension plan's fiduciary net position is available in the separately issued FY 16 PERA financial report. The report is available at <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.

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

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

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

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

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

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

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

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

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

**NOTE H – TRANSFERS**

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

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

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

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

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

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

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

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

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

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**NOTE J – RISK MANAGEMENT**

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

**Worker's Compensation**

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

**Property**

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

**General Liability**

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

**Auto Liability**

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

**Director's Liability Coverage – separate bond**

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

**Civil Rights**

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

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

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

### NOTE K – SIGNIFICANT ESTIMATES

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

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

### NOTE L – NEW ACCOUNTING STANDARDS IMPLEMENTATION

#### *GASB 74/75*

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

#### *GASB 84*

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



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

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**NOTE M – TAX ABATEMENTS**

The following are Industrial Revenue Bonds affecting the Authority:

Other Entities Disclosure - AMAFCA - Fiscal Year Ended June 30, 2017				
Agency number for Agency making the disclosure	5001	5001	5001	5001
Abating Agency Name	Bernalillo County	Bernalillo County	Bernalillo County	Bernalillo County
Abating Agency Type	County	County	County	County
Tax Abatement Agreement Name	Desert Willow Apartments Project	SBS Technologies, Inc. Corporate Headquarters Project	West Publishing Corporation Project	Sennheiser New Mexico LLC Project
Name of agency affected by abatement agreement (Affected Agency)	Albuquerque Metro Arroyo Flood Control Authority	Albuquerque Metro Arroyo Flood Control Authority	Albuquerque Metro Arroyo Flood Control Authority	Albuquerque Metro Arroyo Flood Control Authority
Agency number of Affected	4003	4003	4003	4003
Agency type of Affected	Special District	Special District	Special District	Special District
Recipient(s) of tax abatement	Desert Willow Limited Partnership	Brunacini Development LTD. CO.	West Publishing Corporation, Southwest Tiburon LLC	Sennheiser New Mexico LLC
Tax abatement program (name and brief description)	Multifamily Housing Refunding Revenue Bonds Series 2008), replacing Series 1998.	Taxable Industrial Revenue Bonds (Series 2004)	Taxable Industrial Revenue Bonds (Series 2004A)	Taxable Industrial Revenue Bonds (Series 2004)
Specific Tax(es) Being Abated	Real Property Tax	Real Property, Personal Property, Gross Receipts/Compensating Tax	Real Property, Personal Property, Gross Receipts/Compensating Tax	Real Property, Personal Property, Gross Receipts/Compensating Tax
Authority under which abated tax would have been paid to Affected Agency	NMSA §7-37-6	NMSA §7-37-6	NMSA §7-37-6	NMSA §7-37-6
Gross dollar amount, on an accrual basis, by which the Affected Agency's tax revenues were reduced during the reporting period as a result of the tax abatement agreement	Real Property tax : \$2,662.54	Real Property tax : \$2,752.52 Personal Property tax : \$0 Gross Receipts tax : \$0	Real Property tax : \$2,453.17 Personal Property tax : \$0 Gross Receipts tax : \$0	Real Property tax : \$0 Personal Property tax : \$0 Gross Receipts tax : \$0
For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by the Affected Agency in association with the foregone	none	none	none	none
If the Abating Agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal	N/A	N/A	N/A	N/A



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

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Other Entities Disclosure - AMAFCA - Fiscal Year Ended June 30, 2017				
Agency number for Agency making the disclosure (Abating Agency)	5001	5001	5001	5001
Abating Agency Name	Bernalillo County	Bernalillo County	Bernalillo County	Bernalillo County
Abating Agency Type	County	County	County	County
Tax Abatement Agreement Name	Vitality Works, Inc. Project	Friedman Recycling Project	Admiral Beverage Corporation Project	Silver Moon Lodge Project
Name of agency affected by abatement agreement (Affected Agency)	Albuquerque Metro Arroyo Flood Control Authority	Albuquerque Metro Arroyo Flood Control Authority	Albuquerque Metro Arroyo Flood Control Authority	Albuquerque Metro Arroyo Flood Control Authority
Agency number of Affected Agency	4003	4003	4003	4003
Agency type of Affected Agency	Special District	Special District	Special District	Special District
Recipient(s) of tax abatement	Vitality Works, Inc.	Friedman Recycling of Albuquerque, LLC	Admiral Beverage Corporation	Silver Moon Lodge LLLP
Tax abatement program (name and brief description)	Taxable Industrial Revenue Bonds (Series 2011)	Taxable Industrial Revenue Bonds (Series 2012A and 2012B and 2012C)	Taxable Industrial Revenue Bonds (Series 2012)	New Mexico Multifamily Housing Revenue Bonds (Series 2013A and 2013B)
Specific Tax(es) Being Abated	Real Property, Personal Property, Gross Receipts/Compensating Tax	Real Property, Personal Property, Gross Receipts/Compensating Tax	Real Property, Personal Property, Gross Receipts/Compensating Tax	Real Property Tax
Authority under which abated tax would have been paid to Affected Agency	NMSA §7-37-6	NMSA §7-37-6	NMSA §7-37-6	NMSA §7-37-6
Gross dollar amount, on an accrual basis, by which the Affected Agency's tax revenues were reduced during the reporting period as a result of the tax abatement agreement	Real Property tax : \$2,714.84 Personal Property tax : \$0 Gross Receipts tax : \$0	Real Property tax \$729.79 Personal Property tax : \$0 Gross Receipts tax : \$0	Real Property tax : \$7,966.43 Personal Property tax \$138.09 Gross Receipts tax : \$0	Real Property tax : \$2,370.12
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

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

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

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

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Other Entities Disclosure - AMAFCA - Fiscal Year Ended June 30, 2017				
Agency number for Agency making the disclosure (Abating Agency)	452	452	6004	6004
Abating Agency Name	New Mexico Hospital Equipment Loan Council	New Mexico Hospital Equipment Loan Council	City Of Albuquerque	City Of Albuquerque
Abating Agency Type	State Agency	State Agency	Municipal Government	Municipal Government
Tax Abatement Agreement Name	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')	General Tech IRB	El Encanto/Bueno Foods IRB
Name of agency affected by abatement agreement (Affected Agency)	Albuq. Metro Arroyo Flood Control Authority	Albuq. Metro Arroyo Flood Control Authority	AMAFCA Operating and Debt	AMAFCA Operating and Debt
Agency number of Affected Agency	4003	4003	4003	4003
Agency type of Affected Agency	Soil & Water Conservation	Soil & Water Conservation	Flood Control District	Flood Control District
Recipient(s) of tax abatement	Lovelace Health System, Inc.	Lovelace Health System, Inc.	General Tech	El Encanto/Bueno Foods
Tax abatement program (name and brief description)	New Mexico Hospital Equipment Loan Act (New Mexico Statute 58-23-29)	New Mexico Hospital Equipment Loan Act (New Mexico Statute 58-23-29)	State of New Mexico Statutes Article 32 Industrial Revenue Bonds City of Albuquerque Code of Ordinances § 3-2-15 INDUSTRIAL REVENUE BOND PROJECTS	State of New Mexico Statutes Article 32 Industrial Revenue Bonds City of Albuquerque Code of Ordinances § 3-2-15 INDUSTRIAL REVENUE BOND PROJECTS
			Ordinance Specific to Recipient O-1998-49	Ordinance Specific to Recipient O-1996-47
			Total Taxable Value of property taxes is reduced, by City ownership of property. It also allows for abatement of State Compensating Tax and Investment tax credit (ITC), on equipment purchases	Total Taxable Value of property taxes is reduced, by City ownership of property. It also allows for abatement of State Compensating Tax and Investment tax credit (ITC), on equipment purchases
Specific Tax(es) Being Abated	Property Tax	Property Tax	Property Tax	Property Tax
Authority under which abated tax would have been paid to Affected Agency	NMSA 7-38	NMSA 7-38	Article VIII state statutes property tax	Article VIII state statutes property tax
			AMAFCA	AMAFCA
Gross dollar amount, on an accrual basis, by which the Affected Agency's tax revenues were reduced during the reporting period as a result of the tax abatement agreement	Est. Property Tax = \$7,354.70	This cannot be Estimated	\$ 1,611.33	\$ 2,144.66
For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by the Affected Agency in association with the foregone tax 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

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6004	6004	6004	6004
City Of Albuquerque	City Of Albuquerque	City Of Albuquerque	City Of Albuquerque
Municipal Government	Municipal Government	Municipal Government	Municipal Government
General Mills IRB	General Tech IRB	Hotel Adaluz IRB	Hotel Parq IRB
AMAFCA Operating and Debt	AMAFCA Operating and Debt	AMAFCA Operating and Debt	AMAFCA Operating and Debt
4003	4003	4003	4003
Flood Control District	Flood Control District	Flood Control District	Flood Control District
General Mills	General Tech	Hotel Adaluz	Hotel Parq
State of New Mexico Statutes Article 32 Industrial Revenue Bonds City of Albuquerque Code of Ordinances § 3-2-15 INDUSTRIAL REVENUE BOND PROJECTS	State of New Mexico Statutes Article 32 Industrial Revenue Bonds City of Albuquerque Code of Ordinances § 3-2-15 INDUSTRIAL REVENUE BOND PROJECTS	State of New Mexico Statutes Article 32 Industrial Revenue Bonds City of Albuquerque Code of Ordinances § 3-2-15 INDUSTRIAL REVENUE BOND PROJECTS	State of New Mexico Statutes Article 32 Industrial Revenue Bonds City of Albuquerque Code of Ordinances § 3-2-15 INDUSTRIAL REVENUE BOND PROJECTS
Ordinance Specific to Recipient	Ordinance Specific to Recipient	Ordinance Specific to Recipient	Ordinance Specific to Recipient
O-2008-64	O-1998-49	O-2007-62	O-2008-61
Total Taxable Value of property taxes is reduced, by City ownership of property. It also allows for abatement of State Compensating Tax and Investment tax credit (ITC), on equipment purchases	Total Taxable Value of property taxes is reduced, by City ownership of property. It also allows for abatement of State Compensating Tax and Investment tax credit (ITC), on equipment purchases	Total Taxable Value of property taxes is reduced, by City ownership of property. It also allows for abatement of State Compensating Tax and Investment tax credit (ITC), on equipment purchases	Total Taxable Value of property taxes is reduced, by City ownership of property. It also allows for abatement of State Compensating Tax and Investment tax credit (ITC), on equipment purchases
Property Tax	Property Tax	Property Tax	Property Tax
Article VIII state statutes property tax	Article VIII state statutes property tax	Article VIII state statutes property tax	Article VIII state statutes property tax
AMAFCA	AMAFCA	AMAFCA	AMAFCA
\$ 1,994.60	\$ 1,611.33	\$ 6,019.64	\$ 4,075.49
PILOT- Payment in Lieu of taxes is a part of the agreement it is based on 4% of abatement and in 2017 was \$ 33,202	none	PILOT- Payment in Lieu of taxes is a part of the agreement it is based on 2.5% of tax abatemnt And in 2017 was \$6,177.94	PILOT- Payment in Lieu of taxes is a part of the agreement it is based on 3.5% of tax abatemnt And in 2017 was \$5,936
No information is being omitted	N/A	N/A	N/A

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<b>Other Entities Disclosure - AMAFCA - Fiscal Year Ended June 30, 2017</b>			
<b>Agency number for Agency making the disclosure (Abating Agency)</b>	6004	6004	6004
<b>Abating Agency Name</b>	City Of Albuquerque	City Of Albuquerque	City Of Albuquerque
<b>Abating Agency Type</b>	Municipal Government	Municipal Government	Municipal Government
<b>Tax Abatement Agreement Name</b>	Karsten IRB	Ktech (currently owned by Raytheon) IRB	MCT IRB
<b>Name of agency affected by abatement agreement (Affected Agency)</b>	AMAFCA Operating and Debt	AMAFCA Operating and Debt	AMAFCA Operating and Debt
<b>Agency number of Affected Agency</b>	4003	4003	4003
<b>Agency type of Affected Agency</b>	Flood Control District	Flood Control District	Flood Control District
<b>Recipient(s) of tax abatement</b>	Karsten	Ktech (currently owned by Raytheon)	MCT
<b>Tax abatement program (name and brief description)</b>	State of New Mexico Statutes Article 32 Industrial Revenue Bonds City of Albuquerque Code of Ordinances § 3-2-15 INDUSTRIAL REVENUE BOND PROJECTS	State of New Mexico Statutes Article 32 Industrial Revenue Bonds City of Albuquerque Code of Ordinances § 3-2-15 INDUSTRIAL REVENUE BOND PROJECTS	State of New Mexico Statutes Article 32 Industrial Revenue Bonds City of Albuquerque Code of Ordinances § 3-2-15 INDUSTRIAL REVENUE BOND PROJECTS
	Ordinance Specific to Recipient	Ordinance Specific to Recipient	Ordinance Specific to Recipient
	O-1997-41	Ordinance 2002-47	Ordinance 2005-110 and 108
	Total Taxable Value of property taxes is reduced, by City ownership of property. It also allows for abatement of State Compensating Tax and Investment tax credit (ITC), on equipment purchases	Total Taxable Value of property taxes is reduced, by City ownership of property. It also allows for abatement of State Compensating Tax and Investment tax credit (ITC), on equipment purchases	Total Taxable Value of property taxes is reduced, by City ownership of property. It also allows for abatement of State Compensating Tax and Investment tax credit (ITC), on equipment purchases
<b>Specific Tax(es) Being Abated</b>	Property Tax	Property Tax	Property Tax
<b>Authority under which abated tax would have been paid to Affected Agency</b>	Article VIII state statutes property tax	Article VIII state statutes property tax	Article VIII state statutes property tax
	AMAFCA	AMAFCA	AMAFCA
<b>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</b>	\$ 2,331.88	\$ 4,473.58	\$ 2,351.96
<b>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</b>	none	none	none
<b>If the Abating Agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission</b>	N/A	N/A	N/A



State of New Mexico  
Albuquerque Metropolitan Arroyo Flood Control Authority

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

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



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# REQUIRED SUPPLEMENTAL INFORMATION

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*Black Arroyo Dam Water Quality Structure during summer monsoon*

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

June 30, 2017

**Last 10 Fiscal Years\***

	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	0.04%	0.15%	0.15%
AMAFCA's proportionate share of the net pension liability	2,645,731	1,583,015	1,213,094
AMAFCA's covered-employee payroll	1,421,285	1,360,284	1,275,604
AMAFCA's proportionate share of the net pension liability as a percentage of its covered-employee payroll	186.2%	116.4%	95.1%
Plan fiduciary net position as a percentage of total pension liability	69%	77%	81%

\* 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, 2017

Last 10 Fiscal Years\*

	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	135,406	136,173	143,209
Contributions in relation to the contractually required contribution	135,406	136,173	143,209
Contribution deficiency (excess)	-	-	-
AMAFCA's covered-employee payroll	1,482,897	1,421,285	1,360,284
Contributions as a percentage of covered-employee payroll	9.1%	9.6%	10.5%

\* 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 FY16 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, 2016 report is available at: <http://www.nmpera.org/financial-overview/comprehensive-annual-financial-report>.



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# **SUPPLEMENTARY INFORMATION**

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*Calabacillas Arroyo at Coors Road, Northwest Albuquerque, 1998 improvements*



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

**For the Fiscal Year ended June 30, 2017**

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

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, 2017

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

\*\* 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, 2017

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

State of New Mexico  
 Albuquerque Metropolitan Arroyo Flood Control Authority  
**BUDGETARY COMPARISON SCHEDULES – BUDGET AND ACTUAL**  
 Acquisitions & Savings Fund

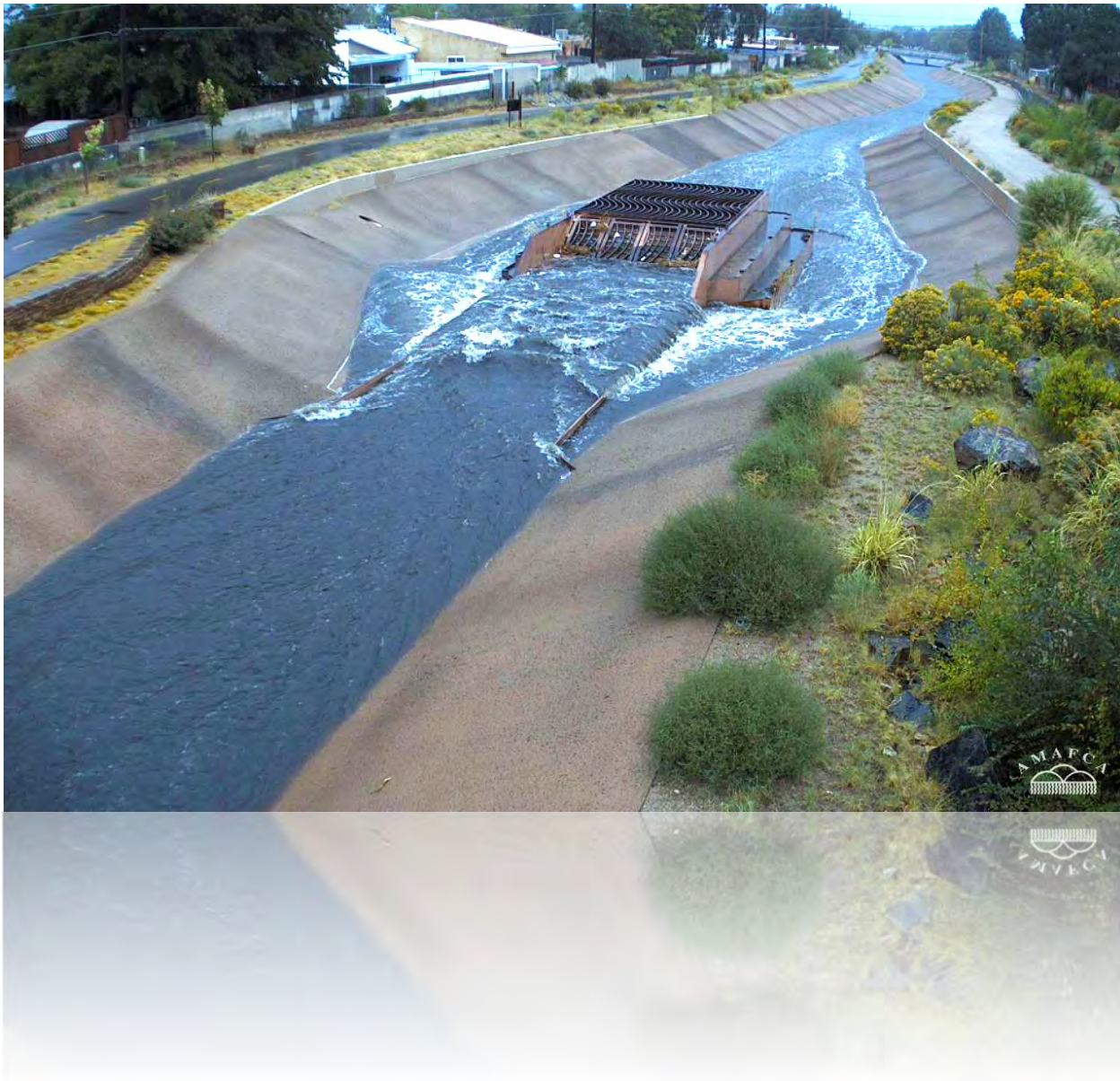
**For the Fiscal Year ended June 30, 2017**

	Budget Original	Budget Final	Actual Amount Budgetary Basis	Variance Positive (Negative)
Revenues				
Interest income	\$ -	\$ -	\$ 1,212	\$ 1,212
Total revenues	-	-	1,212	1,212
Expenditures				
Office improvements	-	-	-	-
Total expenditures	-	-	-	-
Excess of revenues over expenditures before other financing sources and uses	-	-	1,212	1,212
Other financing sources and uses				
Transfers from other funds	50,000	50,000	-	50,000
Transfers to other funds	(150,000)	(305,809)	(305,809)	-
Total other financing sources and uses	(100,000)	(255,809)	(305,809)	50,000
Net change in fund balance	<u>\$ 463,316</u>	<u>\$ (255,809)</u>	<u>\$ (304,597)</u>	<u>\$ 1,212</u>
Fund Balance, beginning of year	<u>463,316</u>	<u>463,316</u>	<u>304,597</u>	<u>158,719</u>
Fund Balance, end of year	\$ 926,632	\$ 207,507	\$ -	\$ 159,931

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# **ADDITIONAL INFORMATION: SUPPLEMENTAL SCHEDULES**

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

State of New Mexico  
Albuquerque Metropolitan Arroyo Flood Control Authority

**AGENCY FUNDS**

June 30, 2017

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

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

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

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

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

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

State of New Mexico  
Albuquerque Metropolitan Arroyo Flood Control Authority

**SCHEDULE OF ASSETS AND LIABILITIES**

Agency Funds

June 30, 2017

**ASSETS**

	Ditch & Water Safety Task Force Fund	Storm Water Quality Coordinator	Area Wide Agency	Mid Rio Grande CMC	Boca Negra Dam	Total Agency Funds
Cash in bank	\$ 83,065	\$ 109,135	\$ 1,147,567	\$ 68,949	\$ -	\$ 1,408,716
Savings	5,466	-	-	-	-	5,466
Total assets	<u>\$ 88,531</u>	<u>\$ 109,135</u>	<u>\$ 1,147,567</u>	<u>\$ 68,949</u>	<u>\$ -</u>	<u>\$ 1,414,182</u>

**LIABILITIES**

Funds held for others	<u>\$ 88,531</u>	<u>\$ 109,135</u>	<u>\$ 1,147,567</u>	<u>\$ 68,949</u>	<u>\$ -</u>	<u>\$ 1,414,182</u>
Total liabilities	<u>\$ 88,531</u>	<u>\$ 109,135</u>	<u>\$ 1,147,567</u>	<u>\$ 68,949</u>	<u>\$ -</u>	<u>\$ 1,414,182</u>



State of New Mexico  
Albuquerque Metropolitan Arroyo Flood Control Authority

SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES

All Agency Funds

For the Fiscal Year ended June 30, 2017

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



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



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# STATISTICAL SECTION

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State of New Mexico  
Albuquerque Metropolitan Arroyo Flood Control Authority

June 30, 2017

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

<b>CONTENTS</b>	<b>Page</b>
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<b>Financial Trends</b>	85 – 91
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These schedules present information to help the reader understand how the Authority's financial performance and well-being have changed over time.

<b>Revenue Capacity</b>	92 – 99
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These schedules present information to help the reader assess the Authority's most significant revenue source, the property tax

<b>Debt Capacity</b>	100 – 105
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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

<b>Demographic and Economic Information</b>	106 – 109
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These schedules offer demographic and economic indicators to help the reader understand the environment within which the Authority's financial activities take place.

<b>Operating Information</b>	111 – 113
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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, 2017

(ACCRUAL BASIS OF ACCOUNTING)

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Governmental activities			
Net investment in capital assets	\$ 195,818,843	\$ 176,226,208	\$ 174,423,162
Restricted	15,892,539	37,175,362	30,502,239
Unrestricted	15,234,484	1,542,075	4,513,789
Total governmental activities net of position	<u>\$ 226,945,866</u>	<u>\$ 214,943,645</u>	<u>\$ 209,439,190</u>

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Governmental activities			
Net investment in capital assets	\$ 177,326,784	\$ 150,275,632	\$ 144,580,212
Restricted	26,366,396	21,466,796	18,901,784
Unrestricted	2,805,452	8,681,344	8,417,573
Total governmental activities net of position	<u>\$ 206,498,632</u>	<u>\$ 180,423,772</u>	<u>\$ 171,899,569</u>

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Governmental activities			
Net investment in capital assets	\$ 137,992,865	\$ 129,335,815	\$ 126,781,820
Restricted	15,925,629	17,843,384	12,918,808
Unrestricted	8,535,442	8,393,767	8,750,587
Total governmental activities net of position	<u>\$ 162,453,936</u>	<u>\$ 155,572,966</u>	<u>\$ 148,451,215</u>

	<u>2008</u>
Governmental activities	
Net investment in capital assets	\$ 112,324,319
Restricted	10,939,476
Unrestricted	8,354,401
Total governmental activities net of position	<u>\$ 131,618,196</u>

State of New Mexico  
Albuquerque Metropolitan Arroyo Flood Control Authority

**CHANGES IN NET POSITION**

Last Ten Years

June 30, 2017

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

State of New Mexico  
Albuquerque Metropolitan Arroyo Flood Control Authority

**CHANGES IN NET POSITION**

Last Ten Years

June 30, 2017

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

State of New Mexico  
Albuquerque Metropolitan Arroyo Flood Control Authority

**FUND BALANCES OF GOVERNMENTAL FUNDS**

Last Ten Years

June 30, 2017

(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
General Fund				
Post GASB 54				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	2,333,899	2,468,364	4,880,067	5,050,383
Committed	6,128,300	6,126,497	3,900,000	3,900,000
Assigned	-	-	-	-
Unassigned	128,770	113,135	44,107	69,291
Pre GASB 54				
Reserved	-	-	-	-
Unreserved - designated	-	-	-	-
Unreserved - undesignated	-	-	-	-
Total general fund	<u>\$ 8,590,969</u>	<u>\$ 8,707,996</u>	<u>\$ 8,824,174</u>	<u>\$ 9,019,674</u>
All other governmental funds				
Post GASB 54				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	41,733,548	37,175,362	30,502,239	26,730,103
Committed	308,521	304,597	463,316	362,848
Assigned	-	-	-	-
Unassigned	-	-	-	-
Pre GASB 54				
Reserved	-	-	-	-
Unreserved - designated	-	-	-	-
Unreserved - undesignated	-	-	-	-
Total all other governmental funds	<u>\$42,042,069</u>	<u>\$37,479,959</u>	<u>\$30,965,555</u>	<u>\$27,092,951</u>
Total Fund Balance	<u><u>\$50,633,038</u></u>	<u><u>\$46,187,955</u></u>	<u><u>\$39,789,729</u></u>	<u><u>\$36,112,625</u></u>

*\*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, 2017

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

State of New Mexico  
Albuquerque Metropolitan Arroyo Flood Control Authority

**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**

Last Ten Years

June 30, 2017

(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

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

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

Last Ten Years

June 30, 2017

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

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, 2017

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

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

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

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

Note1            2007 Data was unavailable with the exception of "Total Taxable Assessed Value."  
 The remainder of the 2007 amounts are estimates based on the average of 2010-2008.

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, 2017

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



*Settling basin for the North Diversion Channel*

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, 2017

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

Note - When there are separate residential and non-residential rates, the direct rate is a combined 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 values.

(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



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



State of New Mexico  
Albuquerque Metropolitan Arroyo Flood Control Authority

**PRINCIPAL PROPERTY TAXPAYERS**

Current Year and Ten Years Ago

June 30, 2017

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

Source: County Treasurer's Office

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



State of New Mexico  
Albuquerque Metropolitan Arroyo Flood Control Authority

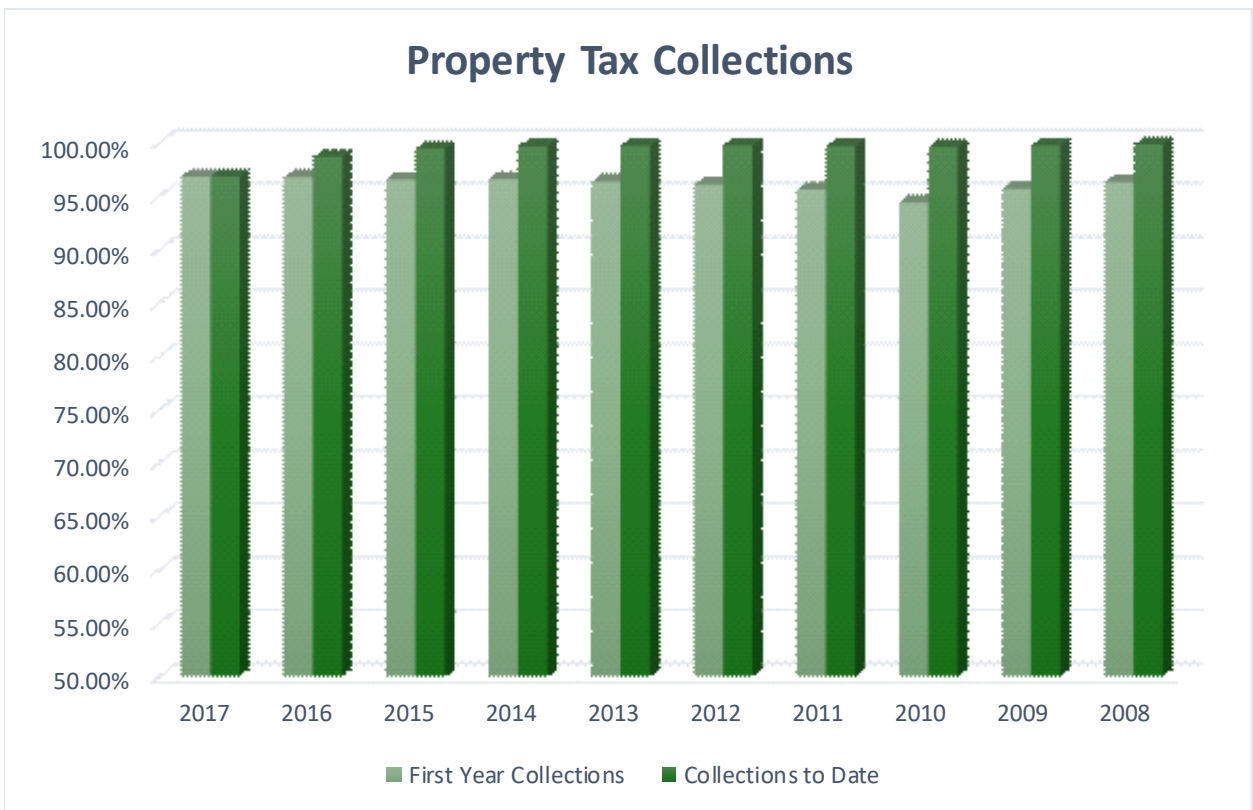
**PROPERTY TAX LEVIES AND COLLECTIONS**

Last Ten Fiscal Years

June 30, 2017

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

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



State of New Mexico  
Albuquerque Metropolitan Arroyo Flood Control Authority

**LEGAL DEBT MARGIN INFORMATION**

Last Ten Fiscal Years

June 30, 2017

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



State of New Mexico  
Albuquerque Metropolitan Arroyo Flood Control Authority

**LEGAL DEBT MARGIN INFORMATION**

Last Ten Fiscal Years

June 30, 2017

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



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

State of New Mexico  
Albuquerque Metropolitan Arroyo Flood Control Authority

**RATIOS OF GENERAL BONDED DEBT OUTSTANDING**

Last Ten Fiscal Years

June 30, 2017

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

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

Sources:

- 1) Presented net of original issuance discounts and premiums
- 2) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data.
- 3) Population data can be found in the Schedule of Demographic and Economic Statistics
- 4) The Authority only has general obligation bonds, no business type activities, and no component units.

State of New Mexico  
 Albuquerque Metropolitan Arroyo Flood Control Authority  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT AS OF JUNE 30, 2016**

June 30, 2017

	<u>Debt Outstanding</u>	<u>Applicable to AMAFCA</u>	<u>AMAFCA Share of Debt</u>
AMAFCA	\$54,250,000 (1)	100.00%	<u>\$ 54,250,000</u>
Albuquerque Public Schools	614,721,269	94.16%	578,804,958
City of Albuquerque	408,096,000	100.00%	408,096,000
Bernalillo County	231,825,562	95.71%	221,872,517
Central New Mexico Community College	101,840,000	83.81%	85,354,399
Los Ranchos de Albuquerque	2,855,000	100.00%	2,855,000
State of New Mexico	475,735,000	26.22%	<u>124,723,941</u>
Subtotal Overlapping Debt			<u>1,421,706,814</u>
Total Direct and Overlapping Debt			<u><u>\$ 1,475,956,814</u></u>
Ratios:			
AMAFCA direct debt to assessed valuation			0.36%
Total direct and overlapping debt to assessed valuation			9.89%
AMAFCA direct debt to actual valuation			0.11%
Total direct and overlapping debt to actual valuation			2.86%
AMAFCA debt per capita			\$ 80.14
Direct and overlapping debt per capita			\$ 2,180.29

Source: Debt outstanding data provided by each governmental unit.

(1) Presented net of original issuance discounts and premiums

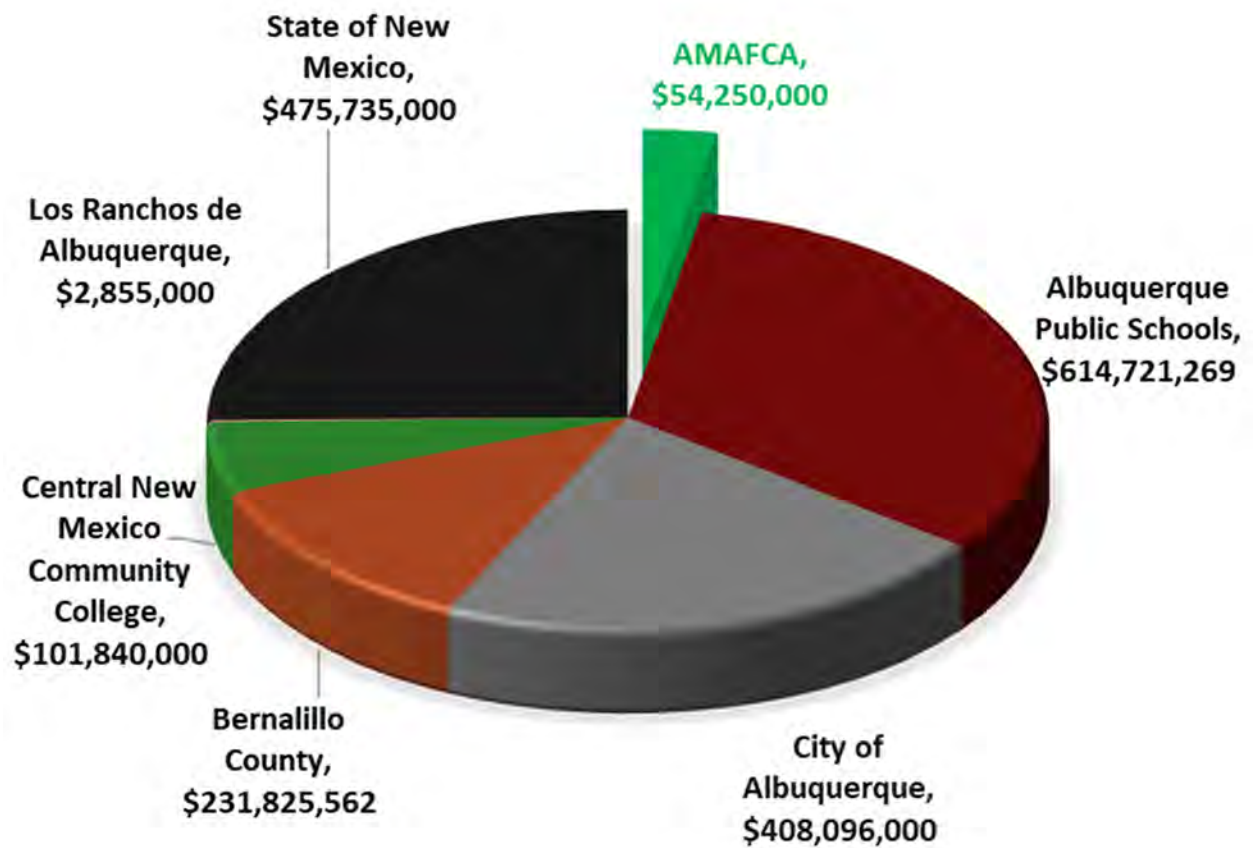
Note: Percentage of overlap based on most current assessed property valuation.



State of New Mexico  
Albuquerque Metropolitan Arroyo Flood Control Authority  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT AS OF JUNE 30, 2016

June 30, 2017

### DEBT OUTSTANDING - BY ENTITY



State of New Mexico  
Albuquerque Metropolitan Arroyo Flood Control Authority

**DEMOGRAPHIC AND ECONOMIC STATISTICS**

Last Ten Fiscal Years

June 30, 2017

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

**Education (4)**

**Percent**

Persons age 25 and Over	448,143	100.0%
9th-12th grade, no diplomas	54,673	12.2%
High School Graduates	112,484	25.1%
Some college, no degree	146,095	32.6%
Bachelor degree	76,632	17.1%
Graduate or professional deg	58,259	13.0%
Percentage completed high school		87.8%
Percentage completed 4 year college		30.1%

**School Enrollment (2)**

Elementary School	44,817
Mid-High Schools	19,599
High Schools	27,010
Private and parochial schools	13,167
Technical-vocational Institute	27,442
University of New Mexico	27,060

Sources:

(1) NM Mid-Region Council of Governments

(2) New Mexico Higher Education Department

(3) New Mexico Department of Workforce Solutions

(4) National Center for Education Statistics

NA Information not available for these years

State of New Mexico  
Albuquerque Metropolitan Arroyo Flood Control Authority

DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Fiscal Years

June 30, 2017



State of New Mexico  
Albuquerque Metropolitan Arroyo Flood Control Authority

**PRINCIPAL EMPLOYERS**

For the Current Year and Ten Years Ago

June 30, 2017

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

Sources:

New Mexico Department of Workforce Solutions, Albuquerque Economic Development

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

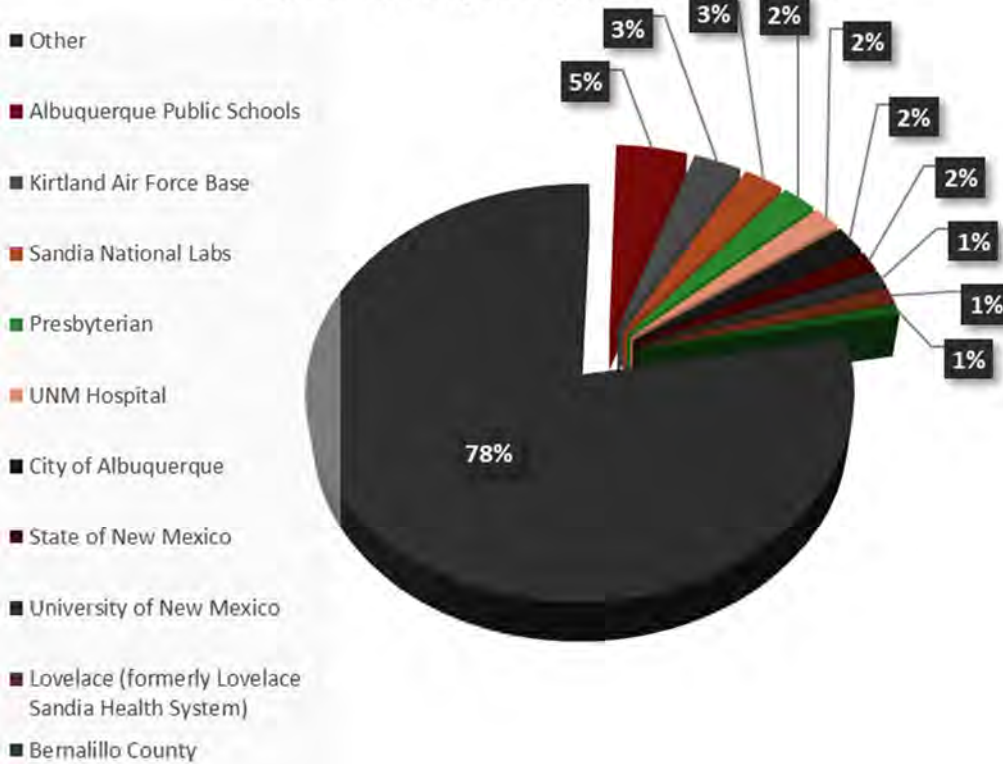
State of New Mexico  
 Albuquerque Metropolitan Arroyo Flood Control Authority

PRINCIPAL EMPLOYERS

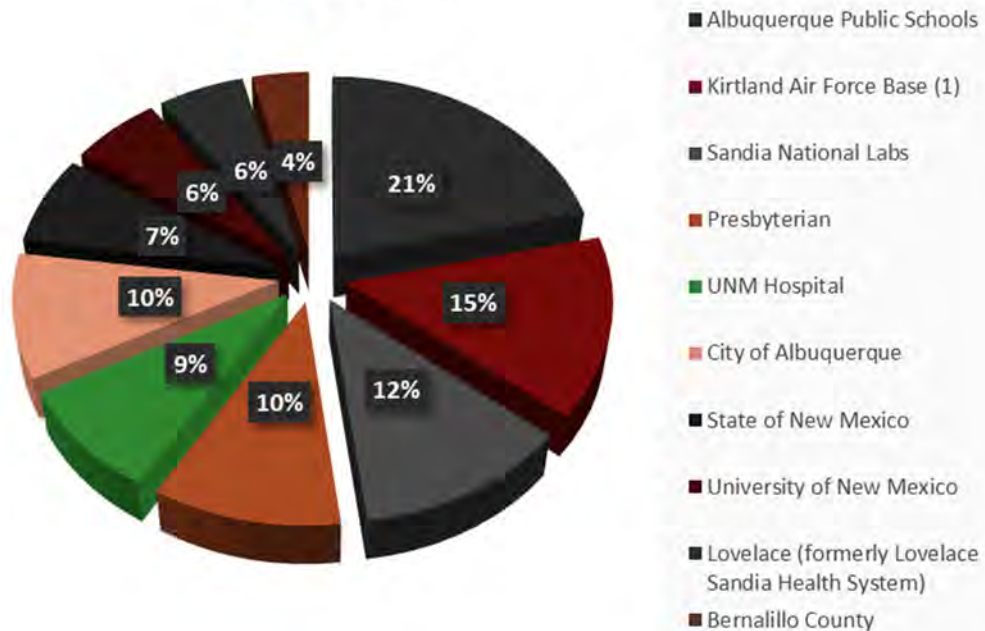
For the Current Year and Ten Years Ago

June 30, 2017

2016 Albuquerque Employers



2016 Albuquerque Top 10 Employers -  
 69,414 Jobs





*Outfall for the Calabacillas Arroyo*

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

Last Ten Fiscal Years

June 30, 2017

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

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

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

State of New Mexico  
Albuquerque Metropolitan Arroyo Flood Control Authority

**OPERATING INDICATORS BY FUNCTION**

Last Ten Fiscal Years

June 30, 2017

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

(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) Through September 30, 2017

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



State of New Mexico  
Albuquerque Metropolitan Arroyo Flood Control Authority

**OPERATING INDICATORS BY FUNCTION**

Last Ten Fiscal Years

June 30, 2017

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



*Converging flows in the Piedras Marcadas Arroyo*



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# STATE COMPLIANCE

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

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

June 30, 2017

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

State of New Mexico  
Albuquerque Metropolitan Arroyo Flood Control Authority

**JOINT POWER AGREEMENTS**

June 30, 2017

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**

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

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

**Internal Control Over Financial Reporting**

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

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

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

### **Compliance and Other Matters**

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

### **Purpose of this Report**

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

*RPC CPAs + Consultants LLP*

RPC CPAs + Consultants, LLP  
Albuquerque, New Mexico  
November 6, 2017



**STATE OF NEW MEXICO**  
ALBUQUERQUE METROPOLITAN ARROYO FLOOD CONTROL AUTHORITY  
SCHEDULE OF FINDINGS AND RESPONSES  
JUNE 30, 2017

**Section I – Summary of Auditors’ Results**

*Financial Statements:*

- |  |            |
|--|------------|
| 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**

NM 2016-001 Deficiency in Journal Entry Review Process	Resolved
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**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, 2017

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

**AMAFCA Board Members**

Bruce M. Thomson	Chair
Cynthia Borrego	Vice Chair
Ronald D. Brown	Secretary-Treasurer

**AMAFCA Administrative Staff**

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

**RPC CPAs + Consultants, LLP Staff**

Danny Martinez, CPA	Partner
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