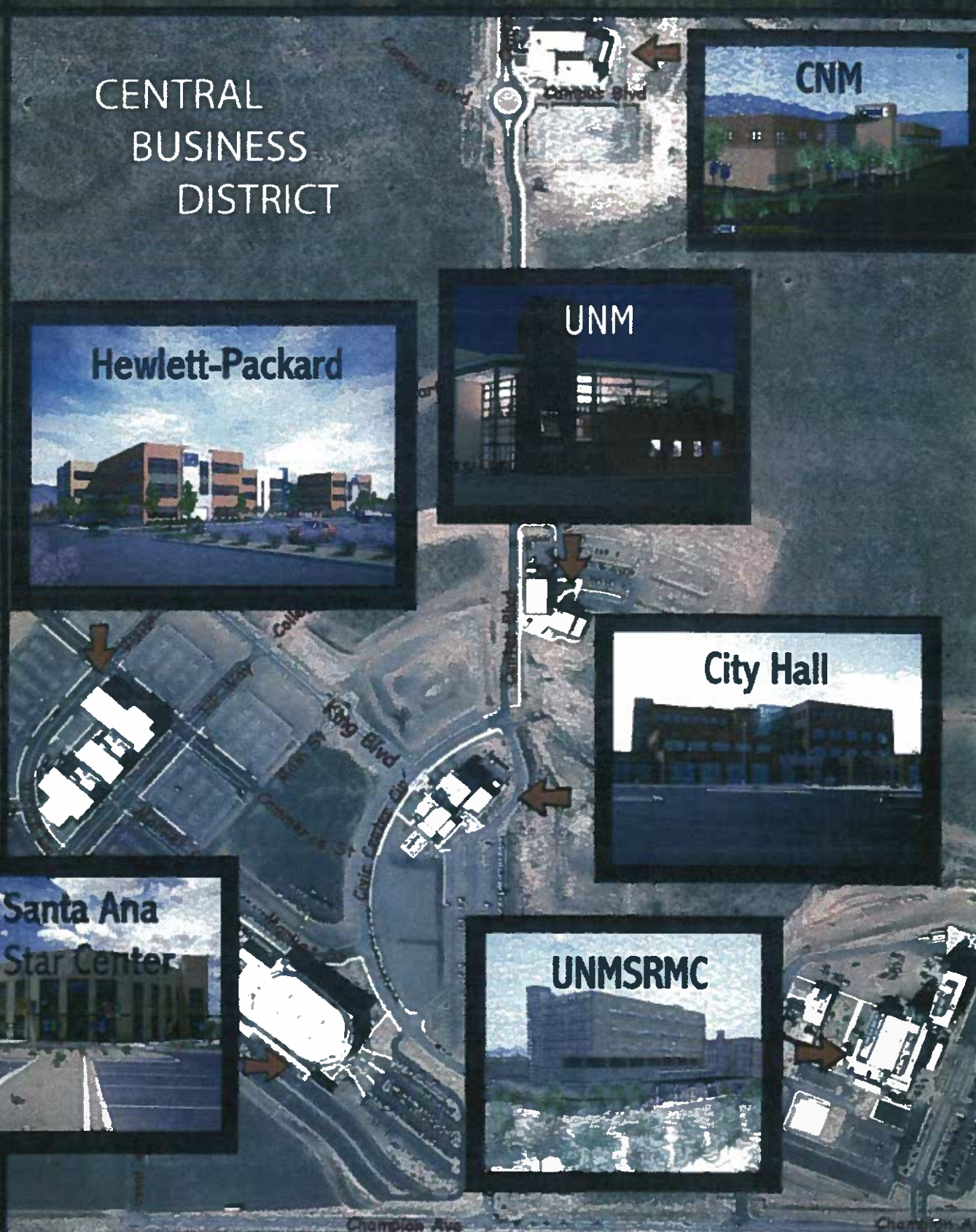
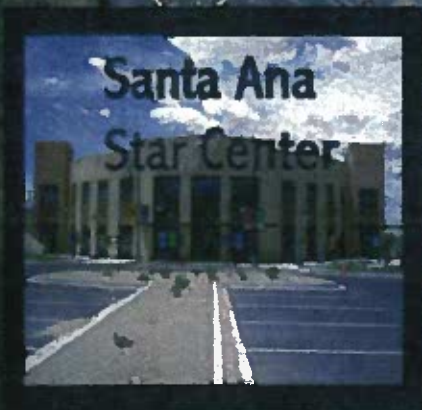
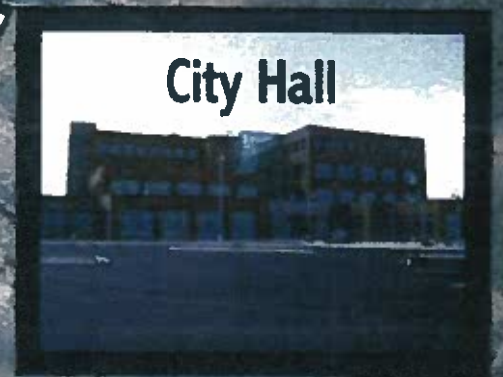


City of Rio Rancho, New Mexico  
Comprehensive Annual Financial Report  
for the Fiscal Year Ended June 30, 2013

CENTRAL  
BUSINESS  
DISTRICT



**CITY OF RIO RANCHO, NEW MEXICO**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**Issued by:  
Department of Financial Services**



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## **INTRODUCTORY SECTION**



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## City of Vision

Department of Financial Services

November 27, 2013

Honorable Mayor, Members of the City Council  
And Citizens of the City of Rio Rancho

The Audit Act, NMSA 1978, Section 12-6-12, requires cities to undergo an annual single audit and produce a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America. The Audit Act also requires that these financial statements be audited in accordance with auditing standards generally accepted in the United States of America by a certified public accounting firm licensed in the State of New Mexico. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of Rio Rancho for the fiscal year ended June 30, 2013.

This report consists of management representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with accounting principles generally accepted in the United States of America. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The comprehensive annual financial report is presented in four sections: introduction, financial, statistical, and single audit. The introduction section includes this transmittal letter, the City's organization chart and a list of City officials and administrative staff. The financial section includes the financial statements and the combining and individual fund financial statements and schedules, as well as the auditors' report on the financial statements and schedules. The statistical section includes selected financial and demographic information, generally presented on a multiyear basis. The City is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act and U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. The schedule of expenditures of Federal awards required by the Single Audit Act is included in the single audit section along with the auditors' report on the internal control and compliance with applicable laws and regulations.

CliftonLarsonAllen LLP, a certified public accounting firm, has audited the City's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2013, are free of material

misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended June 30, 2013, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited City's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the Single Audit Section.

Accounting principles generally accepted in the United States of America require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

## **PROFILE OF THE CITY**

The City of Rio Rancho is the third largest city in New Mexico with an estimated population of 87,521 according to the 2010 U.S. Census. The City is located in central New Mexico, northwest and adjacent to Albuquerque, New Mexico's largest city. The metropolitan area is serviced by east-west Interstate I-40 and north-south Interstate I-25. The Santa Fe railroad has a major rail line through Albuquerque. The Rail Runner rail provides commuter service between the nearby communities of Bernalillo, Albuquerque, Los Lunas, and Santa Fe. There are two general aviation facilities, including the Albuquerque International Airport, that provide service to the metropolitan area.

The City was incorporated in 1981 and adopted a municipal charter as a home rule city in 1991. The City has a hybrid Council/Manager form of government in which the Mayor is a member of the Governing Body. The City Manager is the Chief Administrative Officer, appointed by the Mayor subject to approval of the Governing Body. The Basic Financial Statements of the City include all government activities, organizations and functions for which the City is financially accountable as defined by the Governmental Accounting Standards Board (GASB). Based on these criteria no other governmental organizations are included in this report.

The City provides to its citizens those services that have proven to be necessary and meaningful and has done so with less City employees per capita than similarly sized New Mexico cities. Major services provided under the general government and enterprise functions are: police and fire protection, emergency ambulance service, roads, water and wastewater services, parks and recreational activities, libraries, senior services, and general administrative services. In 2008, the City created a strategic plan to establish priorities for city government. This plan represents the

consensus that emerged from the collaborative effort of the City leadership, City employees, and the community. This plan along with a status update can be found in the City's Fiscal Year 2014 Budget Document posted on the City's website.

## **FACTORS AFFECTING FINANCIAL CONDITION**

The City's financial condition reflects a local economy that is expected to slowly improve, digging itself out of negative job growth that has plagued the metro area over the last five years. Various signs suggest that the economy is continuing to recover, including a steadily declining unemployment rate, improving housing market indicators, and overall lower foreclosure activity in the area compared to recent years.

Employment levels in the metro area have stabilized and are now growing. The national, regional, and local housing markets have also stabilized and are showing signs of renewed strength. Over the last year, the city was selected by Stolar Research Corporation as the location for their new operations facility. The company was looking to expand and will be bringing a minimum of 25 jobs with an average salary of \$60,000. Other expansions have been announced, including Alliance Data, which notified the city that it is working toward a total Rio Rancho workforce of 700 from 250 currently. Lastly, Presbyterian announced its plans for a \$4.4 million clinic in the Enchanted Hills neighborhood that will provide 40 new jobs. The city continues to work with Intel to ensure that the New Mexico plant is selected for major expansion. Business is important to us, because businesses provide jobs and help us to grow and diversify our economy.

After five consecutive years of negative employment growth in the Albuquerque Metro Area, job growth in 2013 is forecasted at a modest pace of 0.7 percent. Sectors leading the job growth include the healthcare and social assistance sector due to the Medicaid expansion signed by the Governor, the construction sector, as the housing market recovers, and the administrative services sector, as employers turn to temporary workers to fill vacancies. In 2012, the Albuquerque Metro area housing market showed signs of improvement, in line with the national trend. Rio Rancho 2012 housing permits, while still below long-term historical averages, increased 38 percent from 2011 and are 60 percent higher calendar year to date in 2013. Additionally, foreclosures have fallen from the peak seen in 2009 and were 18.5 percent lower in 2012 compared to 2011.

Labor markets continue to improve, albeit very slowly. The national and regional unemployment rates continue to inch down, with the metro area unemployment rate falling from a high of 8.3 percent in 2010 to 7.0 percent currently. The Bureau of Business and Economic Research expects employment growth to be slow in the metro area over the next five years, with employment expected grow 0.7 percent in 2013, and range between 0.7 percent and 1.6 percent over the five year period. Personal income growth is expected to range between 2.2 percent to 5.1 percent over the same period.

The City of Rio Rancho is the fastest growing city in the State of New Mexico. The City's population has increased 69 percent from 51,765 in 2000 to 87,521 in 2010. Rapid population growth coupled with the increased availability of credit during the housing boom led to a surge in the number of single-family housing permits issued in the City of Rio Rancho beginning in 2003 and ending in 2007. During this time, annual permits issued rose steadily, peaking at an

all-time high of 3,084 permits in 2007. As economic growth slowed in 2008 and the economy entered a recession in 2009, Rio Rancho housing market activity declined sharply. Since the peak in 2007, the number of housing permits issued declined 90 percent to 301 in 2011. From January to June of 2012, the number of housing permits has increased 18 percent above the 2011 level, though still well below pre-housing boom levels. This weakness in housing construction translated into a significant decline in the City's gross receipts tax revenues from Fiscal Year 2007 to Fiscal Year 2010 and significantly slowed the growth rate of City property tax revenues. Revenues started to stabilize in Fiscal Year 2011 and 2012 and were boosted by the construction of two hospitals, which helped offset some of the weakness in residential construction Gross Receipts Tax revenues.

In 2006 and 2007 the City of Rio Rancho established a Central Business District anchored by a 6,500 seat Multi-Purpose Event Center and construction of a new City Hall building. Since then, various institutions have opened in the Central Business District, including Hewlett Packard, which employs 860 employees, though HP announced plans to transfer 200 jobs to Georgia as part of a company-wide restructuring plan. The Rio Rancho CNM campus opened in August 2010, and at the start of the fall 2012 term, 1,726 students were enrolled at the campus. UNM West enrollment has grown from 393 students in spring 2010 when it opened to about 600 in spring 2013.

#### Local Economic Growth Highlights:

- Over the past few years, Rio Rancho has seen the multiple projects come to fruition, and others announced, that are serving to strengthen the local economy:
- Alliance Data Retail Services, formerly Victoria Secret, recently notified the City that it is working toward a total Rio Rancho workforce of 700, up from 250.
- Presbyterian Medical Group recently announced its plans for a 17,076 square foot clinic on a 6 acre site, valued at \$4.4 million, in the Enchanted Hills neighborhood that will provide 40 new jobs. Groundbreaking will occur in October 2013 with plans to be operational by August 2014.
- Stolar Research Corporation opened its new operations facility in Enchanted Hills in September 2013. It will provide a minimum of 25 jobs with an average salary of \$60,000.
- The new University of New Mexico 72-inpatient bed Sandoval County Regional Medical Center (Teaching Hospital) located near City Hall opened in summer 2012, employing over 325.
- Presbyterian Health Care opened the 92-inpatient bed Rust Medical Center, and corresponding medical office complex at Unser and Westside Boulevards, in October 2011, employing over 550.
- Premiere Cinemas opened an all-digital 14-screen (2,750-seat), 46,595 square-foot movie theater facility near the southwest corner of Southern and Unser in June 2011, creating a new

option for Rio Rancho residents and visitors to spend their entertainment dollars within the community.

- Spurred by the construction of the Presbyterian Rust Medical Center, the Unser Blvd corridor has seen additional development to serve the needs of Rio Rancho residents and workers:
- In late 2013, the first building of the Unser Pavilion retail center will open. The initial 11,400 square foot retail building will house an Einstein Bros Bagels, Subway, and other retail tenants. Two additional buildings are planned for the retail services center.
- Adjacent to Presbyterian, developers have completed the public infrastructure for the Village at Rio Rancho, a 400,000 square foot mixed use development.
- Infrastructure and land development for the Petroglyph Medical Plaza, located across from the new Presbyterian Hospital, is complete and will contain 60,000 square feet of Class A medical office space once open.
- The Rio Grande Gracious Retirement Living center opened in spring 2013 with 130 apartments and four cottages residences for retirees on Westside Blvd., a short distance from the Presbyterian Rust Medical Center.

**Long-Term Economic and Financial Planning.** As noted above, with the assistance of a professional firm, the City adopted an in-depth Strategic Plan. Surveys were used and meetings were held with citizens to gather the community's views on the City's strengths and weaknesses and on the proposed strategic plan. A process has been implemented to accomplish the goals of the strategic plan, which is reported annually. This plan is also used to inform the long-term budget planning, including a service prioritization project, which helps to ensure that the City is using its resources in the most efficient and strategic manner.

The Development Services Department has completed the City's Comprehensive Plan. Specific area plans which are a part of the Land Use Element of the Comprehensive Plan are being developed to identify specific land uses throughout the City. The purpose of the Comprehensive Plan is to guide community development. It serves as a broad-based policy document used by the development community and staff to make recommendations on land use applications as well as to support the decisions the City Council makes on land use applications.

To facilitate and encourage retail and commercial growth and economic base jobs, Rio Rancho implemented an Economic Development Policy and Retail Strategy Plan. The City continues to utilize economic development incentives, such as the Gross Receipts Investment Policy or "GRIP" to attract new retail businesses. The most recent use of this tool was used to attract Rio Rancho Premiere Cinemas, the only movie theatre in Rio Rancho.

Rio Rancho is located in an arid region and water availability is of utmost importance to the City. In January 2013, the Governing Body approved an 8.8 percent annual rate increase for the coming five fiscal years and a minimum \$6 monthly water rights acquisition surcharge. This surcharge will be used solely to assist the City in meeting the State requirements to acquire sufficient water rights to offset the impacts of groundwater pumping now and into the future. A



subsequent state grant to repair water lines prompted the Governing Body to reduce the FY14 rate increase to 7.8 percent.

**Accounting System and Budgetary Control.** Written financial policies were instituted in fiscal year 2006 as a basic framework for the financial management of the City of Rio Rancho. These policies are intended to assist members of the City of Rio Rancho Governing Body and City staff to evaluate current financial activities. These policies are to be reviewed on an annual basis in conjunction with annual budget. During the Fiscal Year 2012, the Financial Services staff provided comprehensive training to City of Rio Rancho employees on various financial activities, such as budgeting, contracts, procurement, and grant applications and management. The purpose of this training was to train employees on Financial Services Department policies and procedures, enhance controls over these areas, and increase operating efficiencies.

The City's accounting records for general government operations are maintained on a modified accrual basis, with the revenues being recorded when available and measurable and expenditures being recorded when the services or goods are received and the liabilities are incurred. Accounting records for the City's utilities and other proprietary activities are maintained on an accrual basis.

In developing and maintaining the City's accounting system, consideration is given to the adequacy of the internal control structure. We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

The City charter provides that the Governing Body shall adopt the annual budget prepared by the City Manager. The budget is reviewed by the Governing Body and is formally adopted by the passage of a budget resolution. The City Manager has limited authority to transfer budgeted amounts between line items within divisions of any fund; however the Governing Body must approve any revisions that alter the total expenditures of any fund.

Budgetary control has been established at the individual fund level. Financial reports are produced showing budget and actual expenditures by line item, and are distributed monthly to City department management and to others upon request. Individual line items are reviewed and analyzed for budgetary compliance. Personnel expenditures are monitored and controlled at a position level and capital expenditures are monitored and controlled item by item. Revenue budgets are reviewed monthly. Lastly, quarterly budget updates are approved by the Governing body and submitted to the State Department of Finance and Administration Local Government Division, pursuant to state law.

**Employee Health Care and Pension Plans.** The City's medical plan is a self-funded medical plan and the City offers a choice of medical plans and a choice of either the Presbyterian or Lovelace provider network. The City also provides dental insurance through a self-funded dental plan. The City offers a flexible spending account program which provides employees with the opportunity to set aside dollars on a pre-tax basis in either a Healthcare Reimbursement Account or a Dependent Care Reimbursement Account. In addition, the City also offers life and disability insurance on a voluntary basis. The City purchases life insurance in the amount of the employees' salary.

Substantially all full-time employees of the City participate in a public employee retirement system authorized under the Public Employees' Retirement Act (Chapter 10, Article II NMSA 1978). The defined benefit plan provides for retirement, disability benefits, and survivor benefits to plan members and beneficiaries.

The City became a member of the New Mexico Retiree Health Care Authority on July 1, 2007 to provide retirement health care for employees.

**Budget and Accounting Awards.** The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial reporting to the City of Rio Rancho for its comprehensive annual financial report for the fiscal year ended June 30, 2012. This is the seventh consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy generally accepted accounting principles and applicable legal requirements. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

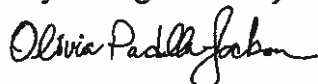
The Government Finance Officers Association (GFOA) of the United States and Canada presented an Award for Distinguished Budget Presentation to the City of Rio Rancho for its Annual Operating Budget for Fiscal Year ending June 30, 2013, which was the sixth consecutive year that the City received this award. The Distinguished Budget Presentation award is presented to those government units whose budgets are judged and adhere to strict program standards. In order to receive this award, a government must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communications medium. The award represents significant achievement and reflects the commitment of the Governing Body and staff to meeting the highest principles of government budgeting. We believe our current budget continues to conform to program requirements.

**Acknowledgments.** The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated service of the entire staff of the Financial Services Department. We express our sincere appreciation to Marta Ortiz and Accounting Staff for the contributions made in the preparation of this report.

Respectfully submitted,



Keith Riesberg  
City Manager



Olivia Padilla-Jackson  
Director of Financial Services



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

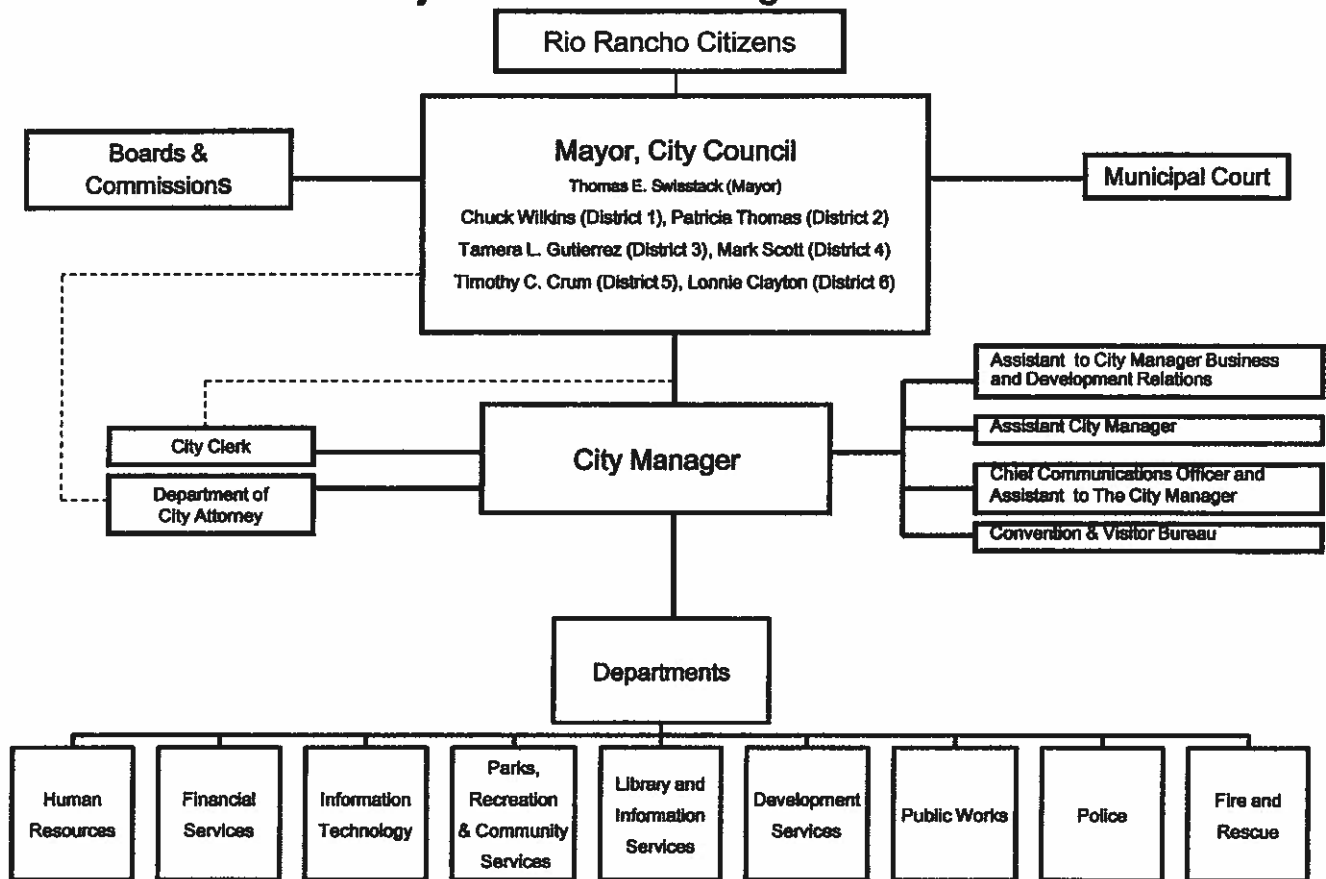
**City of Rio Rancho  
New Mexico**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2012**

Executive Director/CEO

# City of Rio Rancho Organizational Structure



**CITY OF RIO RANCHO, NEW MEXICO  
OFFICIAL ROSTER  
JUNE 30, 2013**

**MAYOR AND CITY COUNCIL**

Thomas E. Swisstack, Mayor

Chuck Wilkins, Councilor, District 1  
Patricia A. Thomas, Councilor, District 2  
Tamera L. Gutierrez, Councilor, District 3  
Mark Scott, Councilor, District 4  
Timothy C. Crum, Councilor, District 5  
Lonnie Clayton, Councilor, District 6

**ADMINISTRATIVE OFFICIALS**

Keith J Riesberg, City Manager  
Stephen Ruger, City Clerk  
Olivia Padilla-Jackson, Director of Financial Services

**FINANCIAL SECTION**



CliftonLarsonAllen LLP  
500 Marquette NW, Suite 800  
Albuquerque, NM 87102  
505-842-8290 | fax 505-842-1568  
www.CLAconnect.com

## INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members of City Council  
and Citizens of the City of Rio Rancho  
City of Rio Rancho, New Mexico  
And Mr. Hector H. Balderas  
New Mexico State Auditor

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information and the budgetary comparison for the general fund of the City of Rio Rancho, New Mexico (the City), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents. We have also audited the financial statements of each of the City's nonmajor governmental, internal service fund, fiduciary funds, major enterprise funds, and the budgetary comparisons for all nonmajor funds presented as supplementary information, as defined by the Government Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2013, 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 misstatement, 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 entity'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 entity'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, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental, fiduciary funds, and internal service fund of the City as of June 30, 2013, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for all major enterprise funds and nonmajor funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 19-34 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 City's financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The Schedule of Expenditures of federal awards, as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, introductory and statistical sections, and the other schedules required by 2.2.2.NMAC are presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Schedule of Expenditures of Federal Awards and the other schedules required by 2.2.2.NMAC are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the



basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards and the other schedules required by 2.2.2.NMAC are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Introductory, Statistical Section, and the Continuing Disclosure Filing Submission section of the City's comprehensive annual financial report has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated November 27, 2013 on our consideration of the City'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 City's* internal control over financial reporting and compliance.

**CliftonLarsonAllen LLP**

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

Albuquerque, New Mexico  
November 27, 2013

**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**  
**(Required Supplementary Information)**



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**CITY OF RIO RANCHO, NEW MEXICO  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2013**

As management of the City of Rio Rancho (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2013.

**FINANCIAL HIGHLIGHTS**

The financial statements, which follow the Management's Discussion and Analysis, provide those significant key financial highlights for 2013 as follows:

- In the Statement of Net Position the City's total net position of governmental activities decreased \$19.0 million to \$251.7 million and business-type activities increased \$14.5 million to \$191.6 million representing 56.8 percent and 43.2 percent respectively, of the total net position of \$443.4 million. The primary factors include the reduction of \$79.0 million of construction in progress capital assets and the addition of \$5.7 million in various infrastructure projects constructed by developers for both governmental and business-type assets.
- In the Statement of Activities the total governmental activities revenues amounted to \$74.6 million, of which general revenues from governmental activities accounted for \$51.0 million in revenue or 68.4 percent of all revenues from governmental activities. Program specific revenues in the form of charges for services and grants and contributions accounted for \$23.6 million or 31.6 percent of total governmental activities revenues. The increase and/or decrease in governmental and business-type activities primarily relates to the reduction of construction in progress related projects and the issuance of refunded debt.
- In the Statement of Activities the total business-type activities revenues amounted to \$47.5 million, of which general revenues from business-type activities accounted for \$2.8 million or 5.9 percent of all revenues from business-type activities. Program specific revenues in the form of charges for services and capital contributions accounted for \$44.7 million or 94.1 percent of business-type activities.
- In the Statement of Activities, the City had \$93.6 million in expenses related to governmental activities, of which \$23.6 million of these expenditures were offset by program specific charges for services or grants and contributions. \$19.2 million of expenses are related to miscellaneous transactions involving capital assets that are not reported at the fund level. General revenues of \$51.0 million were adequate to provide for the remaining costs of these programs. The City had \$38.2 million in expenses related to business-type activities. These expenses were offset by program specific revenues in the form of charges for services and capital grants and contributions of \$44.7 million.
- The General Fund had \$52.2 million in revenues, which primarily consisted of taxes and charges for services. The total expenditures of the General Fund were \$51.6 million. The General Fund's fund balance decreased \$0.5 million to \$14.2 million, partially due to a decrease in gross receipts tax revenues and continued use of prior year reserves for expenditures to provide City services.

**CITY OF RIO RANCHO, NEW MEXICO  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2013**

**FINANCIAL HIGHLIGHTS (Concl'd)**

- Net position of the Enterprise Funds increased \$14.5 million to \$191.6 million. Operating revenues of \$39.9 million exceeded operating expenses of \$28.5 million. Non-operating expenses of \$10.0 million exceeded non-operating revenues of \$6.4 million primarily due to an 8.7 percent increase in water and wastewater rates.
- The City issued \$1.7 million of general obligation (GO) bonds to refund the City's GO Series 2004 bonds maturing 08/01/2014 and after. The refunding produced 5.15 percent in present value savings.
- The City issued \$16.6 million of water and wastewater revenue bonds to advance refund the City's Series 2004 and 2005 water and wastewater bonds in their entirety. The refunding produced 10.42 percent in present value savings and approximately \$0.2 million in average annual savings.
- The City issued \$13.4 million of gross receipt tax (GRT) revenue bonds to advance refund the City's GRT Series 2005 bonds maturing 06/01/2015 and after. The refunding produced 10.65 percent in present value savings and approximately \$0.1 million in average annual savings.
- The City issued \$28.1 million of subordinate lien GRT revenue bonds to advance refund the City's taxable event center Series 2005 revenue bonds maturing 06/01/2015 and after. The refunding produced 1.44 percent present value savings and extended the maturity by five years.
- The City entered into an intercept loan agreement with the New Mexico Finance Authority (NMFA) in the amount of \$795,925 for the purpose of acquiring and constructing a fire administration building and acquiring related information technology equipment for maintenance of the fire department.
- The City adopted a two year moratorium on the collection of impact fees whereby impact fees payable were reduced to 50 percent for residential construction and 0 percent for non-residential construction. This moratorium on impact fees was established to spur new construction activity and recurring economic development activity with the City.
- The total liability for compensated absences increased \$254,302 or 4.45 percent. This balance continues to grow each year due to employee tenure with the City. The City budgets \$550,000 per year in expectation that eligible employees retire.

**OVERVIEW OF FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial

**CITY OF RIO RANCHO, NEW MEXICO  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2013**

**OVERVIEW OF FINANCIAL STATEMENTS (Cont'd)**

statements. This report also contains other supplementary information in addition to the basic financial statements.

**Government-wide 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 of the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as 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 items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences).

In the government-wide financial statements, the City's activities are presented in the following categories.

- **Governmental activities** – Governmental activities include most of the City's basic services such as general government, public safety, public works, culture and recreation, and economic development. Gross receipt taxes, municipal and state shared taxes, intergovernmental revenues and charges for services finance most of these activities.
- **Business-type activities** – Business-type activities include water utility, wastewater utility, and event center activities provided by the City. These services are typically financed through user fees and charges.

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with financial and legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the City's near-term financing requirements.

**CITY OF RIO RANCHO, NEW MEXICO  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2013**

**OVERVIEW OF FINANCIAL STATEMENTS (Cont'd)**

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 City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. The reconciliations are on pages 43 and 45, respectively.

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 the General Fund as this fund is considered to be a major fund. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements and schedules on pages 98-123.

***Proprietary funds.*** The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for water and wastewater utility services, and the event center activities. Internal service funds are an accounting device used to accumulate and allocate costs internally to the City's various functions. The City uses internal service funds to account for its self-insured health plan and self-insured dental plan. Because both of these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide additional information for the Utilities Fund and the Multi-Purpose Event Center Fund, which are considered to be major funds of the City. Both internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements on page 47.

***Fiduciary funds.*** Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the basic financial statements.

**CITY OF RIO RANCHO, NEW MEXICO  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2013**

**OVERVIEW OF FINANCIAL STATEMENTS (Concl'd)**

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information.

Under New Mexico Administrative Code Section 2.2.2 governments in New Mexico must include the budgetary comparison statement for the General and major Special Revenue Funds as a component of the fund financial statements within the basic financial statements.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Net position may serve over time as a useful indicator of a government's financial position. In the case of the City's governmental activities, assets exceeded liabilities by \$251.7 million as of June 30, 2013.

A major portion of the City's net position (90.0 percent) reflects its portfolio of capital assets (e.g., land and improvements, infrastructure, buildings and improvements, improvements other than buildings, vehicles, furniture and equipment and construction in progress), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. In addition, a portion of the City's net position (2.5 percent) is restricted for the specified purposes of debt service repayment and capital outlay investment.

The City's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets. The following table presents a summary of the City's net position for the fiscal years ended June 30, 2013 and June 30, 2012.

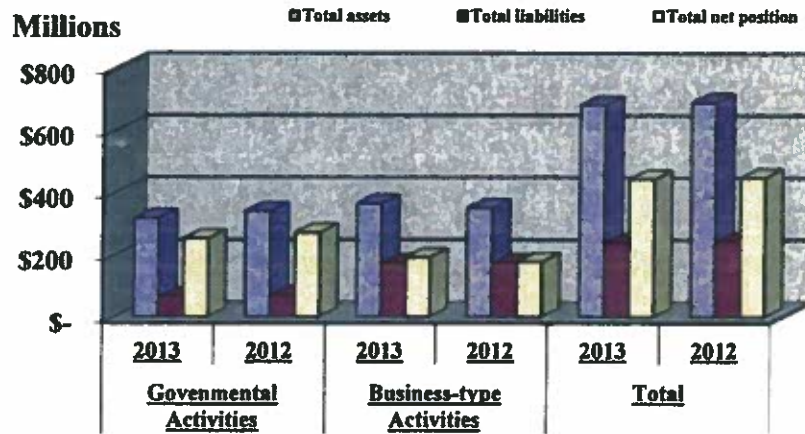
**Government-wide Statement of Net Position**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Current and other assets	\$ 38,277,735	\$ 42,159,296	\$ 37,326,895	\$ 28,959,425	\$ 75,604,630	\$ 71,118,721
Capital assets, net	<u>278,799,131</u>	<u>297,960,784</u>	<u>327,380,290</u>	<u>321,143,191</u>	<u>606,179,421</u>	<u>619,103,975</u>
<b>Total assets, net</b>	317,076,866	340,120,080	364,707,185	350,102,616	681,784,051	690,222,696
Current liabilities	10,279,345	10,402,535	12,169,534	12,572,529	22,448,879	22,975,064
Long-term obligations outstanding	<u>55,085,727</u>	<u>58,996,508</u>	<u>160,918,562</u>	<u>160,400,758</u>	<u>216,004,289</u>	<u>219,397,266</u>
<b>Total liabilities</b>	65,365,072	69,399,043	173,088,096	172,973,287	238,453,168	242,372,330
Net position:						
Net invested in capital assets	226,630,240	239,763,654	159,709,769	123,725,543	386,340,009	363,489,197
Restricted	6,362,543	7,128,889	10,079,181	10,276,537	16,441,724	17,405,426
Unrestricted	<u>18,719,011</u>	<u>23,828,494</u>	<u>21,830,139</u>	<u>43,127,249</u>	<u>40,549,150</u>	<u>66,955,743</u>
<b>Total net position</b>	<u>\$ 251,711,794</u>	<u>\$ 270,721,037</u>	<u>\$ 191,619,089</u>	<u>\$ 177,129,329</u>	<u>\$ 443,330,883</u>	<u>\$ 447,850,366</u>



**CITY OF RIO RANCHO, NEW MEXICO  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2013**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont'd)**



The following are significant current year transactions that have had an impact on the Statement of Net Position.

- The City reduced \$20.1 million of governmental capital assets primarily related to construction in progress projects. In particular, the Paseo del Volcon road is a capital asset of the State of New Mexico.
- The City received \$795,925 loan proceeds for the purpose of acquiring and constructing a fire administration building and acquiring related information technology equipment.
- The City received \$4.1 million in contributed capital for various City infrastructure projects which were constructed by developers.
- The City received \$1.2 million in contributed capital for water and wastewater improvements which were constructed by developers and various contractors.
- The City received approximately \$400,000 in contributed capital for the Multi-Purpose Event Center which was constructed by developers and various contractors.
- The City issued \$1.7 million of general obligation (GO) bonds to current refund the City's GO Series 2004 bonds maturing 08/01/2014 and after.
- The City issued \$16.6 million of water and wastewater revenue bonds to advance refund the City's Series 2004 and 2005 water and wastewater bonds in their entirety.
- The City issued \$13.4 million of gross receipt tax (GRT) revenue bonds to advance refund the City's GRT Series 2005 bonds maturing 06/01/2015 and after.
- The City issued \$28.1 million of subordinate lien GRT revenue bonds to advance refund the City's taxable event center Series 2005 revenue bonds maturing 06/01/2015 and after. The refunding extended the maturity by five years.

**CITY OF RIO RANCHO, NEW MEXICO  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2013**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont'd)**

Changes in net position presented on the Statement of Activities. The City's total revenues for the fiscal year ended June 30, 2013, were \$122.1 million with a decrease in net position of \$9.6 million, thereby accounting for 2.1 percent decrease in the net position of the City. The following table illustrates a summary of the changes in net position for fiscal years ended June 30, 2013 and June 30, 2012.

**Government-wide Statement of Activities**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$12,245,799	\$11,833,516	\$39,926,610	\$36,319,609	\$52,172,409	\$48,153,125
Operating grants and contributions	2,572,438	2,699,763	2,500		2,574,938	2,699,763
Capital grants and contributions	8,769,372	9,614,534	4,783,616	988,436	13,552,988	10,602,970
General revenues:						
Property taxes	16,293,568	15,650,672			16,293,568	15,650,672
Gross receipts taxes	19,154,083	19,132,261			19,154,083	19,132,261
Franchise taxes	3,615,212	3,552,461			3,615,212	3,552,461
Unrestricted grants, aid and state shared revenues	11,765,404	12,691,071	2,452,570	2,671,184	14,217,974	15,362,255
Miscellaneous	181,474	306,977	310,340	272,951	491,814	579,928
Investment income	<u>2,870</u>	<u>(2,913)</u>	<u>47,876</u>	<u>37,164</u>	<u>50,746</u>	<u>34,251</u>
<b>Total revenues</b>	<b><u>\$74,600,220</u></b>	<b><u>\$75,478,342</u></b>	<b><u>\$47,523,512</u></b>	<b><u>\$40,289,344</u></b>	<b><u>\$122,123,732</u></b>	<b><u>\$115,767,686</u></b>
<b>Expenses:</b>						
General government	10,771,678	10,366,776			10,771,678	10,366,776
Public safety	29,856,037	29,556,691			29,856,037	29,556,691
Public works	38,202,128	17,987,939			38,202,128	17,987,939
Culture and recreation	10,100,647	9,797,929			10,100,647	9,797,929
Economic development	2,484,220	2,434,122			2,484,220	2,434,122
Interest on long-term debt	2,194,753	2,265,490			2,194,753	2,265,490
Water			11,975,563	17,761,031	11,975,563	17,761,031
Wastewater			21,049,880	17,867,174	21,049,880	17,867,174
Event center	-	-	5,128,579	2,574,952	5,128,579	2,574,952
<b>Total expenses</b>	<b><u>93,609,463</u></b>	<b><u>72,408,947</u></b>	<b><u>38,154,022</u></b>	<b><u>38,203,157</u></b>	<b><u>131,763,485</u></b>	<b><u>110,612,104</u></b>
<b>Increase in net position</b>	<b><u>(\$19,009,243)</u></b>	<b><u>\$ 3,069,395</u></b>	<b><u>\$9,369,490</u></b>	<b><u>\$2,086,187</u></b>	<b><u>(\$9,639,753)</u></b>	<b><u>\$5,155,582</u></b>

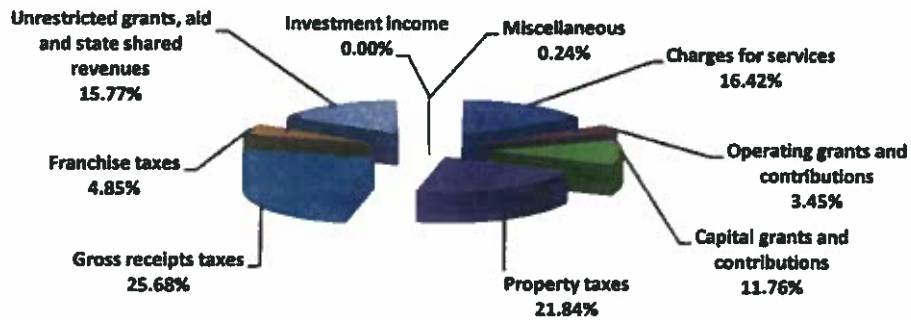
**CITY OF RIO RANCHO, NEW MEXICO  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2013**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont'd)**

**Government-wide Statement of Activities (Cont'd)**

	<u>Year Ended June 30, 2013</u>		<u>Year Ended June 30, 2012</u>	
	<u>Total Expenses</u>	<u>Net(Expense)/ Program Revenue</u>	<u>Total Expenses</u>	<u>Net (Expense)/ Program Revenue</u>
<b>Governmental activities:</b>				
General government	\$10,771,678	(\$8,134,095)	10,366,776	\$(7,613,496)
Public safety	29,856,037	(21,904,723)	29,556,691	(21,667,835)
Public works	38,202,128	(31,221,371)	17,987,939	(7,743,962)
Culture and recreation	10,100,647	(4,599,101)	9,797,929	(7,076,366)
Economic development	2,484,220	(1,967,811)	2,434,122	(1,893,985)
Interest on long-term debt	<u>2,194,753</u>	<u>(2,194,753)</u>	<u>2,265,490</u>	<u>(2,265,490)</u>
<b>Total expenses</b>	<b><u>\$93,609,463</u></b>	<b><u>(\$70,021,854)</u></b>	<b><u>\$72,408,947</u></b>	<b><u>\$(48,261,134)</u></b>
<b>Business-type activities:</b>				
Water	11,975,563	16,777,011	17,761,031	4,358,540
Wastewater	21,049,880	(5,907,390)	17,867,174	(3,172,234)
Event center	<u>5,128,579</u>	<u>(4,310,917)</u>	<u>2,574,952</u>	<u>(2,081,418)</u>
<b>Total expenses</b>	<b><u>\$38,154,022</u></b>	<b><u>\$6,558,704</u></b>	<b><u>\$38,203,157</u></b>	<b><u>(\$895,112)</u></b>

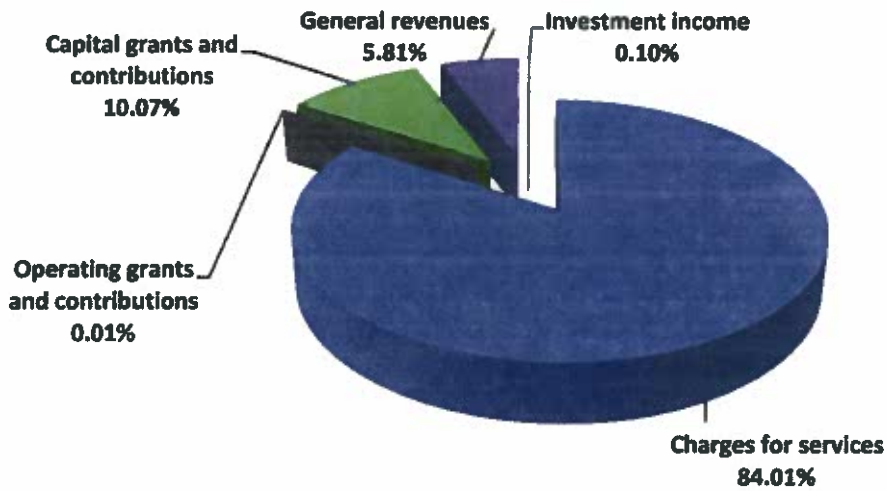
**Revenues by Source -- Governmental Activities**



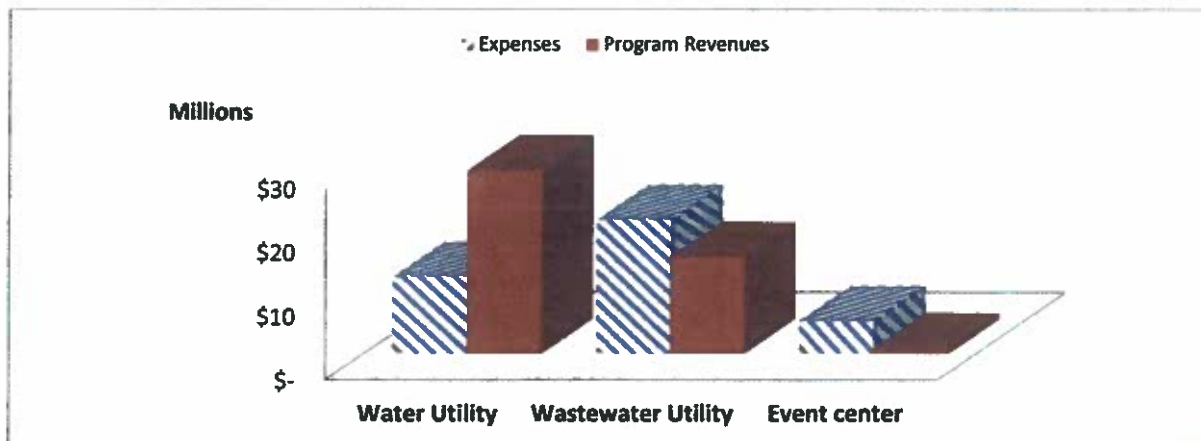
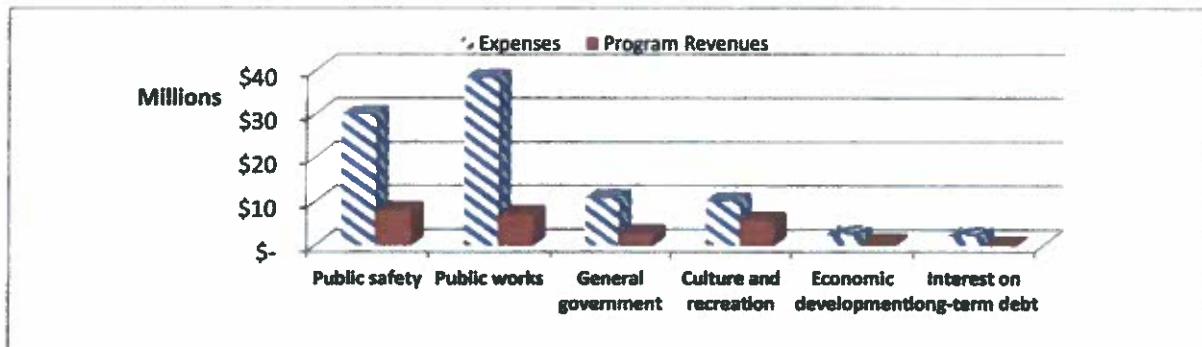
**CITY OF RIO RANCHO, NEW MEXICO  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2013**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont'd)**

**Revenues by Source -- Business-type Activities**



**Expenses and Program Revenues -- Governmental & Business-type Activities**



**CITY OF RIO RANCHO, NEW MEXICO  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2013**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont'd)**

**Governmental-type activities.** The net position of the governmental-type activities at the end of the year amounts to \$251.7 million. The following are significant current year transactions that have had an impact on the Statement of Activities.

- Program revenues including federal and state grants and contributions, charges for services, and local revenues subsidized certain programs totaling \$23.6 million.
- The cost of all governmental activities in fiscal year 2013 was \$93.6 million, 22.65 percent higher than fiscal year 2012 due to the expense of \$20.1 million governmental capital assets primarily related to the change in construction in progress projects noted above.
- The net cost of governmental activities (\$70.0 million) was financed by general revenues (\$51.0 million) that primarily consist of municipal gross receipt taxes (\$19.2 million), property taxes (\$16.3 million), and unrestricted grants, aid and state shared revenues (\$11.8 million).
- Gross receipt taxes and unrestricted grants, aid and state shared revenues decreased \$903,845 from fiscal year 2012, partially due to the decrease in non-residential construction activity.
- Investment income increased \$5,783 primarily due to the recognition of a 2009 loss on an investment from the reserve contingency fund being held at the New Mexico Local Government Investment Pool (LGIP) in fiscal year 2012.
- Property tax revenues increased from those received in fiscal year 2012 by \$642,896, or 3.95 percent, primarily due to slight increases in both residential construction and non-residential development and the inflation rate.

**Business-type activities.** Net position of the business-type activities at the end of the year amounted to \$191.6 million. The increase of \$14.5 million over fiscal year 2012 was primarily due to a rate increase in the charges for water and wastewater services, water rights fees and developer capital contributions.

The following are significant current year transactions that have had an impact on the Statement of Activities.

- The City's water and wastewater utility increase in net position is partially attributed to an 8.7 percent increase in water and wastewater rates plus a monthly \$1 increase to the water rights acquisition surcharge. An increase in the number of customers also contributed to this growth. Consumption from the City's only industrial customer (Intel) continues to bring strong growth in revenues.
- The cost of all business-type activities in fiscal year 2013 was \$38.2 million, slightly lower than fiscal year 2012 due primarily to a decrease in operational and maintenance and/or repairs to the City infrastructure.

**CITY OF RIO RANCHO, NEW MEXICO  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2013**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Concl'd)**

- Program revenues, specifically capital grants and contributions for the Santa Ana Star Center increased \$80,425 due to an increase in improvements needed to the facility.

**FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with financial and legal requirements.

**Governmental funds.** The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the City's net resources available for spending at the end of the fiscal year.

The financial performance of the City as a whole is reflected in its governmental funds. As the City completed the year, its governmental funds reported a combined fund balance of \$31.6 million; a decrease of \$3.2 million primarily due to the use of bond funds on capital projects.

The General Fund is the principal operating fund of the City. The decrease in fund balance of \$464,493 in the General Fund to \$14.2 million as of June 30, 2013 was due primarily due to a decrease in gross receipts tax revenues and continued use of prior year reserves for expenditures to provide City services.

**Proprietary funds.** Net position of the business-type activities at the end of the year amounted to \$191.6 million. The increase of \$14.5 million over fiscal year 2012 was primarily due to an 8.7 percent rate increase in the charges for water and wastewater services plus the an increase of \$1 water rights acquisition surcharge, and \$1.2 million in capital contributions.

**BUDGETARY HIGHLIGHTS**

The 2013 budget reflected a local economy that was climbing out of an economic recession that plagued our country over the last three years. Various signs suggest that the recovery is gaining momentum, including a steadily declining unemployment rate, stabilizing City revenues, and a trend of lower foreclosures in the area compared to recent years. Hard budget choices made by the Governing Body set the City on a path and a way of thinking that establishes a solid foundation from which to further the City's Strategic Goals. In addition to long-term planning, prioritization plays a big role in achieving sustainability. The City must continue to evaluate all City services and to focus resources on the City's highest priority areas.

- Overall, City Departments were instructed to keep their budgets at the Fiscal Year 2012 levels, except as necessary to address the highest priority needs. Using additional expenditure savings and non-recurring revenue, the Budget included additional funding for critical areas that have been under funded in recent years. This included 14 new police vehicles, additional police officer training, a new animal control truck, a rescue

**CITY OF RIO RANCHO, NEW MEXICO  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2013**

**BUDGETARY HIGHLIGHTS (Concl'd)**

ambulance, a cardiac defibrillator, funding for the City's graphical information system, and other small capital needs that can no longer wait to be funded.

- The Budget also incorporated a modest pay increase to the City's number one asset, our employees. City employees have sustained pay cuts (through furloughs) and have foregone raises over recent years at a time when the cost of living continues to increase. The Budget includes a two percent recurring salary increase. The Budget did not include any tax increases.

The City conducts a mid-year budget review, which provides the City with an opportunity to adjust the fiscal year budget for changes in projected revenue and expenditure levels that may have occurred since initial adoption. The changes made to the fiscal year 2013 budget at midyear can be briefly summarized as follows:

- The FY13 midyear budget had relatively insignificant adjustments, reflecting an economy that continued to struggle through a recovery that was not as strong as most had hoped it would be. While the U.S. housing recovery seems to be building momentum, overall economic activity, including manufacturing and job growth have continued to show persistent weakness.
- While there was a mid-year increase in property tax revenue of \$177,000, there were decreases in franchise fees, auto licenses, gross receipts tax and permit fees due to a reduced number of projects needing permits.
- There were multiple positions continued to be held vacant during the fiscal year. The value of the vacant positions was approximately \$1.5 million.

The final budget variances between the budget and actual revenues and expenditures for the General fund can be briefly summarized as follows:

- \$1.0 million positive variance in revenues primarily due to an increase in property taxes, fine and forfeitures, and construction related activity.
- \$2.2 million in expenditure savings due to department's reducing materials and services budgets and multiple positions that were held vacant.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets.** The City's portfolio of capital assets for its governmental and business-type activities as of June 30, 2013 amounts to \$606.2 million (net of accumulated depreciation). This investment in capital assets includes buildings, facilities, vehicles, equipment, and infrastructure assets. This amount represents a net decrease of \$13.0 million over last year, primarily due to the retirement of governmental capital assets related to construction in progress projects. In particular, the Paseo del Volcon road is a capital asset of the State of New Mexico. Total depreciation expense for the year was \$20.1 million.

**CITY OF RIO RANCHO, NEW MEXICO  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2013**

**CAPITAL ASSETS AND DEBT ADMINISTRATION (Cont'd)**

The following schedule presents capital asset balances net of depreciation for the fiscal years ended June 30, 2013 and June 30, 2012.

**Governmental and Business-type Capital Assets**

	<u>Governmental activities</u>		<u>Business-type activities</u>		<u>Total</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
<i>Land</i>	\$63,020,629	\$61,695,142	42,191,381	\$40,753,810	\$105,212,010	\$102,448,952
<i>Land improvements</i>	11,726,008	9,088,923	11,135,095	7,878,554	22,861,103	16,867,477
<i>Buildings and improvements</i>	45,315,216	46,367,350	84,991,832	74,056,511	130,307,048	120,423,861
<i>Vehicles, furniture and equipment</i>	6,007,660	6,927,673	31,243,138	19,206,530	37,250,798	26,134,203
<i>System infrastructure</i>	138,440,168	130,533,522	135,504,919	125,004,082	273,945,087	255,537,604
<i>Construction in progress</i>	<u>14,289,450</u>	<u>48,348,175</u>	<u>22,313,925</u>	<u>54,243,705</u>	<u>36,603,375</u>	<u>97,591,880</u>
<b>Total</b>	<b>\$278,799,131</b>	<b>\$297,960,784</b>	<b>\$327,380,290</b>	<b>\$321,143,191</b>	<b>\$606,179,424</b>	<b>\$619,103,977</b>

Additional information on the City's capital assets can be found in Note 4.

**Debt Administration.** At the end of the current fiscal year, the City had \$218.1 million in long-term debt outstanding, with \$13.4 million due within one year. The following table presents a summary of the City's outstanding bonded debt for the fiscal years ended June 30, 2013 and June 30, 2012.

**Governmental and Business-type Outstanding Debt**

	<u>Governmental activities</u>		<u>Business-type activities</u>		<u>Total</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
<i>General obligation bonds</i>	\$23,290,000	\$25,875,000			\$23,290,000	\$25,875,000
<i>Revenue bonds</i>	15,380,000	16,075,000	133,140,000	138,370,000	148,520,000	154,445,000
<i>Notes payable</i>	<u>14,769,084</u>	<u>15,115,441</u>	<u>31,564,398</u>	<u>27,558,858</u>	<u>46,333,482</u>	<u>42,674,299</u>
<b>Total</b>	<b>\$53,439,084</b>	<b>\$57,065,441</b>	<b>\$164,704,398</b>	<b>\$165,928,858</b>	<b>\$218,143,482</b>	<b>\$222,994,299</b>

The City's total debt outstanding decreased by \$4.8 million, (2.2 percent) during the current fiscal year. The reason for the decrease was the only new debt issuance during the year was for an amount that was less than the regularly scheduled principal reductions on the existing outstanding debt. The new issuance was for a loan with the New Mexico Finance Authority (NMFA) with a face value of \$795,925.



**CITY OF RIO RANCHO, NEW MEXICO  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2013**

**CAPITAL ASSETS AND DEBT ADMINISTRATION (Concl'd)**

In addition to the one new debt issuance, the City issued General Obligation, Gross Receipts Tax (GRT), Subordinate GRT, and Joint Utility bonds to refinance previously outstanding bonds reported in both governmental and business-type activities. This refinancing was done to take advantage of favorable interest rates. The net present value savings for all refunded debt was \$3,689,029.

State statutes currently limit the amount of general obligation debt a City may issue to 4 percent of its total assessed valuation for general purposes. The current debt limitation for the City is \$79,986,560. State statute also currently does not limit the amount of general obligation debt a City may issue for the water and wastewater system. The City has no outstanding general obligation debt for the water and wastewater system.

In April 2013, the City's water and wastewater revenue bonds were reviewed by Moody's and Standard & Poor's and received a rating of "Aa3" and "AA- (negative outlook)," respectively. The City's general obligation bond debt is graded "AA" by Fitch Ratings and "Aa2" by Moody's. The City's GRT bonds were also reviewed in April 2013 by Moody's and Standard & Poor's and received a rating of "Aa3" and "AA-," respectively for its senior lien GRT Bonds and "A1" and "A+," respectively for its subordinate lien GRT Bonds.

Additional information on the City's long-term debt can be found in Note 5.

The following are significant current year transactions that have had an impact on capital assets.

- The addition of \$4.1 million in governmental activities primarily due to capital contributions from developers.
- The addition of \$1.2 million in business-type activities, specifically the utility fund, primarily due to capital contributions from developers.
- The reduction of \$20.1 million in governmental activities due to construction in progress assets that were contributed to the State of New Mexico.

The following are significant current year transactions that have had an impact on long-term debt.

- The City received \$795,925 in loan proceeds for the purpose of the acquisition of a fire administration building.
- The City refinanced various outstanding bonds to take advantage of favorable interest rates and an annual debt service saving of \$749,000.

**NEXT YEAR'S BUDGET AND ECONOMIC FACTORS**

The Adopted FY14 Budget is a balanced budget and reflects the City's Strategic Goals related to Developing new and well-maintained infrastructure; Attracting and creating well-planned, stable, high quality development; Ensuring fiscal health is strong; Providing public safety services to ensure the safety and health of the community; Delivering quality government services; and

**CITY OF RIO RANCHO, NEW MEXICO  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2013**

**NEXT YEAR'S BUDGET AND ECONOMIC FACTORS (Cont'd)**

providing quality of life services to meet community needs. Based on the Adopted Budget, the City continues to project a balanced five year General Fund financial plan. In addition to a balanced budget, two additional milestones are expected to occur in Fiscal Year 2014, namely, recurring revenues are expected to exceed recurring expenditures and the ending fund balance is expected to achieve the City's 15 percent policy target. These major accomplishments reflect the City's continued efforts and commitment to achieving a sustainable long-term budget, as well as an improving economy.

The FY14 Adopted Budget reflects a local economy that is expected to slowly improve, digging itself out of negative job growth that has plagued the metro area over the last five years. Various signs suggest that the economy is continuing to recover, including a steadily declining unemployment rate, improving housing market indicators, and overall lower foreclosure activity in the area compared to recent years.

Unfortunately, the growth in revenues has not been strong enough to meet all of the funding needs of the City, including maintenance on roads, public safety staffing needs, and information technology upgrades. Accordingly, there continues to be more needs than can be addressed with current resources. This has meant tough budget decisions and allocating the limited resources in the most efficient and strategic way possible. City employees have continued to look for ways to reduce expenditures, including filling most positions at minimum salary levels, limiting travel and training, and refunding existing debt at lower interest rates. The City will save approximately \$749,000 in FY14 through various Gross Receipts Tax, Joint Utility, and General Obligation bond refunding transactions, with higher annual savings in future years. Of this amount, \$535,000 in annual savings will be saved by the General Fund.

After five consecutive years of negative employment growth in the Albuquerque Metro Area, the Bureau of Business and Economic Research is forecasting positive job growth in 2013, albeit at a modest pace of 0.7 percent. Sectors leading the job growth include the healthcare and social assistance sector due to the Medicaid expansion signed by the Governor, the construction sector, as the housing market recovers, and the administrative services sector, as employers turn to temporary workers to fill vacancies. In 2012, the Albuquerque Metro area housing market showed signs of improvement, in line with the national trend. Rio Rancho 2012 housing permits, while still below long-term historical averages, increased 38 percent from 2011 and are 60 percent higher calendar year to date in 2013. Additionally, foreclosures have fallen from the peak seen in 2009 and were 18.5 percent lower in 2012 compared to 2011.

Labor markets continue to improve, albeit very slowly. The national and regional unemployment rates continue to inch down, with the metro area unemployment rate falling from a high of 8.3 percent in 2010 to 7.0 percent currently. The Bureau of Business and Economic Research expects employment growth to be slow in the metro area over the next five years, with employment expected grow 0.7 percent in 2013, and range between 0.7 percent and 1.6 percent over the five year period. Personal income growth is expected to range between 2.2 percent to 5.1 percent over the same period.

**CITY OF RIO RANCHO, NEW MEXICO  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2013**

**NEXT YEAR'S BUDGET AND ECONOMIC FACTORS (Concl'd)**

As a result of the economic outlook, General Fund revenue, as detailed below, is expected to grow 3.8 percent and grow between 1.9 to 4.9 percent through FY18.

Rio Rancho continues to be one of the best places to relocate a business, offering a portfolio of incentives, tax benefits and other programs that stand behind the City commitment to attract economic base jobs and increase the quality of life through the attraction of targeted retail and other industries/companies. In July 2012, Money magazine ranked Rio Rancho 58<sup>th</sup> in its list of the "100 Best Places to Live." The magazine took into consideration criteria such as job opportunities, schools, low crime, and health care. In profiling Rio Rancho, Money noted the community has added jobs and features many recreational amenities. In 2013, Family Circle magazine listed Rio Rancho as one of its "10 Best Towns for Families" in the United States.

**CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the resources it receives. If you have questions about this report or need additional information, contact the City of Rio Rancho Financial Services Department located at 3200 Civic Center Circle N.E. Rio Rancho, New Mexico 87144.

## **BASIC FINANCIAL STATEMENTS**



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**GOVERNMENT-WIDE FINANCIAL STATEMENTS**



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**CITY OF RIO RANCHO, NEW MEXICO**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2013**

	Governmental Activities	Business-type Activities	Total
<b><u>ASSETS</u></b>			
Cash and cash equivalents	\$ 28,670,537	\$ 12,179,106	\$ 40,849,643
Investments	492,414	10,079,181	10,571,595
Receivables (net of allowance for uncollectibles)	2,666,250	8,531,231	11,197,481
Intergovernmental receivable	6,208,715	838,395	7,047,110
Internal balances	(54,923)	54,923	
Deferred bond issuance costs	294,742	1,715,839	2,010,581
Goodwill		3,928,220	3,928,220
Capital assets not being depreciated:			
Land	63,020,629	42,191,381	105,212,010
Construction in progress	14,289,450	22,313,925	36,603,375
Capital assets, net of accumulated depreciation:			
Land improvements	11,726,008	11,135,095	22,861,103
Infrastructure	138,440,168	135,504,919	273,945,087
Buildings	45,315,216	84,991,832	130,307,048
Machinery, equipment, and vehicles	6,007,660	31,243,138	37,250,798
<b>Total Assets</b>	<b>317,076,866</b>	<b>364,707,185</b>	<b>681,784,051</b>
<b><u>LIABILITIES</u></b>			
Accounts payable and other accrued liabilities	3,467,072	1,681,522	5,148,594
Accrued interest payable	421,071	801,158	1,222,229
Deposits payable		950,033	950,033
Unearned revenues	534,863		534,863
Noncurrent liabilities:			
Due within one year	5,856,339	8,736,821	14,593,160
Due in more than one year	55,085,727	160,918,562	216,004,289
<b>Total Liabilities</b>	<b>65,365,072</b>	<b>173,088,096</b>	<b>238,453,168</b>
<b><u>NET POSITION</u></b>			
Net investment in capital assets	226,630,240	159,709,769	386,340,009
Restricted for:			
Debt service	4,203,321	10,079,181	14,282,502
Capital projects	2,159,222		2,159,222
Unrestricted	18,719,011	21,830,139	40,549,150
<b>Total Net Position</b>	<b>\$ 251,711,794</b>	<b>\$ 191,619,089</b>	<b>\$ 443,330,883</b>

**The notes to the financial statements are an integral part of this statement.**



**CITY OF RIO RANCHO, NEW MEXICO  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2013**

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Assets
<b>Primary Government</b>					<b>Governmental Activities</b>
Governmental activities:					
General government	\$ 10,771,678	\$ 2,500,231	\$ 137,352	\$	\$ (8,134,095)
Public safety	29,856,037	5,983,192	1,441,391	526,731	(21,904,723)
Public works	38,202,128	1,373,664	350,984	5,256,109	(31,221,371)
Culture and recreation	10,100,647	1,872,303	642,711	2,986,532	(4,599,101)
Economic development	2,484,220	516,409			(1,967,811)
Interest on long-term debt	2,194,753				(2,194,753)
Total governmental activities	<u>93,609,463</u>	<u>12,245,799</u>	<u>2,572,438</u>	<u>8,769,372</u>	<u>(70,021,854)</u>
Business-type activities:					
Water	11,975,563	24,311,077	2,500	4,438,997	
Wastewater	21,049,880	15,142,490			
Event center	5,128,579	473,043		344,619	
Total business-type activities	<u>38,154,022</u>	<u>39,926,610</u>	<u>2,500</u>	<u>4,783,616</u>	
<b>Total primary government</b>	<u>\$ 131,763,485</u>	<u>\$ 52,172,409</u>	<u>\$ 2,574,938</u>	<u>\$ 13,552,988</u>	<u>\$ (70,021,854)</u>
<b>General revenues:</b>					
Taxes:					
Property taxes, levied for general purposes					13,101,107
Property taxes, levied for debt service					3,192,461
Gross receipts taxes					19,154,083
Franchise taxes					3,615,212
Unrestricted grants, aid and state shared revenues					11,765,404
Investment income					2,870
Miscellaneous					181,474
Total general revenues					<u>51,012,611</u>
Change in net position					(19,009,243)
Net position - beginning of year					270,721,037
Restatement					
Net position - beginning of year, as restated					<u>270,721,037</u>
Net position - ending of year					<u>\$ 251,711,794</u>

**The notes to the financial statements are an integral part of this statement.**

Net (Expense) Revenue and Changes  
in Net Assets

Business-type Activities	Totals
\$	\$ (8,134,095)
	(21,904,723)
	(31,221,371)
	(4,599,101)
	(1,967,811)
	(2,194,753)
	<u>(70,021,854)</u>
16,777,011	16,777,011
(5,907,390)	(5,907,390)
(4,310,917)	(4,310,917)
<u>6,558,704</u>	<u>6,558,704</u>
<u>\$ 6,558,704</u>	<u>\$ (63,463,150)</u>
	13,101,107
	3,192,461
	19,154,083
	3,615,212
2,452,570	14,217,974
47,876	50,746
310,340	491,814
<u>2,810,786</u>	<u>53,823,397</u>
9,369,490	(9,639,753)
177,129,329	447,850,366
5,120,270	5,120,270
<u>182,249,599</u>	<u>452,970,636</u>
<u>\$ 191,619,089</u>	<u>\$ 443,330,883</u>

**CITY OF RIO RANCHO, NEW MEXICO  
BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2013**

	<u>General Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
<b><u>ASSETS</u></b>			
Cash and cash equivalents	\$ 9,993,144	\$ 16,403,689	\$ 26,396,833
Property taxes receivable	770,025	257,776	1,027,801
Accounts receivable	1,602,312	36,137	1,638,449
Due from federal government	37,186	888,369	925,555
Due from state government	4,196,073	1,076,653	5,272,726
Due from county government		10,434	10,434
Due from other funds	397,654	265,003	662,657
Restricted Investments		492,414	492,414
<b>Total assets</b>	<b><u>\$ 16,996,394</u></b>	<b><u>\$ 19,430,475</u></b>	<b><u>\$ 36,426,869</u></b>
<b><u>LIABILITIES</u></b>			
Accounts payable	\$ 410,908	\$ 480,397	\$ 891,305
Accrued payroll	1,485,888	34,748	1,520,636
Accrued interest payable		421,071	421,071
Due to other funds		662,657	662,657
Unearned revenue-other	293,246	241,617	534,863
Unearned revenue-property taxes	601,440	203,314	804,754
<b>Total liabilities</b>	<b><u>2,791,482</u></b>	<b><u>2,043,804</u></b>	<b><u>4,835,286</u></b>
<b><u>FUND BALANCES (DEFICITS)</u></b>			
Non-Spendable	\$	\$	\$
Restricted	137,120	17,311,487	17,448,607
Committed		76,479	76,479
Assigned	3		3
Unassigned	14,067,789	(1,295)	14,066,494
<b>Total fund balances (deficits)</b>	<b><u>14,204,912</u></b>	<b><u>17,386,671</u></b>	<b><u>31,591,583</u></b>
<b>Total liabilities, and fund balances (deficits)</b>	<b><u>\$ 16,996,394</u></b>	<b><u>\$ 19,430,475</u></b>	<b><u>\$ 36,426,869</u></b>

**The notes to the financial statements are an integral part of this statement.**

**CITY OF RIO RANCHO, NEW MEXICO  
RECONCILIATION OF THE BALANCE SHEET GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2013**

Amounts reported for *governmental activities* in the Statement of Net Assets are different because:

Total fund balances - governmental funds		\$ 31,591,583
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Governmental capital assets	452,917,967	
Less accumulated depreciation	<u>(174,118,836)</u>	278,799,131
Property tax revenues that are not available to pay for current period expenditures are deferred in the funds.		
		804,754
Issuance costs and premiums related to issuance of bonds are amortized over the life of the associated issue in the government-wide statements.		
Issuance premium	(2,044,493)	
Issuance discounts	127,683	
Deferred bond issuance costs	<u>294,742</u>	(1,622,068)
Internal service funds are used by management to charge the costs of health and dental self-insurance. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		
Total internal service funds Net Position	1,373,073	
Internal service funds Net Position attributable to Enterprise Funds	<u>(54,923)</u>	1,318,150
Litigation liability related to a lawsuit that has ruled against the City.		
		(154,500)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.		
Compensated absences payable	(5,586,172)	
Notes payable	(14,769,084)	
General obligation bonds payable	(23,290,000)	
Revenue bonds payable	<u>(15,380,000)</u>	<u>(59,025,256)</u>
Net position of governmental activities		<u>\$ 251,711,794</u>

**The notes to the financial statements are an integral part of this statement.**

**CITY OF RIO RANCHO, NEW MEXICO**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2013**

	<u>General Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>			
Property taxes	\$ 13,183,036	\$ 3,285,872	\$ 16,468,908
Municipal and state shared taxes	24,489,867	6,429,620	30,919,487
License and permits	347,319		347,319
Intergovernmental federal	79,218	4,592,655	4,671,873
Intergovernmental state		1,770,840	1,770,840
Intergovernmental county	1,000	405,909	406,909
Impact fees		350,561	350,561
Charges for services	5,498,892	642,236	6,141,128
Fines and forfeits	1,421,324	89,441	1,510,765
Franchise fees	3,497,682	117,530	3,615,212
Contributions and donations	20,000	31,323	51,323
Investment income/(expense)	2,524	346	2,870
Other revenues	3,670,023	736,862	4,406,885
<b>Total revenues</b>	<u>52,210,885</u>	<u>18,453,195</u>	<u>70,664,080</u>
<b>Expenditures:</b>			
Current -			
General government	9,033,090	2,439,248	11,472,338
Public safety	26,320,739	2,091,741	28,412,480
Public works	6,422,502	674,296	7,096,798
Culture and recreation	7,677,337	1,131,472	8,808,809
Economic development	1,906,961	540,382	2,447,343
Capital outlay	243,974	9,313,157	9,557,131
Debt service -			
Principal		4,712,282	4,712,282
Interest and fiscal charges		2,194,753	2,194,753
Bond issuance costs		164,146	164,146
<b>Total expenditures</b>	<u>51,604,603</u>	<u>23,261,477</u>	<u>74,866,080</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>606,282</u>	<u>(4,808,282)</u>	<u>(4,202,000)</u>
<b>Other financing sources (uses):</b>			
Issuance of debt		795,925	795,925
Refunding bonds issued		15,135,000	15,135,000
Transfers in	201,858	1,072,246	1,274,104
Payment to refunded bond escrow agent		(14,970,854)	(14,970,854)
Transfers out	(1,272,633)	(1,471)	(1,274,104)
<b>Total other financing sources (uses)</b>	<u>(1,070,775)</u>	<u>2,030,846</u>	<u>960,071</u>
<b>Changes in fund balances</b>	<u>(464,493)</u>	<u>(2,777,436)</u>	<u>(3,241,929)</u>
<b>Fund balances, beginning of year</b>	14,669,405	20,164,107	34,833,512
<b>Fund balances, end of year</b>	<u>\$ 14,204,912</u>	<u>\$ 17,386,671</u>	<u>\$ 31,591,583</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF RIO RANCHO, NEW MEXICO**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2013**

Amounts reported for *governmental activities* in the Statement of Activities are different because:

Net Changes in Fund Balances - Total Governmental Funds		\$ (3,241,929)
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.</p>		
Expenditures for capital assets	9,557,131	
Less current year depreciation	<u>(12,433,301)</u>	(2,876,170)
<p>The effect of developer contributions and the transfer of the Paseo Del Vulcan construction project to the NM Department of Transportation is to decrease net position.</p>		
		(16,285,483)
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.</p>		
Amortization of bond issuance costs	(67,232)	
Amortization of bond discount	(14,187)	
Compensated absences	<u>(218,034)</u>	(299,453)
<p>Revenue that are deferred in the governmental funds because they do not provide current financial resources are included in the Statement of Activities.</p>		
Property taxes	(175,340)	
Amortization of bond premium	<u>362,032</u>	186,692
<p>Repayment of long-term debt principal are expenditures in the governmental funds, but the payment reduces long-term liabilities in the Statement of Net Position.</p>		
General obligation bonds retirement	2,650,000	
Revenue bonds retirement	920,000	
Notes payable retirement	<u>1,142,282</u>	4,712,282
<p>The issuance of long-term debt provides and uses current financial resources in the governmental funds, but the issuance increases long-term liabilities and the related deferred items in the Statement of Net Position.</p>		
Issuance of notes	(795,925)	
Refunded bonds	(290,000)	
Bond issuance costs	142,000	
Premium on bond	<u>(1,132,966)</u>	(2,076,891)
<p>Internal service funds are used by management to charge the costs of health and dental self-insurance. The net revenue of certain activities of internal service funds is reported with governmental activities.</p>		
		671,002
<p>Litigation liability related to a lawsuit that has ruled against the City.</p>		
		200,707
Change in net position of governmental activities		<u>\$ (19,009,243)</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF RIO RANCHO, NEW MEXICO**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND**  
**YEAR ENDED JUNE 30, 2013**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Property taxes	\$ 12,806,156	\$ 12,982,527	\$ 13,183,036	\$ 200,509
Municipal and state shared taxes	24,637,680	24,621,431	24,489,867	(131,564)
License and permits	394,948	394,948	347,319	(47,629)
Intergovernmental federal	58,105	116,105	79,218	(36,887)
Intergovernmental county	1,000	1,000	1,000	
Charges for services	4,570,358	4,775,635	5,498,892	723,257
Fines and forfeits	1,175,872	1,291,977	1,421,324	129,347
Franchise fees	3,704,588	3,586,080	3,497,682	(88,398)
Contributions and donations	15,000	20,000	20,000	
Investment income	20,000	20,000	2,524	(17,476)
Other revenues	3,146,743	3,362,746	3,670,023	307,277
<b>Total revenues</b>	<u>50,530,450</u>	<u>51,172,449</u>	<u>52,210,885</u>	<u>1,038,436</u>
<b>Expenditures:</b>				
Current -				
General government	7,465,567	8,302,503	9,033,090	(730,587)
Public safety	27,389,915	27,541,117	26,320,739	1,220,378
Public works	6,854,370	6,965,268	6,422,502	542,766
Culture and recreation	8,000,933	8,236,089	7,677,337	558,752
Economic development	2,252,319	2,252,320	1,906,961	345,359
Capital outlay	358,792	465,836	243,974	221,862
<b>Total expenditures</b>	<u>52,321,896</u>	<u>53,763,133</u>	<u>51,604,603</u>	<u>2,158,530</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(1,791,446)</u>	<u>(2,590,684)</u>	<u>606,282</u>	<u>3,196,966</u>
<b>Other financing sources (uses):</b>				
Transfers in	202,150	202,157	201,858	(299)
Transfers out	(793,528)	(1,304,823)	(1,272,633)	32,190
<b>Total other financing sources (uses)</b>	<u>(591,378)</u>	<u>(1,102,666)</u>	<u>(1,070,775)</u>	<u>31,891</u>
<b>Change in fund balances</b>	<u>(2,382,824)</u>	<u>(3,693,350)</u>	<u>(464,493)</u>	<u>3,228,857</u>
<b>Fund balances, July 1, 2012</b>	9,501,916	10,362,230	14,669,405	4,307,175
<b>Fund balances, June 30, 2013</b>	<u>\$ 7,119,092</u>	<u>\$ 6,668,880</u>	<u>\$ 14,204,912</u>	<u>\$ 7,536,032</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF RIO RANCHO, NEW MEXICO**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2013**

	<u>Enterprise Funds</u>			Governmental Activities: Internal Service Funds
	<u>Utilities Fund</u>	<u>Multi-Purpose Event Center Fund</u>	<u>Total</u>	
<b>ASSETS</b>				
Current assets:				
Cash and investments	\$ 11,700,131	\$ 478,975	\$ 12,179,106	\$ 2,273,704
Accounts receivable	8,518,634	12,597	8,531,231	
Due from federal government	44,828		44,828	
Due from state government	426,084	367,483	793,567	
Total current assets	<u>20,689,677</u>	<u>859,055</u>	<u>21,548,732</u>	<u>2,273,704</u>
Noncurrent assets:				
Restricted investments	7,201,209	2,877,972	10,079,181	
Deferred bond issuance costs	1,263,174	452,665	1,715,839	
Goodwill (net of amortization)	3,928,220		3,928,220	
Land	41,858,881	332,500	42,191,381	
Land improvements	12,639,051	350,616	12,989,667	
Infrastructure	156,137,711		156,137,711	
Buildings and improvements	59,047,632	40,985,807	100,033,439	
Vehicles, furniture and equipment	51,910,404	1,166,663	53,077,067	
Construction in progress	22,313,925		22,313,925	
Accumulated depreciation	(54,797,129)	(4,565,771)	(59,362,900)	
Total noncurrent assets	<u>301,503,078</u>	<u>41,600,452</u>	<u>343,103,530</u>	
Total assets	<u>322,192,755</u>	<u>42,459,507</u>	<u>364,652,262</u>	<u>2,273,704</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	1,619,741	4,767	1,624,508	
Accrued payroll	57,014		57,014	
Accrued interest payable	719,728	81,430	801,158	
Claims payable				900,631
Compensated absences payable	59,333		59,333	
Note payable	1,282,488		1,282,488	
Revenue bonds payable	5,945,000	1,450,000	7,395,000	
Deposits held for others	950,033		950,033	
Total current liabilities	<u>10,633,337</u>	<u>1,536,197</u>	<u>12,169,534</u>	<u>900,631</u>
Noncurrent liabilities:				
Compensated absences payable	63,062		63,062	
Note payable	30,281,910		30,281,910	
Revenue bonds payable	101,224,176	29,349,414	130,573,590	
Total non-current liabilities	<u>131,569,148</u>	<u>29,349,414</u>	<u>160,918,562</u>	
Total liabilities	<u>142,202,485</u>	<u>30,885,611</u>	<u>173,088,096</u>	<u>900,631</u>
<b>NET POSITION</b>				
Net investment in capital assets	151,786,703	7,923,066	159,709,769	
Restricted for:				
Debt service	7,201,209	2,877,972	10,079,181	
Unrestricted	21,002,358	772,858	21,775,216	1,373,073
Total net position	<u>\$ 179,990,270</u>	<u>\$ 11,573,896</u>	<u>\$ 191,564,166</u>	<u>\$ 1,373,073</u>
Adjustment to report the cumulative internal balance for the net effect of the activity between the internal services funds and the enterprise funds over time			54,923	
Net position of business-type activities			<u>\$ 191,619,089</u>	

The notes to the financial statements are an integral part of this statement.



**CITY OF RIO RANCHO, NEW MEXICO**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2013**

	Enterprise Funds			Governmental Activities - Internal Service Funds
	Utilities Fund	Multi-Purpose Event Center Fund	Total	
<b>Operating revenues:</b>				
Charges for services - water	\$ 24,311,077	\$	\$ 24,311,077	
Charges for services - wastewater	15,142,490		15,142,490	
Charges for services - event center		473,043	473,043	
Charges for services - other services				5,734,948
<b>Total operating revenues</b>	<b>39,453,567</b>	<b>473,043</b>	<b>39,926,610</b>	<b>5,734,948</b>
<b>Operating expenses:</b>				
Administration	4,246,331	110,657	4,356,988	
Production costs	16,548,279		16,548,279	
Other services				5,072,532
Depreciation	6,758,111	886,491	7,644,602	
<b>Total operating expenses</b>	<b>27,552,721</b>	<b>997,148</b>	<b>28,549,869</b>	<b>5,072,532</b>
<b>Operating income (loss)</b>	<b>11,900,846</b>	<b>(524,105)</b>	<b>11,376,741</b>	<b>662,416</b>
<b>Nonoperating revenues (expenses):</b>				
Interest expense	(5,508,919)	(1,453,958)	(6,962,877)	
Intergovernmental federal	56,636		56,636	
Intergovernmental state	3,136,597	2,452,570	5,589,167	
Intergovernmental county	2,500		2,500	
Amortization of deferred bond items	202,971	(213,246)	(10,275)	
Impact fees	382,395		382,395	
Amortization of goodwill	(178,895)		(178,895)	
Investment income/(expense)	32,319	15,557	47,876	(52)
Other revenues	310,340		310,340	36,597
Other expenses	(398,233)	(2,464,227)	(2,862,460)	
<b>Total nonoperating revenues (expenses)</b>	<b>(1,962,289)</b>	<b>(1,663,304)</b>	<b>(3,625,593)</b>	<b>36,545</b>
<b>Income before capital contributions and transfers</b>	<b>9,938,557</b>	<b>(2,187,409)</b>	<b>7,751,148</b>	<b>698,961</b>
<b>Capital contributions</b>	<b>1,245,764</b>	<b>344,619</b>	<b>1,590,383</b>	
<b>Changes in net position</b>	<b>11,184,321</b>	<b>(1,842,790)</b>	<b>9,341,531</b>	<b>698,961</b>
<b>Net position - beginning of year</b>	<b>163,685,679</b>	<b>13,416,686</b>	<b>177,102,365</b>	<b>674,112</b>
<b>Restatement</b>	<b>5,120,270</b>		<b>5,120,270</b>	
<b>Net position - beginning of year, as restated</b>	<b>168,805,949</b>	<b>13,416,686</b>	<b>182,222,635</b>	<b>674,112</b>
<b>Net position - ending of year</b>	<b>\$ 179,990,270</b>	<b>\$ 11,573,896</b>	<b>\$ 191,564,166</b>	<b>\$ 1,373,073</b>
Adjustment for the net effect to the current year activity between internal service funds and enterprise funds.			27,959	
Change in net position of business-type activities			<b>\$ 9,369,490</b>	

The notes to the financial statements are an integral part of this statement.

**CITY OF RIO RANCHO, NEW MEXICO**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**YEAR ENDED JUNE 30, 2013**

	Enterprise Funds			Governmental Activities - Internal Service Funds
	Utilities Fund	Multi-Purpose Event Center Fund	Total	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received from customers	\$ 34,908,177	\$ 492,230	\$ 35,400,407	\$ 5,734,948
Cash payments to employees	(1,730,517)		(1,730,517)	
Cash payments to suppliers for goods and services	(18,854,585)	(111,498)	(18,966,083)	(5,003,490)
Net cash provided by (used for) operating activities	14,323,075	380,732	14,703,807	731,458
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Intergovernmental revenues	2,745,769	51,989	2,797,758	36,597
Net cash provided by (used for) noncapital and related financing activities	2,745,769	51,989	2,797,758	36,597
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Net acquisition of capital assets	(12,291,317)		(12,291,317)	
Payment of principal on long-term debt	(6,923,217)	(1,385,000)	(8,308,217)	
Issuance of debt	11,291,795	2,451,748	13,743,543	
Interest paid on bonds	(5,601,231)	(1,490,990)	(7,092,221)	
Development impact fees	382,395		382,395	
Net cash provided by (used for) capital and related financing activities	(13,141,575)	(424,242)	(13,565,817)	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Investment income	32,319	15,557	47,876	(52)
Net cash provided by (used for) investing activities	32,319	15,557	47,876	(52)
Net increase (decrease) in cash and cash equivalents	3,959,588	24,036	3,983,624	768,003
Cash and cash equivalents, beginning of year	7,740,543	454,939	8,195,482	1,505,701
Cash and cash equivalents, end of year	\$ 11,700,131	\$ 478,975	\$ 12,179,106	\$ 2,273,704
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:</b>				
Operating income/(loss)	\$ 11,900,846	\$ (524,105)	\$ 11,376,741	\$ 662,416
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:				
Depreciation	6,758,111	886,491	7,644,602	
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	(4,610,098)	19,187	(4,590,911)	
Increase (decrease) in accounts payable	248,087	(841)	247,246	69,042
Increase (decrease) in accrued liabilities	(2,311)		(2,311)	
Increase (decrease) in compensated absences payable	(36,268)		(36,268)	
Increase (decrease) in deposits held for others	64,708		64,708	
Increase (decrease) in deferred revenue			-	
Total adjustments	2,422,229	904,837	3,327,066	69,042
Net cash provided by (used for) operating activities	\$ 14,323,075	\$ 380,732	\$ 14,703,807	\$ 731,458
<b>Schedule of Non-Cash Capital and Related Financing Activities:</b>				
Capital assets acquired through contributions from developers	\$ 1,245,764	\$ 344,619	\$ 1,590,383	\$ -

The notes to the financial statements are an integral part of this statement.

**CITY OF RIO RANCHO, NEW MEXICO  
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
JUNE 30, 2013**

	<u>Agency</u>
<b><u>ASSETS</u></b>	
Cash and investments	\$ 3,052,398
<b>Total assets</b>	<u>\$ 3,052,398</u>
<b><u>LIABILITIES</u></b>	
Deposits held for others	3,052,398
<b>Total liabilities</b>	<u>\$ 3,052,398</u>

**The notes to the financial statements are an integral part of this statement.**

**NOTES TO FINANCIAL STATEMENTS**



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**CITY OF RIO RANCHO, NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Rio Rancho (City) was incorporated in 1981 and the voters approved a home rule amendment to the charter in 1992. The City operates under a manager-council form of government with six council members.

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The City's significant accounting policies are described below.

**A. Reporting Entity**

The City's major operations include police and fire protection, library, parks and recreation, certain community and social services and general administrative services. In addition, the City owns and operates two enterprise funds, which includes a Utilities Fund for water and wastewater operations and the Multi-purpose Event Center.

The financial reporting entity consists of a primary government. The City is a primary government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. Furthermore, there are no component units combined with the City for financial statement presentation purposes, and the City is not included in any other governmental reporting entity. Consequently, the City's financial statements include only the financial activity of those organizational entities for which its elected governing body is financially accountable.

**B. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) present financial information on all of the nonfiduciary activities of the City. All fiduciary activities are reported only in the fund financial statements. For the most part, the effect of internal activity has been removed from these statements. These statements distinguish between governmental and business-type activities of the City. Governmental activities normally are supported by taxes and intergovernmental revenues, and are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes, investment income and other items not included among program revenues, but are reported instead as general revenues.

**CITY OF RIO RANCHO, NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

Individual financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and the major individual enterprise fund are reported as separate columns in the fund financial statements.

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

**Government-wide Financial Statements** - The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. In addition, the fiduciary fund financial statements are reported on the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the grantor or provider have been met. As a general rule the effect of internal activity has been eliminated from the government-wide financial statements, however the effect of interfund services provided and used between functions are reported as expenses and program revenues at amounts approximating their exchange value. The City does not allocate indirect expense to functions in the statement of activities.

**Fund Financial Statements** - Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 6 months of the end of the current fiscal period. In addition, derived tax revenues, such as gross receipts and gasoline taxes, are recognized as revenues when the underlying exchange transaction has occurred. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, gross receipts taxes, state shared taxes, franchise fees, charges for services, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Miscellaneous revenue is not susceptible to accrual because generally they are not measurable until received. Grants and similar awards are recognized as revenue as soon as all eligibility requirements imposed by the grantor or provider have been met. Deferred revenue also arise when resources are received by the City before it has legal claim to them, as when grant monies are received prior to meeting all eligibility requirements imposed by the provider.

Property taxes recognized are net of estimated refunds and uncollectible amounts. Delinquent property taxes have been recorded as unearned revenue. Receivables that will not be collected within the available period have also been reported as unearned revenue on the governmental fund financial statements.

**CITY OF RIO RANCHO, NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

The City reports the following major governmental funds:

The *General Fund* is the City's primary operating fund. It accounts for all financial resources of the City, except those for in another fund.

The City reports the following major proprietary funds:

The *Utilities Fund* accounts for the activities of the water and wastewater systems. The City operates the water and wastewater system for residents of the City.

The *Multi-Purpose Event Center Fund* accounts for operation and construction activities of the event center.

Additionally, the City reports the following fund types:

*Fiduciary Fund* – The Fiduciary Fund consists of agency funds which account for assets held by the City on behalf of others and includes the Special Assessment District Operations Fund, District V, VI, VII, and VIII Bond Funds, the Municipal Court Fund, the Motor Vehicle Division Fund, the Gross Receipts Incentive Program (GRIP) Fund, Rio Metro Fund, and the Rio Rancho Economic Development Fund. These funds account for monies temporarily held by the City as an agent.

*Internal Service Fund* – The Internal service funds account for health and dental services provided by all employees of the government on a cost reimbursement basis.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, are generally followed by the proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

The principal operating revenues of the City's enterprise funds are charges to customers for water and wastewater services and the event center. Operating expenses for this fund include production costs, administrative expenses and depreciation. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources in order of committed, and then assigned as they are needed.

The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column.



**CITY OF RIO RANCHO, NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**D. Investments**

New Mexico Statutes Annotated (NMSA) authorizes the City to invest public monies in the State Treasurer's Local Government Investment Pool, interest-bearing savings accounts, certificates of deposit, and repurchase agreements in eligible depositories; bonds or other obligations of the U.S. government that are guaranteed as to principal and interest by the U.S. government; and bonds of the State of New Mexico, counties, cities, towns, school districts, and special districts as specified by statute.

The State of New Mexico local government investment pool is a pool that is not registered with the United States Securities Exchange Commission. Section 6-10-101, 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 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 amounts deposited in the fund and the length of time the fund amounts were invested. Participation in the local government investment pool is voluntary. The investment in the State of New Mexico local government investment pool approximates the value of the participant's pool share.

A portion of the cash and investments of funds of the City is pooled for investment purposes. The balance reported for each participating fund as "Cash and Investments" represents the equity of that fund in the pooled cash and investments. Interest earnings on pooled investments are allocated to the participating funds based on average daily balances.

Nonparticipating interest-earning investment contracts are stated at cost. Money market investments and participating interest investment contracts with a remaining maturity of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value.

**E. Investment Income**

Investment income is composed of interest and net changes in the fair value of applicable investments.

**F. Receivables and Payables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

**CITY OF RIO RANCHO, NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

All trade receivables are shown net of allowance for uncollectibles. Trade accounts receivable in excess of 180 days comprise the trade accounts receivable allowance for uncollectibles.

Property taxes attach as a lien on property as of January 1. Taxes are levied each year on July 1 on the taxable valuation of property located within the City as of the preceding January 1. The taxable valuation for the various classes of property are determined by the Sandoval County Assessor and the State of New Mexico Department of Finance and Administration (DFA), Local Government Division at one-third of assessed valuation. Property in the City for the fiscal year 2013 tax levy had a taxable value of \$1,988,082,224. The rate of taxes for operating purposes for all taxing jurisdictions is limited by the State Constitution to 20 mils (\$20 per \$1,000 assessed valuation), of which the City's portion, by state regulation, is limited to 5.151 mils. The 2013 rate for residential and non-residential City rate for operations and debt service was 7.167 and 1.789 mils, respectively. Property taxes are payable in two equal installments due on November 10<sup>th</sup> of the current year and April 10<sup>th</sup> of the following year and become delinquent after 30 days.

**G. Capital Assets**

Capital assets, which include land and improvements, buildings and improvements, vehicles, furniture, equipment, construction in progress, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The City defines capital assets as assets with an initial, individual cost of \$5,000 or more and an estimated useful life of more than two years. Such assets are recorded at historical cost or estimated historical cost if actual historical cost is not available. Goodwill represents the excess of the cost of an acquisition over fair value of the City's share of the net identifiable assets of the controlled entity/associate at the date of the acquisition of the Utility. Software is capitalized when acquired while library books are not capitalized because the aggregated cost of books is considered immaterial. Donated capital assets are recorded at actual cost at the date of donation.

General government infrastructure assets acquired prior to July 1, 2002 consist of the road network assets that were acquired or that received substantial improvements subsequent to July 1, 1981. These infrastructure assets are reported at estimated historical cost using deflated replacement cost. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

**CITY OF RIO RANCHO, NEW MEXICO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

Certain capital assets of the City are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	50
Building improvements	20
Improvements other than buildings	20
Public domain infrastructure	15-65
System infrastructure	30
Vehicles	8
Furniture and equipment	5

**H. Compensated Absences**

The City's employee vacation and sick leave policies generally provide for granting vacation and sick leave with pay. Vacation benefits vest immediately at the employee's current rate of pay. Sick leave benefits may be converted to vacation leave at specified rates upon retirement after 10 or more years of service; however, the sick leave benefits do not vest. The current and long-term liabilities for accumulated vacation leave are reported on the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee leave, resignations and retirements. Resources from the General Fund are used to pay for compensated absences.

**I. Long-term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities on the statement of net position. Bond premiums and discounts and the difference between the reacquisition price and the net carrying amount of the old debt, are deferred and amortized over the life of the bonds using the straight line method over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**J. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City does not have any items that qualify for reporting in this category.

**CITY OF RIO RANCHO, NEW MEXICO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has no items that qualify for reporting under this category.

**K. Net Position Restriction**

In the government-wide financial statements only restrictions imposed by external sources or enabling legislation are identified as restricted net position.

**L. Interfund Activity**

Flows of cash from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers between governmental funds are eliminated in the Statement of Activities. Interfund transfers in the fund statements are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds.

**M. Budgets**

The General, Special Revenue, Debt Service, Capital Projects, and Proprietary Fund budgets are subject to approval by the New Mexico Department of Finance and Administration (DFA), Local Government Division.

During the month of May, public hearings are conducted to obtain taxpayer comments. Prior to June 1, the City submits to the DFA a proposed operating budget for the fiscal year commencing the following July 1. The budget is prepared by fund and function and includes proposed expenditures, which include carryover encumbrances and accounts payable, and the means of financing them. Prior to July 1, DFA grants interim approval for the City to operate on the proposed budget subject to adjustments and/or revisions prior to final subsequent approval before the first Monday in September. Such approval is contingent upon the City Council adopting the proposed budget in accordance with applicable state statutes, and sufficient funds being available for anticipated fiscal year expenditures. Prior to July 31, the City Council adopts by resolution a formal budget and such budget is presented to DFA for final approval.

Section 6-6-6, NMSA, 1978 Compilation prohibits municipalities from making expenditures in excess of the approved budget. For these purposes the budget referred to is the fund's total budget.

The adopted budget of the City is prepared on a basis consistent with accounting principles generally accepted in the United States of America.

**CITY OF RIO RANCHO, NEW MEXICO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concl'd)**

**N. Estimates**

The preparation of the 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 amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

**O. Statement of Cash Flows**

For purposes of the Statement of Cash Flows, the City considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents at June 30, 2013 were cash in bank, investments held by the State Treasurer, and investments held by City.

**P. Encumbrances**

The City utilizes encumbrance accounting as part of budgetary controls. Encumbrances outstanding at year end may be reported as part of restricted, committed, or assigned classifications of fund balance. At year end, the City commitments for encumbrances in the governmental funds were as follows.

Fund	Year-End Encumbrances
General fund	\$ 551,316
Non-major governmental funds	2,573,914
Total	\$ 3,125,230

**NOTE 2 – CASH AND INVESTMENTS**

At June 30, 2013, the carrying amount of the City's deposits was \$51,850,456 and the bank balance was \$52,780,474. The difference represents outstanding checks, deposits, and other reconciling items. In addition, the City has \$5,570 of cash on hand at June 30, 2013.

***Custodial credit risk – deposits.*** Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned. The City does not have a specific deposit policy for custodial credit risk; however, under New Mexico law, all deposits with financial institutions must be collateralized in an amount not less than 50% of the uninsured balance.

The City's agreement with its sole depository requires pledged collateral of 102% of the public money in each account. No security is required for the deposit of public money that is insured by the Federal Deposit Insurance Corporation (FDIC). As of June 30, 2013, \$54,440,970 of the City's bank balance was exposed to custodial credit risk as insured and collateralized with securities held by the pledging financial institution's trust department.

**CITY OF RIO RANCHO, NEW MEXICO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013**

**NOTE 2 - CASH AND INVESTMENTS (Cont'd)**

The pledged collateral by bank at June 30, 2013, consists of the following.

Total amount on deposit	\$52,780,474
Less FDIC coverage	<u>(250,000)</u>
Total uninsured public funds	52,530,474
50% collateral requirement	26,265,237
Pledged securities, fair value	<u>55,533,981</u>
Pledged in excess of requirement	<u>\$29,268,744</u>

As of June 30, 2013, the City had the following investments and maturities.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>	
		<u>Less Than 1</u>	<u>1-5</u>
State Treasurer's Investment Pool	\$11,066	\$11,066	
Municipal Bond, University of NM – Valencia County Branch	946,049	946,049	
Bank of New York Mellon	<u>1,660,495</u>	<u>1,660,495</u>	
Total	<u>\$2,617,610</u>	<u>\$2,617,610</u>	

***Credit Risk***

A primary stated objective of the City of Rio Rancho's adopted Investment Policy is the safety of principal and avoidance of principal loss. Risk is controlled by investment in the highest credit quality investments as defined by its adopted Policy and State law. The investments primary objective is to ensure that capital losses are avoided, whether from security defaults or erosion of market value.

Credit risk within the City's portfolio among the authorized investments approved by the City's adopted Investment Policy includes only:

- U.S. Treasury obligations,
- Federal Agency securities,
- repurchase agreements with depository institutions,
- time and demand deposits of New Mexico banks,
- savings and loan association deposits,
- investment grade obligations of state and local governments,
- money market mutual funds, and
- State Treasurer's local government investment pool.

The City's Policy and State law restrict certificates of deposit to those which are fully collateralized or insured and issued by eligible depositories in New Mexico. Such CDs are further collateralized to 102% with pledged US obligations securities held by an independent custodian.

**CITY OF RIO RANCHO, NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**NOTE 2 - CASH AND INVESTMENTS (Cont'd)**

State and municipal obligations from entities within the United States must have a taxable valuation of real property for the preceding year of at least \$1 million and that has not defaulted in bond obligations within the preceding five years.

Money market mutual funds must be registered under the 1940 Act and must have assets of at least \$100 million. The City's Policy does not require that SEC registered money market mutual funds be rated AAAM or its equivalent.

The State of New Mexico's local government investment pool (LGIP) is managed by the State Treasurer, rated AAAM by Standard & Poors. The pool is authorized by State statute.

As of June 30, 2013,

- municipal bonds represented 1.71% of the total portfolio,
- investment in the State Treasurer's local government investment pool represented 0.02% of the total portfolio,
- investment in a money market mutual fund operating as a bank sweep vehicle represented 3.00% of the total portfolio,
- the remainder of the portfolio 92.27% was collateralized holdings in depository demand accounts.

***Concentration of Credit Risk***

The City of Rio Rancho's adopted Investment Policy stresses diversification on all investments. With the exception cash on deposit at the City's depository bank, the City's diversification requirements are in excess as required by State law.

As of June 30, 2013,

- holdings in the State Treasurer's local government investment fund represented 0.02% of the total portfolio,
- holdings in insured/collateralized bank deposits at the Depository bank represented 92.27% of the total portfolio,
- holding in a money market mutual fund used as a bank sweep represented 3.00% of the total portfolio, and
- the remainder of the portfolio was in municipal bonds (1.71%)

***Interest Rate Risk***

In order to limit interest and market rate risk from changes in interest rates, the City's adopted Investment Policy sets a maximum maturity on any investment of five (5) years and a maximum of two (2) years for the overall portfolio, with the exception of bond or trust funds which should be matched to the planned expenditures of the funds.

As of June 30, 2013, the portfolio contained:

- no investment matured beyond 24 months, and
- the dollar weighted average maturity of the total portfolio was 32 days.

**CITY OF RIO RANCHO, NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**NOTE 2 - CASH AND INVESTMENTS (Concl'd)**

***Custodial Credit Risk***

To control custody risk State law and the City of Rio Rancho's adopted Investment Policy requires all securities and all collateral for time and demand deposits as well as repurchase agreement collateral be transferred delivery versus payment and held by an independent party approved by the City. All securities and collateral are held in the City's name. The custodian is required to provide original safekeeping receipts. Repurchase agreements and deposits must be collateralized at 102%.

Portfolio disclosure as of June 30, 2013:

- the portfolio contained no certificates of deposit,
- the portfolio contained no repurchase agreements, and
- all bank demand deposits were fully insured and collateralized. All pledged bank collateral for demand deposits was held by an independent institution outside the bank's holding company.

The City's investment in the New Mexico State Treasurer's Investment Pool represents a proportionate interest in the Pool's portfolio. The City's portion is not identified with specific investments and is not subject to custodial risk; however, separately issued financial statements of the Office of the State Treasurer disclose the collateral pledged to secure the State Treasurer's cash and investments. The most recent report may be obtained by contacting the Office of the State Treasurer, P.O. Box 608, Santa Fe, NM 8754-0608.



**CITY OF RIO RANCHO, NEW MEXICO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013**

**NOTE 3 – UNEARNED REVENUE/ACCOUNTS RECEIVABLE**

**A. Unearned revenues**

Governmental funds report unearned revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental and Proprietary funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

At the end of the current fiscal year, the various components of unearned revenue reported in the governmental funds were as follows.

	Unavailable	Unearned
Governmental Funds:		
Delinquent property taxes receivable (General Fund)	\$601,440	\$
Customer deposits (General Fund)		181,605
Confiscations (General Fund)		50,145
Red-light program (General Fund)		61,496
Federal and state revenues (Non-major Funds)		241,617
Delinquent property taxes receivable (Non-major Funds)	203,314	
Total unearned revenue for governmental funds	\$804,754	\$534,863

**B. Accounts Receivable**

Amounts are aggregated into a single receivable (net of allowance for uncollectibles) line for certain funds and aggregated columns. Below is the detail of receivables for the general and debt service funds and the non-major governmental funds in the aggregate, including the applicable allowances for uncollectible accounts:

Receivables	General Fund	Non-Major Governmental	Total
Accounts	\$ 1,961,111	\$ 36,137	\$1,997,248
Property taxes	770,025	257,776	1,027,801
Gross receivables	\$2,731,136	\$293,913	\$3,025,049
Less: Allowance for uncollectibles	(358,799)	-	(358,799)
Net receivables	\$2,372,337	\$293,913	\$2,666,250

Revenues of the Utility Fund, an enterprise fund, are reported net of uncollectible amounts. Total uncollectible amounts related to water sales of the period amounted to \$1,457,442.

**CITY OF RIO RANCHO, NEW MEXICO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013**

**NOTE 4 – CAPITAL ASSETS**

A summary of capital asset activity for the fiscal year ended June 30, 2013 follows.

<b>Governmental Activities</b>	<b>Beginning Balance</b>	<b>Increase</b>	<b>Decrease</b>	<b>Ending Balance</b>
<b>Capital assets, not being depreciated:</b>				
Land	\$61,695,142	\$1,329,220	(\$3,733)	\$63,020,629
Construction in progress	43,348,173	8,253,537	(37,312,260)	14,289,450
<b>Total capital assets, not being depreciated</b>	<b>105,043,315</b>	<b>9,582,757</b>	<b>(37,315,993)</b>	<b>77,310,079</b>
<b>Capital assets, being depreciated:</b>				
Infrastructure	263,894,226	17,235,340	(179,001)	280,950,565
Buildings and improvements	53,175,999	9,180		53,185,179
Land improvements	13,475,934	3,255,789		16,731,723
Vehicles, furniture and equipment	24,237,465	756,867	(253,911)	24,740,421
<b>Total capital assets being depreciated</b>	<b>354,783,624</b>	<b>21,257,176</b>	<b>(432,912)</b>	<b>375,607,888</b>
<b>Less accumulated depreciation for:</b>				
Infrastructure	(133,360,705)	(9,150,065)	373	(142,510,397)
Buildings and improvements	(6,808,649)	(1,061,314)		(7,869,963)
Land improvements	(4,387,011)	(618,704)		(5,005,715)
Vehicles, furniture and equipment	(17,309,790)	(1,603,218)	180,247	(18,732,761)
<b>Total accumulated depreciation</b>	<b>(161,866,155)</b>	<b>(12,433,301)</b>	<b>180,620</b>	<b>(174,118,836)</b>
<b>Total capital assets, being depreciated, net</b>	<b>192,917,469</b>	<b>8,823,875</b>	<b>(252,292)</b>	<b>201,489,052</b>
<b>Governmental activities capital assets, net</b>	<b>\$297,960,784</b>	<b>\$18,406,632</b>	<b>(\$37,568,285)</b>	<b>\$278,799,131</b>

A portion of the decrease in Construction in Progress is related to the completion of Paseo del Vulcan which was transferred to the New Mexico Department of Transportation.

Depreciation expense was charged to the functions/programs of the governmental activities of the primary government as follows:

<b>Governmental Activities:</b>	
General government	\$ 414,154
Public safety	1,334,098
Public works	9,473,755
Culture and recreation	1,183,085
Economic development	28,209
<b>Total depreciation expense – governmental activities</b>	<b>\$ 12,433,301</b>

**CITY OF RIO RANCHO, NEW MEXICO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013**

**NOTE 4 -- CAPITAL ASSETS (Concl'd)**

<u>Business-Type Activities</u>	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$40,753,810	\$1,437,571		\$42,191,381
Construction in progress	54,243,705	10,212,996	(42,142,776)	22,313,925
Total capital assets, not being depreciated	<u>94,997,515</u>	<u>11,650,567</u>	<u>(42,142,776)</u>	<u>64,505,306</u>
Capital assets, being depreciated:				
Building and Improvements	87,145,510	12,887,929		100,033,439
System infrastructure	143,310,425	12,827,286		156,137,711
Vehicles, furniture and equipment	38,286,431	14,918,758	(128,122)	53,077,067
Land Improvements	9,245,428	3,744,239		12,989,667
Total capital assets being depreciated	<u>277,987,794</u>	<u>44,378,212</u>	<u>(128,122)</u>	<u>322,237,884</u>
Less accumulated depreciation for:				
Building and Improvements	(13,088,997)	(1,952,610)		(15,041,607)
Infrastructure	(18,306,346)	(2,326,446)		(20,632,792)
Vehicles, furniture and equipment	(19,079,901)	(2,877,848)	123,820	(21,833,929)
Land Improvements	(1,366,874)	(487,698)		(1,854,572)
Total accumulated depreciation	<u>(51,842,118)</u>	<u>(7,644,602)</u>	<u>123,820</u>	<u>(59,362,900)</u>
Total capital assets, being depreciated, net	<u>226,145,676</u>	<u>36,733,610</u>	<u>(4,302)</u>	<u>262,874,984</u>
Business-type activities capital assets, net	<u>\$321,143,191</u>	<u>\$48,384,177</u>	<u>\$(42,147,078)</u>	<u>\$327,380,290</u>

Depreciation expense was charged to the functions/programs of the business-type activities are as follows:

**Business-Type Activities:**

Event center	\$ 886,491
Water	4,376,227
Wastewater	2,381,884
Total depreciation expense -- business-type activities	<u>\$ 7,644,602</u>

**Construction Commitments** -- The City has active construction projects as of June 30, 2013. The projects include street construction in areas with newly developed housing, park construction and improvements, and construction of additional water and wastewater facilities and improvements. At year end the City's commitments with contractors are \$122,865,234.

**CITY OF RIO RANCHO, NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**NOTE 5 – LONG-TERM LIABILITIES**

**A. General Obligation Bonds**

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the City. These bonds are generally issued as 10 to 15 year serial bonds with varying amounts of principal maturing each year. General Obligation bonds outstanding as reported in governmental activities at June 30, 2013 were as follows.

	<u>Outstanding June 30, 2013</u>
Governmental Activities General Obligation Bonds:	
\$5,500,000 General Obligation, Series 2004, due in annual installments of \$75,000 to \$725,000 through 08/01/2016; interest at 3.15 percent to 4.0 percent	\$ 500,000
\$7,000,000 General Obligation, Series 2006, due in annual installments of \$300,000 to \$1,150,000 through 08/01/2018; interest at 4.0 percent to 5.0 percent	4,250,000
\$25,000,000 General Obligation, Series 2009, due in annual installments of \$1,500,000 to \$2,175,000 through 08/01/2021; interest at 2.5 percent to 4.0 percent	16,825,000
\$1,715,000 General Obligation Refunding, Series 2013, due in annual installments of \$25,000 to 720,000 through 08/01/2017; interest at 0.30 percent to 0.77 percent	<u>1,715,000</u>
Total Governmental Activities General Obligation Bonds	<u>\$23,290,000</u>

**B. Gross Receipts Tax Revenue Bonds**

Gross receipts tax revenue bonds are issued specifically for the acquisition and construction of major capital facilities. These bonds are secured by a pledge of gross receipts tax revenue. Gross receipts tax revenue bonds outstanding as reported in governmental activities at June 30, 2013 were as follows.

	<u>Outstanding June 30, 2013</u>
Governmental Activities Revenue Bonds:	
\$18,130,000 Gross Receipts Tax Bonds, Series 2005, due in annual installments of \$210,000 to \$1,625,000, through 06/01/2025; interest at 3.0 percent to 5.0 percent	\$1,960,000
\$13,420,000 Gross Receipt Tax Refunding Bonds, Series 2013, due in annual installments of \$1,145,000 to \$1,535,000, through 06/01/2025; interest at 2.5 percent to 4.0 percent	<u>13,420,000</u>
Total Governmental Activities Revenue Bonds	<u>\$15,380,000</u>

**CITY OF RIO RANCHO, NEW MEXICO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013**

**NOTE 5 – LONG-TERM LIABILITIES (Cont'd)**

**C. Water and Wastewater Revenue Bonds**

Water and Wastewater revenue bonds are issued and authorized by the governing body to provide funds to acquire and construct certain improvements to the water and wastewater systems of the City and to pay the costs incurred in connection with the issuance of the bonds. These bonds are secured by a pledge of revenues of the systems, and do not constitute a general obligation of the City backed by the general taxing authority. Water and Wastewater system revenue bonds outstanding as reported in business-type activities at June 30, 2013 were as follows.

	<u>Outstanding June 30, 2013</u>
<b>Business-Type Activities Revenue Bonds:</b>	
\$32,930,000 Water & Wastewater System Bonds, Series 2007, due in annual installments of \$310,000 to \$3,235,000 through 05/15/2032; interest at 4.0 percent to 4.5 percent	30,885,000
\$13,240,000 Water & Wastewater System Bonds, Series 2008, due in annual installments of \$255,000 to \$830,000 through 05/15/2034; interest at 3.0 percent to 4.5 percent	11,660,000
\$57,990,000 Water & Wastewater System Refunding Bonds, Series 2009, due in annual installments of \$3,790,000 to \$5,710,000 through 05/15/2022; interest at 4.4 percent to 5.3 percent	42,930,000
\$16,660,000 Water & Wastewater System Refunding Bonds, Series 2013, due in annual installments of \$1,190,000 to \$1,465,000 through 05/15/2025; interest at 2.0 percent to 5.0 percent	16,600,000
<b>Total Business-Type Activities Revenue Bonds</b>	<u><b>\$102,075,000</b></u>

**D. Event Center Revenue Bonds**

The Event Center revenue bonds are issued to provide for acquiring land for, and designing, purchasing, constructing, remodeling, rehabilitation, renovation, improving, equipping and furnishing, a municipal event center. These bonds are secured by a pledge of revenues from rentals, receipts, fees or other charges imposed from the event center. Event center revenue bonds outstanding as reported in business-type activities at June 30, 2013 were as follows.

	<u>Outstanding June 30, 2013</u>
<b>Business-Type Activities Revenue Bonds:</b>	
\$35,750,000 Taxable Event Center Revenue Bonds, Series 2005, due in annual installments of \$1,120,000 to \$2,735,000 through 06/01/2027; interest at 4.20 percent to 5.15 percent	\$2,965,000
\$28,100,000 Taxable Subordinate Lien Gross Receipts Tax Refunding Revenue Bonds, Series 2013, due in annual installments of \$1,350,000 to \$2,145,000 through 06/01/2032; interest 1.15 percent to 4.25 percent	28,100,000
<b>Total Business-Type Activities Revenue Bonds</b>	<u><b>\$31,065,000</b></u>

**CITY OF RIO RANCHO, NEW MEXICO**  
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**JUNE 30, 2013**

**NOTE 5 – LONG-TERM LIABILITIES (Cont'd)**

**E. Note Payable – Governmental Activities**

The City has entered into loan agreements with the State of New Mexico Finance Authority (NMFA) for the purchase of capital infrastructure, equipment and facilities. Notes payables outstanding as reported in governmental activities at June 30, 2013 were as follows.

	<u>Outstanding June 30, 2013</u>
Governmental Activities Revenue Bonds:	
\$1,649,286 Note Payable, Fire Equipment, due in annual installments of \$35,000 to \$146,015 through 05/01/2022; interest at 3.32 percent to 3.91 percent	\$1,132,396
\$337,259 Note Payable, Fire Pumper & Equip, due in annual installments of \$29,113 to \$37,731 through 05/01/2020; interest at .98 percent to 3.22 percent	244,456
\$5,217,100 Note Payable, HP Project, due in annual installments of \$157,100 to \$400,000 through 06/01/2028; interest at 4.0 percent to 5.2 percent	4,325,000
\$4,669,000 Note Payable, HS Road Project, due in annual installments of \$205,000 to \$365,000 through 06/01/2028; interest at 1.6 percent to 5.3 percent	4,254,000
\$269,990 Note Payable, Public Safety, due in annual installments of \$53,069 to \$55,333 through 05/01/2015; interest at 1.497 percent	109,805
\$967,515 Note Payable, GRT Refunding, due in annual installments of \$317,724 to \$327,682 through 06/01/2015; interest at 1.65 percent	649,791
\$3,942,260 Note Payable, Infrastructure Improvements, due in annual installments of \$226,382 to \$325,754 through 05/01/2025; interest at 3.46 percent	3,257,711
\$795,925 Note Payable, Fire Administration Building, due in annual installments of \$32,373 to \$51,196 through 05/01/2033; interest at 0.32 percent to 3.50 percent	795,925
Total Notes Payable	<u>\$14,769,084</u>

**F. Note Payable – Business-Type Activities**

A loan was issued by the New Mexico Environment Department under the Clean Water State Revolving Loan Fund, which is also known as the Wastewater Facility Construction Loan Program. The loan proceeds were used for wastewater treatment system upgrades to increase capacity, biological nutrient removal and other approved wastewater treatment improvements. The City has also entered into loan agreements with the New Mexico Finance Authority (NMFA) for the purchase of Water Rights and Utility infrastructure and equipment. Note payables outstanding as reported in the business-type activities at June 30, 2013 were as follows.

**CITY OF RIO RANCHO, NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**NOTE 5 – LONG-TERM LIABILITIES (Cont'd)**

	<u>Outstanding June 30, 2013</u>
<b>Business-Type Activities Note Payable:</b>	
\$10,486,627 Note Payable, Wastewater Facility Construction, due in annual installments of \$426,456 to \$684,336 through 12/02/2023; interest at 3.0 percent.	\$ 6,012,651
\$1,010,000 Note Payable, Water Project Fund Loan, due in annual installments of \$45,856 to \$55,428 through 05/15/2031; interest at 1.0 percent	917,803
\$7,000,000 Note Payable, Water Rights, due in annual installments of \$274,221 to \$488,849 through 05/01/2030; interest at 4.028 percent	6,171,232
\$25,000,000 Note Payable, Wastewater Treatment System Improvements, due in annual installments of \$930,393 to \$1,631,449 through 12/01/2031; interest 2.56 percent	9,344,978
\$390,000 Note Payable, Water Reuse Project, due in annual installments of \$19,041 to 19,966 through 06/01/2030; interest 0.250 percent	332,734
\$9,335,000 Note Payable, Water Rights Acquisition, due in annual installments of \$145,000 to \$625,000 through 05/01/2031; interest 3.197 percent	<u>8,785,000</u>
Total Notes Payable	<u>\$ 31,564,398</u>

**G. Changes in Long-Term Liabilities**

Long-term liability activity for the year ended June 30, 2013 was as follows.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>					
Bonds payable:					
General obligation bonds	\$25,875,000	\$1,715,000	\$(4,300,000)	\$23,290,000	\$ 2,575,000
Revenue bonds	16,075,000	13,420,000	(14,115,000)	15,380,000	955,000
Less deferred amounts:					
For issuance discounts	(141,870)		14,187	(127,683)	
For issuance premium	1,273,559	1,132,966	(362,032)	2,044,493	
Total bonds payable	43,081,689	16,267,966	(18,762,845)	40,586,810	3,530,000
Notes payable	15,115,441	795,925	(1,142,282)	14,769,084	1,202,232
Compensated absences	5,368,138	3,464,163	(3,246,129)	5,586,172	1,124,107
Governmental activity Long-term liabilities	<u>\$63,565,268</u>	<u>\$20,528,054</u>	<u>\$(23,151,256)</u>	<u>\$60,942,066</u>	<u>\$5,856,339</u>

**CITY OF RIO RANCHO, NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**NOTE 5 – LONG-TERM LIABILITIES (Cont'd)**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Business-type Activities:</b>					
Bonds payable:					
Revenue bonds	\$138,370,000	\$44,700,000	\$(49,930,000)	\$133,140,000	\$7,395,000
Less deferred amounts:					
For issuance discounts	(607,994)	(207,866)	112,503	(703,357)	
For issuance premium	4,318,504	2,362,536	(1,149,093)	5,531,947	
Total bonds payable	<u>142,080,510</u>	<u>46,854,670</u>	<u>(50,966,590)</u>	<u>137,968,590</u>	<u>7,395,000</u>
Notes payable	27,558,858	5,263,757	(1,258,217)	31,564,398	1,282,488
Compensated absences	86,127	140,853	(104,585)	122,395	59,333
Business-type activity					
Long-term liabilities	<u>\$169,725,495</u>	<u>\$52,259,280</u>	<u>\$(52,329,392)</u>	<u>\$169,655,383</u>	<u>\$8,736,821</u>

**H. Special Assessment Bonds**

Special Assessment Bonds are used to construct projects within special assessment districts created by the City after property owners within these districts agree to be assessed for the costs of debt service on these bonds. Payments made by the assessed property owners within the districts are pledged to pay the debt service on the bonds. In the event of default by a property owner, the lien created by the assessment is sold at public action and the proceeds are used to offset the defaulted assessment.

As trustee for improvement districts, the City is solely responsible for collection of assessments levied against the owners of property within the improvement districts and for disbursement of these amounts for retirement of the respective bonds issued to finance the improvements. The City is not obligated in any manner to pay the debt service payments on the Special Assessment Bonds with any general or other funds of the City. Special assessment bonds payable at June 30, 2013 were \$12,260,599.

**I. Statutory Debt Limitation**

The Constitution of the State of New Mexico limits the amount of general purpose government obligation bonds that may be issued by a municipality to four percent of the taxable valuation of property located within the City. At June 30, 2013, based on the most recent assessed taxable valuation of \$1,999,664,999 the City may issue an additional \$56,696,600 of general purpose general obligation bonds. The debt limit is calculated using the total outstanding debt plus any cash reserves held for general obligation purposes.

**J. Bond Covenants**

Pursuant to certain bond indenture agreements, the City is obligated to various limitations and restrictions on annual debt service requirements, maintenance and flow of monies



**CITY OF RIO RANCHO, NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 5 – LONG-TERM LIABILITIES (Cont'd)**

through various restricted accounts, minimum amounts to be maintained in various sinking funds and minimum revenue bond coverage's. Management believes the City is in compliance with all such significant limitations and restrictions.

**K. Debt Service Requirements to Maturity**

The following is a summary of debt service requirements to maturity, which includes interest, for all bonds and loans payable as of June 30, 2013.

Years ended June 30,	Governmental Activities						Total
	General Obligation Bonds		Revenue Bonds		Notes Payable		
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2014	\$2,575,000	\$723,812	\$955,000	\$551,903	\$1,202,232	\$607,194	\$6,615,141
2015	2,955,000	645,393	1,005,000	484,838	1,234,002	583,132	6,907,365
2016	3,115,000	559,251	1,145,000	434,588	881,081	540,721	6,675,641
2017	3,270,000	469,272	1,180,000	400,238	907,613	508,953	6,736,076
2018	2,800,000	374,750	1,215,000	364,838	945,432	474,580	6,174,600
2019-2023	8,575,000	622,375	6,840,000	1,056,188	5,031,936	2,969,266	25,094,765
2024-2028			3,040,000	110,613	4,327,377	643,729	8,121,719
2029-2033					239,411	25,784	265,195
<b>Total</b>	<b>\$23,290,000</b>	<b>\$3,394,853</b>	<b>\$15,380,000</b>	<b>\$3,403,206</b>	<b>\$14,769,084</b>	<b>\$6,353,359</b>	<b>\$66,590,502</b>

**CITY OF RIO RANCHO, NEW MEXICO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013**

**NOTE 5 – LONG-TERM LIABILITIES (Cont'd)**

Years ended June 30,	Business-Type Activities				Total
	Revenue Bonds		Notes Payable		
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2014	\$7,395,000	\$5,485,405	\$1,282,488	\$1,071,771	\$15,234,664
2015	7,660,000	5,237,971	2,233,586	1,388,563	16,520,120
2016	7,680,000	4,972,815	2,288,697	1,334,557	16,276,069
2017	7,940,000	4,693,483	2,346,349	1,276,883	16,256,715
2018	8,275,000	4,379,403	2,406,719	1,215,382	16,276,504
2019-2023	42,510,000	16,332,031	12,997,050	5,020,351	76,859,432
2024-2028	27,015,000	8,679,418	5,038,773	1,152,669	41,885,860
2029-2033	23,835,000	2,952,663	2,970,736	213,412	29,971,811
2034	830,000	37,350			867,350
<b>Total</b>	<b>\$133,140,000</b>	<b>\$52,770,539</b>	<b>\$31,564,398</b>	<b>\$12,673,588</b>	<b>\$230,148,525</b>

**L. Arbitrage on Tax Exempt Bonds**

Prior to the Tax Reform Act (TRA) of 1986, State and Local governments had up to three years to use the proceeds from tax exempt bonds issued by them before arbitrage on such proceeds had to be paid to the Treasury Department. Arbitrage, as defined, is the excess interest earned by a State or Local government on proceeds from the sale of its bonds over interest paid to bond holders.

TRA 1986 required rebate of such arbitrage to the Treasury Department on governmental bonds issued after August 31, 1986, and on private activity bonds issued after December 31, 1984, when the proceeds were held for six months or longer. These rebates must be calculated annually and paid at the end of every fifth year until the bonds are retired.

The Revenue Reconciliation Act of 1989 amended the six-month rule. For bonds issued after December 19, 1989, the rebate requirement does not apply if: 1) all of the gross proceeds of the issue, other than the reserve fund, are spent within the six month period. The term gross proceeds for the purposes of the rule include both the sale proceeds received from the bond purchase on the issue date and investment earnings on such proceeds during the six-month period. Gross proceeds deposited in a reserve fund or bona fide debt service fund, however, are not subject to the expenditure requirement.

**CITY OF RIO RANCHO, NEW MEXICO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013**

**NOTE 5 – LONG-TERM LIABILITIES (Cont'd)**

The following is a schedule of bond issues, along with the bond year ends and arbitrage rebate due dates. The City has had the first arbitrage computation for the bonds, completed as indicated:

	First Computation Date	First Payment Due to IRS	First Computation of Arbitrage Completed
General Obligations, Series 2009	6/30/10	7/27/14	X

**M. Defeased Debt and Refundings**

The City issued \$1,715,000 of General Obligation refunding bonds with interest rates ranging from 0.30 percent to 0.77 percent. The proceeds were used to current refund \$1,650,000 of outstanding Series 2004 bonds which had interest rates ranging from 3.75 percent to 4.00 percent. The net proceeds of \$1,715,000 (including \$32,881 for issuance costs) were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payment on the refunded bonds. As a result, the Series 2004 bonds are considered defeased and the liability for those bonds has been removed from the statement of net position.

The City issued \$13,420,000 in Gross Receipts Tax (GRT) refunding revenue bonds with interest rates ranging from 2.00 percent to 4.00 percent. The proceeds were used to advance refund \$13,195,000 of outstanding GRT bonds Series 2005 maturing on June 1, 2016 and after, which had interest rates ranging from 4.2 percent to 5.0 percent. The net proceeds of \$14,410,668 (including a \$1,132,966 premium and after payment of \$142,299 in issuance costs), and \$320,137 of accrued interest accumulated in the 2005 Debt Service Fund were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payment of the refunded bonds. As a result, the Series 2005 bonds are considered defeased and the liability for those bonds has been removed from the statement of net position.

The City issued \$16,600,000 in Joint Utility System refunding revenue bonds with interest rates ranging from 2.00 percent to 5.00 percent. The proceeds were used to current refund \$2,800,000 of outstanding Utility revenue bonds Series 2004 and to advance refund \$14,775,000 of outstanding Utility revenue bonds Series 2005. A new debt service reserve in the amount of \$1,805,350 was funded through both bond refunds. The net proceeds of \$16,919,503 (including a \$2,362,536 premium and after payment of \$237,683 in underwriting fees and other issuance costs), and \$2,005,773 representing the Series 2004 and 2005 debt service reserves were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payment of refunded bonds. As a result, the Series 2004 have been and 2005 bonds are considered defeased and the liability for those bonds have been removed from the statement of net position.

**CITY OF RIO RANCHO, NEW MEXICO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013**

**NOTE 5 – LONG-TERM LIABILITIES (Concl'd)**

The City issued \$28,100,000 of Subordinate Lien GRT refunding revenue bonds with interest rates ranging from 1.15 percent to 4.25 percent. The proceeds were used to advance refund \$25,305,000 of outstanding Taxable Event Center revenue bonds Series 2005 maturing on June 1, 2016 and after, which had interest rates ranging from 5.0 percent to 5.15 percent. The net proceeds of \$27,753,601 (including the underwriter's discount of \$133,252 and issuance costs of \$213,147), and \$645,034 of accrued interest accumulated in the 2005 Debt Service Fund were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payment of refunded bonds. As a result, the Series 2005 are considered defeased and the liability for those bonds have been removed from the statement of net position.

The City advance refunded the GRT Series 2005, Joint Utility Series 2005, and the Taxable Event Center Series 2005 to reduce its total debt service payments over 10 years by \$9,249,546 and to obtain an economic gain (difference between the present values of debt service payments on the old and new debt) of \$3,689,029.

*Prior year defeasance of debt.* ~~In prior years, the City defeased general obligation bonds by placing the proceeds of the new bonds in an irrevocable trust account to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liability for the defeased bonds are not included in the City's financial statements. At June 30, 2013, \$54,925,000 of defeased bonds remain outstanding.~~

**NOTE 6 – OPERATING LEASES**

The City has entered into noncancelable operating leases for computers and office equipment. The operating lease expenditures for the year ended June 30, 2013 were \$137,337. The minimum lease payments are as follows.

Year ending June 30:		
	2014	\$119,847
	2015	85,369
	2016	36,162
	2017	936
	2018	0
	Total	<u>\$242,315</u>

**CITY OF RIO RANCHO, NEW MEXICO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013**

**NOTE 7 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

At June 30, 2013, interfund balances were as follows.

**Due to/from other funds:**

At June 30, 2013, Governmental Funds had a \$397,654 interfund payable with the General Fund, and an interfund payable of \$265,003 for non-major funds. Additionally, \$662,657 interfund payables for the non-major funds. These balances resulted from negative cash balances. All interfund balances are expected to be paid within one year.

**Interfund transfers:**

Transfer out		General Fund	Non-Major Governmental Fund	Total
		General Fund		\$1,272,633
	Non-Major Governmental	201,858	(200,387)	1,471
	Total	<u>\$201,858</u>	<u>\$1,072,246</u>	<u>\$1,274,104</u>

Interfund transfers were made by the City during the fiscal year to meet project-matching requirements to cover expenditures in the applicable funds. The circumstances that require budget transfers are many. In some cases, the responsibility for implementing a program is changed from one department to another. Management continually strives to make the organization more efficient, and budget transfers assist in achieving efficiency.

**NOTE 8 - CONTINGENCIES**

The City participates in various federal grant programs, the principal of which are subject to program compliance audits pursuant to the Single Audit Act as amended. Accordingly, the City's compliance with applicable grant requirements will be established at a future date. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the City anticipates such amounts, if any, will be immaterial.

The City has reached a settlement agreement for litigation in the amount of \$725,000 related to a lawsuit. This settlement agreement will occur in three-installments on the following schedule: 1) \$375,000 on or before 12/31/11; 2) \$200,000 on or before 12/31/12; and 3) \$150,000 on or before 12/1/2013. An interest rate of 3% per annum from 12/31/11 will also accrue until paid.

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City's legal counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the City.

**CITY OF RIO RANCHO, NEW MEXICO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013**

**NOTE 9 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Individual Deficit Fund Balances** - At June 30, 2013, the following individual major and non-major funds reported deficits in fund balance.

	<u>Deficit</u>
Non-Major Funds:	
NM Gang Task Force Grant	(\$1,295)

The deficits arose because of operations during the year and prior years. Additional revenues received in fiscal year 2013-14 are expected to eliminate the deficits.

**NOTE 10 - RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. In 1985, the City was unable to obtain general property, worker's compensation and liability insurance at a cost it considered to be economically justifiable. Therefore, the City joined the New Mexico Self-Insurers' Fund Risk Pool (Pool), together with other cities and towns in the State. The Pool is a public entity risk pool currently operating as a common risk management and insurance program for member cities and towns. The City paid an annual premium of \$1,083,727 into the Pool for its general insurance coverage during the fiscal year. The agreement provides that the Pool will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of the annual aggregate per policy for general liability, property, and workers' compensation claims.

The City carries commercial insurance for all other risks of loss including employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Health and Dental coverage are being provided through a self-insurance program administered by outside carriers (Lovelace & Presbyterian, for medical, Express Scripts for prescriptions, and Delta Dental for dental). The City reports its self-insurance programs in the Internal Service Funds. Amounts are transferred from the General and Utility Funds to the Internal Service Funds to provide sufficient resources to cover claims incurred and to pay the insurance service agent's administrative fee.

The following schedules represent the changes in claims liability for the past three fiscal years for the City's Self-Insurance Programs:

**Health and Dental Self-Insurance Fund:**

	<u>Beginning of Fiscal-Year Liability</u>	<u>Current-Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>Balance at Fiscal Year-End</u>
2010-11	\$ -	\$5,536,677	\$(4,626,392)	\$910,285
2011-12	910,285	5,648,112	(5,726,808)	831,589
2012-13	831,589	4,355,961	(4,286,919)	900,631

**CITY OF RIO RANCHO, NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**NOTE 11 - PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION**

***Plan Description.*** Substantially all of the City's full-time employees participate in a public employee retirement system authorized under the Public Employees Retirement Act (Chapter 10, Article 11, NMSA 1978). The Public Employees Retirement Association (PERA) is the administrator of the plan, which is a cost-sharing multiple-employer defined benefit retirement plan. The plan provides for retirement benefits, disability benefits, survivor benefits and cost-of-living adjustments to plan members and beneficiaries. PERA issues a separate, publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to PERA, P.O. Box 2123, Santa Fe, NM 87504-2123. The report is also available on PERA's website at [www.pera.state.nm.us](http://www.pera.state.nm.us).

***Funding Policy.*** Plan members are required to contribute 2.29% and 4.07% (ranges from 3.83% to 16.65% depending upon the plan - i.e., state general, state hazardous duty, state police and adult correctional officers, municipal general, municipal police, municipal fire, municipal detention officer) of their gross salary. The City is required to contribute between 6.86% and 21.25% (ranges from 7.0% to 25.72% depending upon the plan) of the gross covered salary. The contribution requirements of plan members and the City are established in State statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The City's contributions to PERA for the fiscal years ending June 30, 2013, 2012 and 2011 were \$6,510,942, \$6,564,680, and \$5,688,026, respectively, which equal the amount of the required contributions for each fiscal year.

**NOTE 12 – POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN**

***Plan Description.*** The City contributes to the New Mexico Retiree Health Care Fund, a cost-sharing multiple-employer defined benefit postemployment healthcare 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, and 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 healthcare plan and is also authorized to designate optional and/or voluntary benefits like dental, vision, supplemental life insurance, and long-term care policies.

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

**CITY OF RIO RANCHO, NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**NOTE 12 – POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN (Concl'd)**

The RHCA issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for the postemployment healthcare plan. That report and further information can be obtained by writing to the Retiree Health Care Authority at 4308 Carlisle NE, Suite 104, Albuquerque, NM 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 healthcare 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. For employees that were members of an enhanced retirement plan (state police and adult correctional officer member coverage plan 1; municipal police member coverage 3, 4, or 5; municipal fire member coverage plan 3, 4, or 5; municipal detention officer member coverage plan 1; and members pursuant to the Judicial Retirement Act) during the fiscal year ended June 30, 2013, the statute required each participating employer to contribute 2.5% of each participating employee's annual salary; and each participating employee was required to contribute 1.25% of their salary. For employees that were not members of an enhanced retirement plan during the fiscal year ended June 30, 2013, the statute required each participating employer to contribute 2.0% of each participating employee's annual salary; each participating employee was required to contribute 1.0% of their salary. In addition, pursuant to Section 10-7C-15(G) NMSA 1978, at the first session of the Legislature following July 1, 2013, the legislature 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 City's contributions to the RHCA for the years ended June 30, 2013, 2012 and 2011 were \$892,272, \$804,072 and \$327,286, respectively, which equal the required contributions for each year.



**CITY OF RIO RANCHO, NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**NOTE 13 – FUND BALANCE**

Fund balances are reported in classifications comprising a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. During 2011, the City implemented the provisions of GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. Accordingly, the accompanying financial statements report the following categories of Fund Balance: Nonspendable, Restricted, Committed, Assigned, and Unassigned.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources in order of committed, and then assigned as they are needed.

**Nonspendable fund balance** includes amounts that cannot be spent because they are either (1) not in spendable form or (2) legally or contractually required to be maintained intact. Nonspendable fund balance includes advances between funds, long term receivables, and land held for resale because these items are not yet spendable.

**Restricted fund balance** is constrained to specific purposes externally imposed by creditors (such as through debt covenants), grantor and contributors, or laws, or regulations of other governments, or through constitutional provisions, or by enabling legislation. Restricted fund balances are associated with various purposes, including public safety, culture and recreation, capital projects, and debt service.

**Committed fund balance** includes amounts that can only be used for specific purposes, pursuant to constraints imposed by formal action of the government's highest level of decision making authority. Funds cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action employed to previously commit those amounts. The government's highest authority, the Governing Body, has the authority to establish, modify or rescind a fund balance commitment specifically items that have been contractually obligated by resolution.

**Assigned fund balance** includes amounts in the assigned fund balance classification that are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by policies of the Governing Body by resolution, which includes giving the City Manager that authority to constrain monies for intended purposes. These include miscellaneous capital projects, debt service, and general government.

**Unassigned fund balance** includes amounts that represent fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General fund. In other governmental funds, it may be necessary to report a negative residual balance as unassigned.

**CITY OF RIO RANCHO, NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**NOTE 13 – FUND BALANCE (Concl'd)**

A summary of the nature and purpose of balances with reserves by fund type at June 30, 2013 are as follows:

<u>Fund Balance Category</u>	<u>General Fund</u>	<u>Non-major Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Restricted for:</b>			
General Government		6,543,563	6,543,563
Public Safety	137,120	859,291	996,411
Public Works		5,025,157	5,025,157
Culture and recreation		1,280,726	1,280,726
Economic development		95,157	95,157
Debt service		3,507,593	3,507,593
<b>Total restricted fund balances</b>	<b>137,120</b>	<b>17,311,487</b>	<b>17,448,607</b>
<b>Committed to:</b>			
Capital Projects			
Culture and recreation		48,910	48,910
Public Safety		27,569	27,569
Debt service			
<b>Total committed fund balances</b>		<b>76,479</b>	<b>76,479</b>
<b>Assigned to:</b>			
General Government	3		3
<b>Total assigned fund balances</b>	<b>3</b>		<b>3</b>
<b>Unassigned:</b>			
	14,067,789	(1,295)	14,066,494
<b>Total Fund Balances</b>	<b>\$14,204,912</b>	<b>\$17,386,671</b>	<b>\$31,591,583</b>

**NOTE 14 – CONDUIT DEBT OBLIGATIONS**

From time to time, the City has issued Industrial Revenue Bonds (IRB) to provide financial assistance to the City's private-sector entities to acquire or construct equipment and facilities to be in the public interest. Innovations Partners, LLC purpose for an IRB is to provide financing for the acquisition of property, construction of a new office, research and development, and a manufacturing facility. This entity will foster economic development within the City.

Bonds issued on behalf of the entities are not deemed to constitute a debt of the City, the State of New Mexico, or any political subdivision thereof. Bonds are other debt obligations are payable solely from the revenues or other resources pledged under the terms of the debt agreements. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

**CITY OF RIO RANCHO, NEW MEXICO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013**

**NOTE 14 – CONDUIT DEBT OBLIGATIONS (Concl'd)**

As of June 30, 2013, there were twenty-six series of IRB bonds outstanding. The aggregate principal amount payable for the twenty-six series issued prior to June 30, 2013, could not be determined; however, their original issue amount totaled \$3.0 million.

**NOTE 15 – ACCOUNTING RESTATEMENT**

Per a current review of the City's financial statements for the year ended June 30, 2012 an error was noted on the Statement of Net Assets and the Statement of Revenues, Expenses, and Changes in Fund Net Assets for proprietary funds. The error is related specifically to the Utilities fund and the accounts receivable balance and the administration expense. In comparing the financial statements to the audit work papers and audited trial balance the balance in accounts receivable is \$9,028,806 rather than \$3,908,536 on the financial statements, a difference of \$5,120,270 with the same difference in administration expense (a overstated expenditure of \$5,120,270.) The initial tie out of the audited trial balance to the financial statements agreed. It is believed at some point during final review of the financial statements an entry to book an allowance for doubtful accounts and the associated bad debt expense in the amount of \$5,120,270 was recorded for a second time on the financial statements, causing the current identified error.

A prior period adjustment to the financial statements is required to the June 30, 2013 financial statements to correct the above noted overstated expenditure.

Proprietary Funds	
	Utilities Fund
Total net position, beginning of year, as previously stated	\$163,685,679
Restatement	5,120,270
	\$168,805,949

Statement of Net Position	
	Business-type Activities
Total net position, beginning of year, as previously stated	\$177,129,329
Restatement	5,120,270
	\$182,249,599

**CITY OF RIO RANCHO, NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**NOTE 16 – NEW PRONOUNCEMENTS**

**GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements (effective for periods beginning after December 15, 2011)***. The objective of this Statement is to improve financial reporting by addressing issues related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. The requirements of this Statement will improve financial reporting by establishing recognition, measurement, and disclosure requirements for SCAs for both transferors and governmental operators, requiring governments to account for and report SCAs in the same manner, which improves the comparability of financial statements. The City has evaluated GASB Statement 60 and does not have an impact on its financial statements.

**GASB Statement No. 61, *The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34 (effective for periods beginning after June 15, 2012)***. This Statement amends the requirements of Statement 14, *The Financial Reporting Entity*, and Statement 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*, to better meet user needs and to address reporting entity issues that have arisen since the issuance of those Statements. The objective of this Statement is to improve financial reporting for a governmental financial reporting entity. The requirements of this Statement result in financial reporting entity financial statements being more relevant by improving guidance for including, presenting, and disclosing information about component units and equity interest transactions of a financial reporting entity. The City has evaluated GASB Statement 61 and does not have an impact on its financial statements.

**GASB Statement No. 62, *GASB Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements (effective for periods beginning after December 15, 2011)*** incorporates into the GASB’s accounting and financial reporting that is included in the FASB Statements and Interpretations, APB Opinions and Research Bulletins, which do not conflict with or contradict GASB statements, which were issued on or before November 30, 1989. The City has implemented this Statement in the current financial statements.

**GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position (effective for periods beginning after December 15, 2011)***. This Statement provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. This Statement also identifies net position as the residual of all other elements presented in a statement of financial position. The requirements of this Statement will improve financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effects on the City’s net position. The City has evaluated the impact of GASB Statement 63 and has implemented this Statement in the current financial statements.

**CITY OF RIO RANCHO, NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**NOTE 16 – NEW PRONOUNCEMENTS (Concl'd)**

***GASB Statement No. 65, Items Previously Reported as Assets and Liabilities (effective for periods beginning after December 15, 2012).*** This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities. The requirements of this Statement will improve financial reporting by clarifying the appropriate use of the financial statement elements deferred outflows of resources and deferred inflows of resources to ensure consistency in financial reporting. The City is currently evaluating the impact GASB Statement 65 will have on the financial statements.

***GASB Statement No. 66, Technical Corrections – 2012 – An Amendment of GASB Statements No. 10 and No. 62 (effective for periods beginning after December 15, 2012).*** The objective of this Statement is to improve accounting and financial reporting by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*.

***GASB Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement 27 (effective for periods beginning after June 15, 2014).*** The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. The City provides substantially all of its employees with pension benefits through the state's multiple employer cost sharing defined benefit retirement plan administered by the Public Employees Retirement Association (PERA). GASB 68 requires cost-sharing employers participating in the PERA program, such as the City, to record their proportionate share, as defined in GASB Statement 68, of PERA's unfunded pension liability. The City has no legal obligation to fund this shortfall nor does it have any ability to affect funding, benefit, or annual required contribution decisions made by PERA. The requirement of GASB 68 to record a portion of PERA's unfunded liability will negatively impact the City's future unrestricted net position. At this time, management is unable to estimate the magnitude of this impact. Information regarding PERA's current funding status can be found in their financial report.

**CITY OF RIO RANCHO, NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**NOTE 17 – SUBSEQUENT EVENTS**

On August 19, 2013, the City entered into a loan agreement with the New Mexico Finance Authority for the purchase of heavy equipment to include a bucket truck, water truck, crew truck and road grader in the amount of \$611,000.

On August 19, 2013, the City entered into a loan agreement with the New Mexico Finance Authority for the purchase and replacement of a fire truck in the amount of \$493,000.

On August 21, 2013, the City entered into a loan agreement with the New Mexico Finance Authority for the purchase of twenty (20) police vehicles to replace the City's aging fleet in the amount of \$850,000.



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**COMBINING AND INDIVIDUAL FUND FINANCIAL  
STATEMENTS AND SCHEDULES**





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**CITY OF RIO RANCHO, NEW MEXICO**  
**COMBINING BALANCE SHEET - ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE**  
**JUNE 30, 2013**

	Special Revenue	Debt Service	Capital Projects	Total Non-Major Governmental Funds
<b><u>ASSETS</u></b>				
Cash and investments	\$ 8,151,593	\$ 3,399,377	\$ 4,852,719	\$ 16,403,689
Property taxes receivable		257,776		257,776
Accounts receivable	36,137			36,137
Due from federal government	439,216		449,153	888,369
Due from state government	566,151	446,293	64,209	1,076,653
Due from county government	10,434			10,434
Due from other funds			265,003	265,003
Restricted investments	492,414			492,414
<b>Total assets</b>	<b><u>\$ 9,695,945</u></b>	<b><u>\$ 4,103,446</u></b>	<b><u>\$ 5,631,084</u></b>	<b><u>\$ 19,430,475</u></b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>				
Liabilities:				
Accounts payable	\$ 374,345	\$	\$ 106,052	\$ 480,397
Accrued payroll	34,748			34,748
Accrued interest payable	28,532	392,539		421,071
Due to other funds	397,654		265,003	662,657
Unearned revenue	59,612	203,314	182,005	444,931
<b>Total liabilities</b>	<b><u>894,891</u></b>	<b><u>595,853</u></b>	<b><u>553,060</u></b>	<b><u>2,043,804</u></b>
Fund balances:				
Non-Spendable				
Restricted	8,725,870	3,507,593	5,078,024	17,311,487
Committed	76,479			76,479
Assigned				
Unassigned	(1,295)			(1,295)
<b>Total fund balances</b>	<b><u>8,801,054</u></b>	<b><u>3,507,593</u></b>	<b><u>5,078,024</u></b>	<b><u>17,386,671</u></b>
<b>Total liabilities and fund balances</b>	<b><u>\$ 9,695,945</u></b>	<b><u>\$ 4,103,446</u></b>	<b><u>\$ 5,631,084</u></b>	<b><u>\$ 19,430,475</u></b>

**CITY OF RIO RANCHO, NEW MEXICO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE**  
**YEAR ENDED JUNE 30, 2013**

	Special Revenue	Debt Service	Capital Projects	Total Non-Major Governmental Funds
<b>Revenues:</b>				
Property taxes	\$	\$ 3,285,872	\$	\$ 3,285,872
Municipal and state shared taxes	3,593,756	2,835,864		6,429,620
Intergovernmental federal	1,208,830		3,383,825	4,592,655
Intergovernmental state	1,307,123		463,717	1,770,840
Intergovernmental county	405,909			405,909
Impact fees			350,561	350,561
Charges for services	642,236			642,236
Fines and forfeits	89,441			89,441
Franchise fees	117,530			117,530
Contributions and donations	31,323			31,323
Investment income	14		332	346
Other revenues	735,790		1,072	736,862
<b>Total revenues</b>	<u>8,131,952</u>	<u>6,121,736</u>	<u>4,199,507</u>	<u>18,453,195</u>
<b>Expenditures:</b>				
Current -				
General government	2,415,083		24,165	2,439,248
Public safety	2,091,741			2,091,741
Public works	561,904		112,392	674,296
Culture and recreation	1,131,472			1,131,472
Economic development	540,382			540,382
Capital outlay	1,526,413		7,786,744	9,313,157
Debt service -				
Principal	419,558	4,292,724		4,712,282
Interest and fiscal charges	167,059	2,027,694		2,194,753
Bond issuance costs		164,146		164,146
<b>Total expenditures</b>	<u>8,853,612</u>	<u>6,484,564</u>	<u>7,923,301</u>	<u>23,261,477</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(721,660)</u>	<u>(362,828)</u>	<u>(3,723,794)</u>	<u>(4,808,282)</u>
<b>Other financing sources (uses):</b>				
Issuance of debt	795,925			795,925
Refunding bonds issued		15,135,000		15,135,000
Transfers in	587,916	111	484,219	1,072,246
Payment to refunded bonds escrow agent		(14,970,854)		(14,970,854)
Transfers out	(1,287)		(184)	(1,471)
<b>Total other financing sources (uses)</b>	<u>1,382,554</u>	<u>164,257</u>	<u>484,035</u>	<u>2,030,846</u>
<b>Change in fund balances</b>	<u>660,894</u>	<u>(198,571)</u>	<u>(3,239,759)</u>	<u>(2,777,436)</u>
<b>Fund balances, beginning of year</b>	8,140,160	3,706,164	8,317,783	20,164,107
<b>Fund balances, end of year</b>	<u>\$ 8,801,054</u>	<u>\$ 3,507,593</u>	<u>\$ 5,078,024</u>	<u>\$ 17,386,671</u>

**NON-MAJOR GOVERNMENTAL FUNDS**



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## NON-MAJOR GOVERNMENTAL FUND DESCRIPTIONS

### **SPECIAL REVENUE FUNDS:**

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

*Donations Fund* - To account for funds donated to the City of Rio Rancho. Expenditures from this fund will be used for the purposes specified by the donor. (Provided for by City Budget Resolution.)

*Recreation Activities Fund* - To account for revenues received for recreation fees and vending machines placed in City facilities. Expenditures may be used for programs and activities, such as, classes and softball programs and various community projects. (Provided for by City Budget Resolution.)

*Recreation Fund* - To account for revenues collected from taxes on cigarettes sold within City boundaries pursuant to the Cigarette Tax Act, NMSA 7-12-1 and 7-12-15. Expenditures from this fund may be used for recreational facilities and salaries of employees necessary for the operation of such facilities.

*Keep Rio Rancho Beautiful Grant Fund* - To account for New Mexico Clean & Beautiful Litter Control & Beautification grant funds. Expenditures may be used for equipment, landscaping, program promotion, recycling, education, and anti-graffiti programs. (Pursuant to NMSA, Section 67-16-1 to 67-16-14.)

*Community Response Program Fund* - To account for Community Emergency Response Team federal grant funds. Expenditures from this fund may be used to find, train, equip and maintain citizen volunteer teams to respond to and support emergency operations. (Pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act, as amended 42 U.S.C. 5121 et seq.)

*Workers Compensation Fund* - To account for revenues from other funds for the purpose of self funding workers compensation insurance administered by the New Mexico Self Insurance Fund. (Provided for by City Budget Resolution)

*Senior Services Fund* - To account for funds donated to the City of Rio Rancho. Expenditures from this fund will be used for the purpose specified by the donor. (Provided for by City Budget Resolution.)

*Library Fund* - To account for grants, gifts, donations, devises or bequests made to the City, pursuant to NMSA 3-18-4, for the purpose of establishing, increasing or improving the library.

*Promotion and Marketing Fund* - To account for promotional activities. Expenditures from this fund may be used for special events; promoting convention, exposition or entertainment facilities; or advertising and marketing facilities. (Provided for by City Budget Resolution.)

*Rio Rancho Convention & Visitors Bureau Fund* - To account for revenues collected from occupancy taxes (3%) levied within City boundaries pursuant to NMSA 3-38-15. Expenditures from this fund may be used for acquiring, constructing, improving, establishing, and operating convention, exposition or entertainment facilities; acquiring or obtaining an interest in such facilities; or advertising, publicizing, and promoting such facilities.

## NON-MAJOR GOVERNMENTAL FUND DESCRIPTIONS

### **SPECIAL REVENUE FUNDS (Cont'd)**

*Rio Vision Cable Fund* - To account for cable franchise fees (2%) received to operate and promote a public access television channel. (Provided for by City Budget Resolution.)

*Local Government Corrections Fund* – To account for revenues collected from the assessment for correction fees and court costs, pursuant to NMSA 35-14-11. Expenditures from this fund may be used for municipal jailer or juvenile detention officer training; for planning, construction, operating and maintaining a municipal jail for juveniles in a detention facility; or for complying with match or contribution requirements for the receipt of Federal funds relating to jailing or juvenile detention facilities.

*Law Enforcement Fund* – To account for State revenues received pursuant to the Law Enforcement Corrections Act, NMSA 29-13-3. Expenditures from this fund may be used for the repair and purchase of law enforcement apparatus and equipment, expenditures associated with advanced law enforcement planning and training, and complying with match or contribution requirements for receipt of Federal funds, and salaries for law enforcement personnel under certain conditions.

*DPS Enforcement Aid Fund* – To account for revenue generated from asset forfeitures obtained through narcotics investigations. These revenues can be utilized for officer overtime, police equipment, undercover vehicles, purchase of evidence, training and other narcotic investigation related expenses. (Pursuant to the Attorney General's Guidelines on Seized and Forfeited Property, July 1990.)

*Traffic Education and Enforcement Aid Fund* – To account for revenues received from the New Mexico Traffic Bureau for DWI checkpoint enforcement and safety belt enforcement. (Pursuant to NMSA 66-7-501 to 511)

*NM Gang Task Force Fund* – To account for revenue received from the U.S. Department of Justice, Justice Assistance Grant (JAG), the American Recovery and Reinvestment Act (ARRA), contributions and conference revenue to provide training for police agencies throughout the state. (Pursuant to the Omnibus Crime Control and Safe Streets Act of 1968 and the American Recovery and Reinvestment Act of 2009, Public Law 111-5, (the "Recovery Act"))

*Fire Protection Fund* – To account for State revenues received pursuant to the Fire Protection Fund Law, NMSA 59A-53-1-19. Expenditures from this fund may be used for the purchase, construction, operating, and maintenance of fire stations, except for the station's water supply system; fire apparatus and equipment; the payment of insurance premiums on the above; and for insurance premiums for injuries or death of firefighters.

*Emergency Medical Services (EMS) Fund* – To account for State revenues received to the Emergency Medical Services Fund Act, 24-10A-1-10. Expenditures from this fund may be used for the establishment of emergency medical services; to acquire emergency medical services vehicles, equipment and supplies; and for training and licensing of local emergency management services personnel.

## NON-MAJOR GOVERNMENTAL FUND DESCRIPTIONS

### **SPECIAL REVENUE FUNDS (Cont'd)**

*DWI Program Fund* – To account for State revenues received pursuant to NMSA 7-1-6.1. Expenditures from this fund may be used for only alcohol treatment and rehabilitation services for street inebriates.

*Summer Lunch Program Fund* – To account for the US Department of Agriculture's Summer Food Service Program (SFSP) administered through the Children Youth and Families Department of the State of New Mexico. The New Mexico SFSP is the single largest federal resource available for local organizations that want to combine a lunch program with a summer activity program for children. The SFSP provides free, nutritious meals and snacks to help children in low-income areas get the nutrition throughout the summer months when they are out of school. (Richard B. Russell National School Lunch Act, Section 9, 13, and 14, as amended, 42 U.S.C. 1758, 1761 and 1762a)

*ARRA EECBG Fund* – To account for the U.S. Department of Energy's Energy Efficiency and Conservation Block Grant (EECBG) under the 2009 American Recovery and Reinvestment Act (ARRA) to be used to develop and implement a City Energy & Sustainability Plan, develop a Comprehensive Bicycle/Pedestrian Transportation Master Plan, to purchase and install equipment for Server Virtualization, and Consolidation, to provide building inspection training, to do building lighting retrofits and to put a cool roof on the Santa Ana Star Center.

*Public Safety and Other Grants Fund* – To account for the following state intergovernmental and federal grants: Operation DWI, Operation Buckle Down, Community DWI, Selective Traffic Enforcement Project (STEP), NM Gang Task Force (NMGTF) (Pursuant to Traffic Safety Act, NMSA 1978 Sections 66-7-501 to 511, as amended and the Anti-Drug Abuse Act 1998, PL 100-690, Title VI, Subtitle C.), and Enhanced 911 Grant (Pursuant to NMSA 1978 Section 63-9D-1).

*Environmental Gross Receipts Tax Fund* – To account for municipal gross receipts tax revenues received to be used for the acquisition, construction, operation, and maintenance of solid waste facilities, water facilities, sewer systems, and related facilities. (Pursuant to NMSA, 1978 section 7-19D-17.)

*Higher Education Gross Receipts Tax Fund* – To account for municipal gross receipts tax revenues received to be used for the acquisition, construction, renovation or improvement of facilities of a four-year post-secondary public education institution located in the municipality and acquisition of or improvements to land for those facilities or payment of municipal higher education facilities gross receipts tax revenue bonds issued. (Pursuant to Chapter 3, Article 31 NMSA 1978)

*Municipal Road Fund* – To account for revenues received from the levy of a tax per gallon of gasoline purchased within City boundaries, pursuant to the County and Municipal Gasoline Tax Act, NMSA 7-1-6.9. Expenditures from this fund may be used for the construction of a street, ally, curb, gutter or sidewalk projects.



## **NON-MAJOR GOVERNMENTAL FUND DESCRIPTIONS**

### **SPECIAL REVENUE FUNDS (Concl'd)**

*Recreation Development Fund* – To account for revenues received for the construction of park facilities. This fund is also used to account for transfers from the General Fund, grants and donations for the development and construction of park facilities. (Provided for by City Budget Resolution.)

*HUD – CDBG Fund* – To account for CDBG grant funds received to prepare an action plan to address issues of low to moderate-income residents. (Title I, Housing & Comm. Dev. Act, PL 92-383.)

*Crime Victims Assistance Fund* – To account for Federal funds used towards the advocacy for victims of all crimes. (Pursuant to the Victims of Crime Act of 1984.)

### **DEBT SERVICE FUNDS:**

*General Obligation Bonds Fund* – To account for the debt service of Library Series 2004, Aquatics Series 2006, and Roads Series 2009.

*Gross Receipts Tax Revenue Bonds Series 2005 Fund* – To account for the debt service of the New Mexico Gross Receipts Tax Revenue Bonds, Series 2005.

*Gross Receipts Tax Refund Loan Fund* – To account for the debt service resulting from Gross Receipts Tax Refund Loan, Series 2010.

*HP Loan Fund* – To account for the debt service resulting from Gross Receipts Tax Revenue Loan, Series 2009.

*HS Loan Fund* – To account for the debt service resulting from Gross Receipts Tax Revenue Loan, Series 2009.

### **CAPITAL PROJECT FUNDS:**

*Capital Projects Fund* – To account for City facility construction and building improvements from General Fund transfers and intergovernmental grants.

*HP Infrastructure Fund* – To account for Central Business District infrastructure improvement projects including water, wastewater and roads within the governmental unit.

*HS Infrastructure Fund* – To account for infrastructure for the completion of the extension of Paseo del Volcan and the completion of the infrastructure pertaining to the new Rio Rancho High School within the governmental unit.

*Infrastructure Fund* – To account for capital (primarily infrastructure) acquisition, construction and repair from General Fund transfers and intergovernmental grants.

*State Appropriation Capital Projects Fund* – To account for state appropriation capital expenditures approved by the State of New Mexico.

## **NON-MAJOR GOVERNMENTAL FUND DESCRIPTIONS**

### **CAPITAL PROJECT FUNDS (Concl'd)**

*Bond Construction 2006 Aquatics Fund* – To account for proceeds received for construction of an Aquatic Center.

*Bond Construction 2009 Roads Fund* – To account for proceeds received for construction various road projects.

*Road Impact Fees Fund* – To account for impact fees under Sections 5-8-1 through 5-8-42 NMSA 1978 (The Development Fees Act) for the purpose of providing new or enlarged roads, equipment and capital improvements which substantially benefit those developments which pay the impact fees.

*Trail Impact Fees Fund* – To account for impact fees under Sections 5-8-1 through 5-8-42 NMSA 1978 (The Development Fees Act) for the purpose of providing new or enlarged bikeways, capital improvements, trails, and equipment which substantially benefit those developments which pay the impact fees.

*Park Impact Fees Fund* – To account for impact fees under Sections 5-8-1 through 5-8-42 NMSA 1978 (The Development Fees Act) for the purpose of providing new or enlarged parks, equipment and capital improvements, which substantially benefit those developments which pay the impact fees.

*Public Safety Impact Fees Fund* – To account for impact fees under Sections 5-8-1 through 5-8-42 NMSA 1978 (The Development Fees Act) for the purpose of providing public safety, capital improvements and equipment.

*Drainage Impact Fees Fund* – To account for impact fees under Sections 5-8-1 through 5-8-42 NMSA 1978 (The Development Fees Act) for the purpose of providing a conveyance system adequate to accommodate the design storm from the farthest upstream property or City boundary to the receiving waters of the Rio Grande river.

**CITY OF RIO RANCHO, NEW MEXICO**  
**COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2013**

	<u>Donations Fund</u>	<u>Recreation Activities Fund</u>	<u>Recreation Fund</u>	<u>Keep Rio Rancho Beautiful Grant Fund</u>
<b><u>ASSETS</u></b>				
Cash and investments	\$ 37,900	\$ 180,861	\$	\$
Accounts receivable				
Due from federal government				
Due from state government				23,586
Due from county government				
Restricted investments				
<b>Total assets</b>	<u>\$ 37,900</u>	<u>\$ 180,861</u>	<u>\$</u>	<u>\$ 23,586</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>				
<b>Liabilities:</b>				
Accounts payable	\$ 2,542	\$ 9,342	\$	\$
Accrued payroll		2,185		1,363
Accrued interest payable				
Due to other funds				19,723
Unearned revenue				
<b>Total liabilities</b>	<u>2,542</u>	<u>11,527</u>	<u>\$</u>	<u>21,086</u>
<b>Fund balances (deficits):</b>				
Non-spendable				
Restricted		169,334		2,500
Committed	35,358			
Assigned				
Unassigned				
<b>Total fund balances</b>	<u>35,358</u>	<u>169,334</u>	<u>\$</u>	<u>2,500</u>
<b>Total liabilities and fund balances</b>	<u>\$ 37,900</u>	<u>\$ 180,861</u>	<u>\$</u>	<u>\$ 23,586</u>

<u>Community Response Program Fund</u>	<u>Workers Compensation Fund</u>	<u>Senior Services Fund</u>	<u>Library Fund</u>	<u>Promotion and Marketing Fund</u>	<u>Rio Rancho Convention &amp; Visitors Bureau Fund</u>
\$	\$ 766,669	\$ 27,365	\$ 422,020	\$ 75,231	\$ 28,988
7,403		2,337	10,434		
<u>\$ 7,403</u>	<u>\$ 766,669</u>	<u>\$ 29,702</u>	<u>\$ 432,454</u>	<u>\$ 75,231</u>	<u>\$ 28,988</u>
\$	\$ 91,549	\$ 370	\$ 18,768	\$ 621 2,189	\$ 500 5,752
7,403					
<u>7,403</u>	<u>91,549</u>	<u>370</u>	<u>18,768</u>	<u>2,810</u>	<u>6,252</u>
	675,120	29,332	413,686	72,421	22,736
	<u>675,120</u>	<u>29,332</u>	<u>413,686</u>	<u>72,421</u>	<u>22,736</u>
<u>\$ 7,403</u>	<u>\$ 766,669</u>	<u>\$ 29,702</u>	<u>\$ 432,454</u>	<u>\$ 75,231</u>	<u>\$ 28,988</u>

(Continued)

**CITY OF RIO RANCHO, NEW MEXICO**  
**COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2013**  
**(Continued)**

	Rio Vision Cable Fund	Local Government Corrections Fund	Law Enforcement Fund	DPS Enforcement Aid Fund
<b><u>ASSETS</u></b>				
Cash and investments	\$ 14,399	\$ 48,550	\$ 11,882	\$ 11,168
Accounts receivable	36,137			
Due from federal government				
Due from state government				
Due from county government				
Restricted investments				
<b>Total assets</b>	<b><u>\$ 50,536</u></b>	<b><u>\$ 48,550</u></b>	<b><u>\$ 11,882</u></b>	<b><u>\$ 11,168</u></b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>				
<b>Liabilities:</b>				
Accounts payable	\$ 9,415	\$ 30,016	\$	\$
Accrued payroll				
Accrued interest payable			319	
Due to other funds				
Unearned revenue				3,773
<b>Total liabilities</b>	<b><u>9,415</u></b>	<b><u>30,016</u></b>	<b><u>319</u></b>	<b><u>3,773</u></b>
<b>Fund balances (deficits):</b>				
Non-spendable				
Restricted		18,534	11,563	7,395
Committed	41,121			
Assigned				
Unassigned				
<b>Total fund balances</b>	<b><u>41,121</u></b>	<b><u>18,534</u></b>	<b><u>11,563</u></b>	<b><u>7,395</u></b>
<b>Total liabilities and fund balances</b>	<b><u>\$ 50,536</u></b>	<b><u>\$ 48,550</u></b>	<b><u>\$ 11,882</u></b>	<b><u>\$ 11,168</u></b>

Traffic Education and Enforcement Aid Fund	NM Gang Task Force Grant Fund	Fire Protection Fund	Emergency Medical Services Fund	DWI Program Fund	Summer Lunch Program Fund
\$ 77,117	\$	\$ 201,836	\$ 75,004	\$ 228,289	\$ 160,195
	92,870				
		152,521			
<u>\$ 77,117</u>	<u>\$ 92,870</u>	<u>\$ 354,357</u>	<u>\$ 75,004</u>	<u>\$ 228,289</u>	<u>\$ 160,195</u>
\$ 30,459 548	\$ 1,396 773	\$ 6,770 10,732	\$	\$	\$ 41,688 5,916
	91,996				55,839
<u>31,007</u>	<u>94,165</u>	<u>17,502</u>			<u>103,443</u>
46,110		336,855	75,004	228,289	56,752
	(1,295)				
<u>46,110</u>	<u>(1,295)</u>	<u>336,855</u>	<u>75,004</u>	<u>228,289</u>	<u>56,752</u>
<u>\$ 77,117</u>	<u>\$ 92,870</u>	<u>\$ 354,357</u>	<u>\$ 75,004</u>	<u>\$ 228,289</u>	<u>\$ 160,195</u>

(Continued)

**CITY OF RIO RANCHO, NEW MEXICO**  
**COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2013**  
**(Concluded)**

	ARRA EECBG Fund	Public Safety and Other Grants Fund	Environmental Gross Receipts Tax Fund	Higher Education Gross Receipts Tax Fund
<b><u>ASSETS</u></b>				
Cash and investments	\$	\$	\$ 1,207,466	\$ 3,905,712
Accounts receivable				
Due from federal government		182,918		
Due from state government		31,311	106,865	338,081
Due from county government				
Restricted investments			339,893	
<b>Total assets</b>	<b>\$</b>	<b>\$ 214,229</b>	<b>\$ 1,654,224</b>	<b>\$ 4,243,793</b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>				
<b>Liabilities:</b>				
Accounts payable	\$	\$ 59,484	\$ 15,491	\$
Accrued payroll		11,406	1,448	
Accrued interest payable			17,481	
Due to other funds		143,274		
Unearned revenue				
<b>Total liabilities</b>		<b>214,164</b>	<b>34,420</b>	
<b>Fund balances (deficits):</b>				
Non-spendable				
Restricted		65	1,619,804	4,243,793
Committed				
Assigned				
Unassigned				
<b>Total fund balances</b>		<b>65</b>	<b>1,619,804</b>	<b>4,243,793</b>
<b>Total liabilities and fund balances</b>	<b>\$</b>	<b>\$ 214,229</b>	<b>\$ 1,654,224</b>	<b>\$ 4,243,793</b>

<u>Municipal Road Fund</u>	<u>Recreation Development Fund</u>	<u>HUD - CDBG Fund</u>	<u>Crime Victims Assistance Fund</u>	<u>Totals</u>
\$ 522,884	\$ 148,057	\$	\$	\$ 8,151,593
		143,021	13,004	36,137
32,350	31,621			439,216
				566,151
				10,434
				492,414
<u>\$ 555,234</u>	<u>\$ 179,678</u>	<u>\$ 143,021</u>	<u>\$ 13,004</u>	<u>\$ 9,695,945</u>
\$ 31,578	\$ 11,603	\$ 12,753	\$	\$ 374,345
		1,325	1,843	34,748
		124,097	11,161	28,532
				397,654
				59,612
<u>31,578</u>	<u>11,603</u>	<u>138,175</u>	<u>13,004</u>	<u>894,891</u>
523,656	168,075	4,846		8,725,870
				76,479
				(1,295)
<u>523,656</u>	<u>168,075</u>	<u>4,846</u>		<u>8,801,054</u>
<u>\$ 555,234</u>	<u>\$ 179,678</u>	<u>\$ 143,021</u>	<u>\$ 13,004</u>	<u>\$ 9,695,945</u>



**CITY OF RIO RANCHO, NEW MEXICO**  
**COMBINING BALANCE SHEET - NON-MAJOR DEBT SERVICE FUNDS**  
**JUNE 30, 2013**

	<u>General Obligation Bonds Fund</u>	<u>Gross Receipts Tax Revenue Bonds Series 2005 Fund</u>	<u>Gross Receipts Tax Refund Loan Fund</u>	<u>HP Loan Fund</u>
<b><u>ASSETS</u></b>				
Cash and investments	\$ 3,117,136	\$ 185,441	\$ 2,666	\$ 61,384
Property taxes receivable	257,776			
Due from state government		251,151	55,598	69,206
<b>Total assets</b>	<b><u>\$ 3,374,912</u></b>	<b><u>\$ 436,592</u></b>	<b><u>\$ 58,264</u></b>	<b><u>\$ 130,590</u></b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>				
Liabilities:				
Accrued interest payable	\$ 293,485	\$ 64,990	\$ 912	\$ 17,101
Unearned revenue	203,314			
<b>Total liabilities</b>	<b><u>496,799</u></b>	<b><u>64,990</u></b>	<b><u>912</u></b>	<b><u>17,101</u></b>
Fund balances:				
Non-spendable				
Restricted	2,878,113	371,602	57,352	113,489
Committed				
Assigned				
Unassigned				
<b>Total fund balances</b>	<b><u>2,878,113</u></b>	<b><u>371,602</u></b>	<b><u>57,352</u></b>	<b><u>113,489</u></b>
<b>Total liabilities and fund balances</b>	<b><u>\$ 3,374,912</u></b>	<b><u>\$ 436,592</u></b>	<b><u>\$ 58,264</u></b>	<b><u>\$ 130,590</u></b>

<u>HS Loan Fund</u>	<u>Totals</u>
\$ 32,750	\$ 3,399,377
	257,776
70,338	446,293
<u>\$ 103,088</u>	<u>\$ 4,103,446</u>

\$ 16,051	\$ 392,539
	203,314
<u>16,051</u>	<u>595,853</u>

87,037      3,507,593

<u>87,037</u>	<u>3,507,593</u>
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<u>\$ 103,088</u>	<u>\$ 4,103,446</u>
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**CITY OF RIO RANCHO, NEW MEXICO**  
**COMBINING BALANCE SHEET - NON-MAJOR CAPITAL PROJECTS FUNDS**  
**JUNE 30, 2013**

	Capital Projects Fund	HP Infrastructure Fund	HS Infrastructure Fund	Infrastructure Fund
<b><u>ASSETS</u></b>				
Cash and investments	\$	\$	\$	\$
Due from federal government				449,153
Due from state government				
Due from other funds				
<b>Total assets</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$ 449,153</b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>				
<b>Liabilities:</b>				
Accounts payable	\$	\$	\$	\$ 39,767
Due to other funds				200,799
Unearned revenue				182,005
<b>Total liabilities</b>				<b>422,571</b>
<b>Fund balances:</b>				
Non-spendable				
Restricted				26,582
Committed				
Assigned				
Unassigned				
<b>Total fund balances</b>				<b>26,582</b>
<b>Total liabilities and fund balances</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$ 449,153</b>

<u>State Appropriation Capital Projects Fund</u>	<u>Bond Construction 2006 Aquatics Fund</u>	<u>Bond Construction 2009 Roads Fund</u>	<u>Road Impact Fees Fund</u>	<u>Trail Impact Fees Fund</u>	<u>Park Impact Fees Fund</u>
\$	\$	\$ 2,672,132	\$ 556,963	\$ 167,949	\$ 441,047
64,209		265,003			
<u>\$ 64,209</u>	<u>\$</u>	<u>\$ 2,937,135</u>	<u>\$ 556,963</u>	<u>\$ 167,949</u>	<u>\$ 441,047</u>
\$	\$	\$ 44,920	\$ 6,631	\$	\$
64,204					
<u>64,204</u>	<u></u>	<u>44,920</u>	<u>6,631</u>	<u></u>	<u></u>
5		2,892,215	550,332	167,949	441,047
<u>5</u>	<u></u>	<u>2,892,215</u>	<u>550,332</u>	<u>167,949</u>	<u>441,047</u>
<u>\$ 64,209</u>	<u>\$</u>	<u>\$ 2,937,135</u>	<u>\$ 556,963</u>	<u>\$ 167,949</u>	<u>\$ 441,047</u>

(Continued)

**CITY OF RIO RANCHO, NEW MEXICO**  
**COMBINING BALANCE SHEET - NON-MAJOR CAPITAL PROJECTS FUNDS**  
**JUNE 30, 2013**  
**(Concluded)**

	Public Safety Impact Fees Fund	Drainage Impact Fees Fund	Totals
<b><u>ASSETS</u></b>			
Cash and investments	\$ 135,476	\$ 879,152	\$ 4,852,719
Due from federal government			449,153
Due from state government			64,209
Due from other funds			265,003
<b>Total assets</b>	<b><u>\$ 135,476</u></b>	<b><u>\$ 879,152</u></b>	<b><u>\$ 5,631,084</u></b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$	\$ 14,734	\$ 106,052
Due to other funds			265,003
Unearned revenue			182,005
<b>Total liabilities</b>		<b><u>14,734</u></b>	<b><u>553,060</u></b>
Fund balances:			
Non-spendable			
Restricted	135,476	864,418	5,078,024
Committed			
Assigned			
Unassigned			
<b>Total fund balances</b>	<b><u>135,476</u></b>	<b><u>864,418</u></b>	<b><u>5,078,024</u></b>
<b>Total liabilities and fund balances</b>	<b><u>\$ 135,476</u></b>	<b><u>\$ 879,152</u></b>	<b><u>\$ 5,631,084</u></b>



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**CITY OF RIO RANCHO, NEW MEXICO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**ALL SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2013**

	<u>Donations Fund</u>	<u>Recreation Activities Fund</u>	<u>Recreation Fund</u>
<b>Revenues:</b>			
Municipal and state shared taxes	\$	\$	\$
Intergovernmental federal			
Intergovernmental state			
Intergovernmental county			
Charges for services	28,285	221,848	
Fines and forfeits	590		
Franchise fees			
Contributions and donations	10,147		
Investment income/(expense)	6	(46)	(25)
Other revenues		5,979	
<b>Total revenues</b>	<u>39,028</u>	<u>227,781</u>	<u>(25)</u>
<b>Expenditures:</b>			
Current -			
General government			
Public safety	32,312		
Public works			
Culture and recreation	8,944	197,273	2,220
Economic development			
Capital outlay		44,065	45,807
Debt service -			
Principal			
Interest and fiscal charges			
<b>Total expenditures</b>	<u>41,256</u>	<u>241,338</u>	<u>48,027</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(2,228)</u>	<u>(13,557)</u>	<u>(48,052)</u>
<b>Other financing sources (uses):</b>			
Issuance of debt			
Transfers in			
Transfers out			
<b>Total other financing sources (uses)</b>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Change in fund balances</b>	<u>(2,228)</u>	<u>(13,557)</u>	<u>(48,052)</u>
<b>Fund balances (deficits), beginning of year</b>	37,586	182,891	48,052
<b>Fund balances (deficits), end of year</b>	<u>\$ 35,358</u>	<u>\$ 169,334</u>	<u>\$</u>

Keep Rio Rancho Beautiful Grant Fund	Community Response Program Fund	Workers Compensation Fund	Senior Services Fund	Library Fund	Promotion and Marketing Fund
\$	\$	\$	\$	\$	\$
66,160	19,543		4,398	17,958	
			15,658	402,805	110,290
		51	(9)	23	(12)
		576,564	2,965		
<u>66,160</u>	<u>19,543</u>	<u>576,615</u>	<u>23,012</u>	<u>420,786</u>	<u>110,278</u>
		493,049			
	19,543				
63,734			18,782	555,179	208,255
				7,331	
<u>63,734</u>	<u>19,543</u>	<u>493,049</u>	<u>18,782</u>	<u>562,510</u>	<u>208,255</u>
<u>2,426</u>		<u>83,566</u>	<u>4,230</u>	<u>(141,724)</u>	<u>(97,977)</u>
					120,687
					<u>120,687</u>
<u>2,426</u>		<u>83,566</u>	<u>4,230</u>	<u>(141,724)</u>	<u>22,710</u>
74		591,554	25,102	555,410	49,711
<u>\$ 2,500</u>	<u>\$</u>	<u>\$ 675,120</u>	<u>\$ 29,332</u>	<u>\$ 413,686</u>	<u>\$ 72,421</u>

(Continued)



**CITY OF RIO RANCHO, NEW MEXICO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**ALL SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2013**  
**(Continued)**

	Rio Rancho Convention & Visitors Bureau Fund	Rio Vision Cable Fund	Local Government Corrections Fund
<b>Revenues:</b>			
Municipal and state shared taxes	\$ 294,716	\$	\$
Intergovernmental federal			
Intergovernmental state			
Intergovernmental county			
Charges for services		75	260,198
Fines and forfeits			
Franchise fees		117,530	
Contributions and donations			
Investment income/(expense)	(14)	(16)	(19)
Other revenues	1,800		
<b>Total revenues</b>	<u>296,502</u>	<u>117,589</u>	<u>260,179</u>
<b>Expenditures:</b>			
Current -			
General government			
Public safety			343,776
Public works			
Culture and recreation		126,263	
Economic development	332,127		
Capital outlay			
Debt service -			
Principal			
Interest and fiscal charges			
<b>Total expenditures</b>	<u>332,127</u>	<u>126,263</u>	<u>343,776</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(35,625)</u>	<u>(8,674)</u>	<u>(83,597)</u>
<b>Other financing sources (uses):</b>			
Issuance of debt			
Transfers in	25,096		76,200
Transfers out			
<b>Total other financing sources (uses)</b>	<u>25,096</u>		<u>76,200</u>
<b>Change in fund balances</b>	<u>(10,529)</u>	<u>(8,674)</u>	<u>(7,397)</u>
<b>Fund balances (deficits), beginning of year</b>	33,265	49,795	25,931
<b>Fund balances (deficits), end of year</b>	<u>\$ 22,736</u>	<u>\$ 41,121</u>	<u>\$ 18,534</u>

Law Enforcement Fund	DPS Enforcement Aid Fund	Traffic Education and Enforcement Aid Fund	NM Gang Task Force Grant Fund	Fire Protection Fund	Emergency Medical Services Fund
\$ 104,400	\$ 2,952	\$	\$ 202,250	\$ 649,308	\$ 94,500
		88,851			
(13)	(5)	(18)	2,032	309	(2)
	5,390		25,025	500	
<u>104,387</u>	<u>8,337</u>	<u>88,833</u>	<u>229,307</u>	<u>650,117</u>	<u>94,498</u>
190,000	13,188	26,120	261,749	408,223	23,910
214,627		50,453		692,687	
53,805				135,507	
2,488				57,427	
<u>460,920</u>	<u>13,188</u>	<u>76,573</u>	<u>261,749</u>	<u>1,293,844</u>	<u>23,910</u>
<u>(356,533)</u>	<u>(4,851)</u>	<u>12,260</u>	<u>(32,442)</u>	<u>(643,727)</u>	<u>70,588</u>
359,916	1,287			795,925	
<u>359,916</u>	<u>(1,287)</u>			<u>795,925</u>	
<u>3,383</u>	<u>(4,851)</u>	<u>12,260</u>	<u>(32,442)</u>	<u>152,198</u>	<u>70,588</u>
8,180	12,246	33,850	31,147	184,657	4,416
<u>\$ 11,563</u>	<u>\$ 7,395</u>	<u>\$ 46,110</u>	<u>\$ (1,295)</u>	<u>\$ 336,855</u>	<u>\$ 75,004</u>

(Continued)

**CITY OF RIO RANCHO, NEW MEXICO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**ALL SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2013**  
**(Continued)**

	<u>DWI Program Fund</u>	<u>Summer Lunch Program Fund</u>	<u>ARRA EECBG Fund</u>
<b>Revenues:</b>			
Municipal and state shared taxes	\$	\$	\$
Intergovernmental federal		149,878	10,000
Intergovernmental state			
Intergovernmental county			
Charges for services			
Fines and forfeits			
Franchise fees			
Contributions and donations			
Investment income/(expense)	(85)	(24)	
Other revenues			
<b>Total revenues</b>	<u>(85)</u>	<u>149,854</u>	<u>10,000</u>
<b>Expenditures:</b>			
Current -			
General government			10,000
Public safety			
Public works			
Culture and recreation		93,140	
Economic development			
Capital outlay			
Debt service -			
Principal			
Interest and fiscal charges			
<b>Total expenditures</b>		<u>93,140</u>	<u>10,000</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(85)</u>	<u>56,714</u>	
<b>Other financing sources (uses):</b>			
Issuance of debt			
Transfers in			
Transfers out			
<b>Total other financing sources (uses)</b>			
<b>Change in fund balances</b>	<u>(85)</u>	<u>56,714</u>	
<b>Fund balances (deficits), beginning of year</b>	228,374	38	
<b>Fund balances (deficits), end of year</b>	<u>\$ 228,289</u>	<u>\$ 56,752</u>	<u>\$</u>

Public Safety and Other Grants Fund	Environmental Gross Receipts Tax Fund	Higher Education Gross Receipts Tax Fund	Municipal Road Fund	Recreation Development Fund	HUD - CDBG Fund
\$ 425,576 338,778	\$ 646,010	\$ 2,056,895	\$ 596,135	\$	\$ 350,984
				31,621 3,104	
			5,882		
	19,144 893	(959)	(21)		
			37,801	79,766	
<u>764,354</u>	<u>666,047</u>	<u>2,055,936</u>	<u>639,797</u>	<u>114,491</u>	<u>350,984</u>
		1,663,000			249,034
720,608	171,725 40,386		390,179	2,224	
23,327	213,184		75,918	66,110	97,104
19,127	230,246 107,144				
<u>763,062</u>	<u>762,685</u>	<u>1,663,000</u>	<u>466,097</u>	<u>68,334</u>	<u>346,138</u>
1,292	(96,638)	392,936	173,700	46,157	4,846
		65			
		65			
1,292	(96,638)	393,001	173,700	46,157	4,846
(1,227)	1,716,442	3,850,792	349,956	121,918	
<u>\$ 65</u>	<u>\$ 1,619,804</u>	<u>\$ 4,243,793</u>	<u>\$ 523,656</u>	<u>\$ 168,075</u>	<u>\$ 4,846</u>

(Continued)

**CITY OF RIO RANCHO, NEW MEXICO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**ALL SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2013**  
**(Concluded)**

	<u>Crime Victims Assistance Fund</u>	<u>Totals</u>
<b>Revenues:</b>		
Municipal and state shared taxes	\$	\$ 3,593,756
Intergovernmental federal	47,647	1,208,830
Intergovernmental state		1,307,123
Intergovernmental county		405,909
Charges for services		642,236
Fines and forfeits		89,441
Franchise fees		117,530
Contributions and donations		31,323
Investment income/(expense)		14
Other revenues		735,790
<b>Total revenues</b>	<u>47,647</u>	<u>8,131,952</u>
<b>Expenditures:</b>		
Current -		
General government		2,415,083
Public safety	52,312	2,091,741
Public works		561,904
Culture and recreation		1,131,472
Economic development		540,382
Capital outlay		1,526,413
Debt service -		
Principal		419,558
Interest and fiscal charges		167,059
<b>Total expenditures</b>	<u>52,312</u>	<u>8,853,612</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(4,665)</u>	<u>(721,660)</u>
<b>Other financing sources (uses):</b>		
Issuance of debt		795,925
Transfers in	4,665	587,916
Transfers out		(1,287)
<b>Total other financing sources (uses)</b>	<u>4,665</u>	<u>1,382,554</u>
<b>Change in fund balances</b>		<u>660,894</u>
<b>Fund balances (deficits), beginning of year</b>		8,140,160
<b>Fund balances (deficits), end of year</b>	<u>\$</u>	<u>\$ 8,801,054</u>



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**CITY OF RIO RANCHO, NEW MEXICO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**ALL DEBT SERVICE FUNDS**  
**YEAR ENDED JUNE 30, 2013**

	General Obligation Bonds Fund	Gross Receipts Tax Revenue Bonds Fund	Gross Receipts Tax Refund Loan Fund
<b>Revenues:</b>			
Property taxes	\$ 3,285,872	\$	\$
Municipal and state shared taxes		1,660,771	328,172
<b>Total revenues</b>	3,285,872	1,660,771	328,172
<b>Expenditures:</b>			
Debt service -			
Principal	2,650,000	920,000	317,724
Interest and fiscal charges	803,281	778,483	15,106
Bond issuance costs	31,309	132,837	
<b>Total expenditures</b>	3,484,590	1,831,320	332,830
 <b>Excess (deficiency) of revenues over expenditures</b>	 (198,718)	 (170,549)	 (4,658)
<b>Other financing sources (uses):</b>			
Refunding bonds issued	1,715,000	13,420,000	
Transfers in	3		
Payment to refunded bond escrow agent	(1,683,691)	(13,287,163)	
<b>Total other financing sources (uses)</b>	31,312	132,837	
 <b>Change in fund balances</b>	 (167,406)	 (37,712)	 (4,658)
 <b>Fund balances, beginning of year</b>	 3,045,519	 409,314	 62,010
 <b>Fund balances, end of year</b>	 \$ 2,878,113	 \$ 371,602	 \$ 57,352

<u>HP Loan Fund</u>	<u>HS Loan Fund</u>	<u>Totals</u>
\$	\$	\$ 3,285,872
419,282	427,639	2,835,864
<u>419,282</u>	<u>427,639</u>	<u>6,121,736</u>
195,000	210,000	4,292,724
222,418	208,406	2,027,694
		164,146
<u>417,418</u>	<u>418,406</u>	<u>6,484,564</u>
1,864	9,233	(362,828)
		15,135,000
46	62	111
		(14,970,854)
<u>46</u>	<u>62</u>	<u>164,257</u>
1,910	9,295	(198,571)
111,579	77,742	3,706,164
<u>\$ 113,489</u>	<u>\$ 87,037</u>	<u>\$ 3,507,593</u>



**CITY OF RIO RANCHO, NEW MEXICO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**ALL CAPITAL PROJECTS FUNDS**  
**YEAR ENDED JUNE 30, 2013**

	Capital Projects Fund	HP Infrastructure Fund	HS Infrastructure Fund
<b>Revenues:</b>			
Intergovernmental federal	\$	\$	\$
Intergovernmental state			
Impact fees			
Investment income			
Other revenues			
<b>Total revenues</b>			
<b>Expenditures:</b>			
Current -			
General government	19,500		
Public works			
Capital outlay		280,952	80,308
<b>Total expenditures</b>	19,500	280,952	80,308
<b>Excess (deficiency) of revenues over expenditures</b>	(19,500)	(280,952)	(80,308)
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out	(73)	(46)	(62)
<b>Total other financing sources (uses)</b>	(73)	(46)	(62)
<b>Change in fund balances</b>	(19,573)	(280,998)	(80,370)
<b>Fund balances (deficits), beginning of year</b>	19,573	280,998	80,370
<b>Fund balances, end of year</b>	\$	\$	\$

Infrastructure Fund	State Appropriation Capital Projects Fund	Bond Construction 2006 Aquatics Fund	Bond Construction 2009 Roads Fund	Road Impact Fees Fund	Trail Impact Fees Fund
\$ 3,383,825	\$	\$	\$	\$	\$
399,508	64,209			101,193	4,428
			332		
1,072					
<u>3,784,405</u>	<u>64,209</u>		<u>332</u>	<u>101,193</u>	<u>4,428</u>
				1,462	53
71,414			32,048		
3,799,804	26,360	6,566	2,289,010	1,025,793	
<u>3,871,218</u>	<u>26,360</u>	<u>6,566</u>	<u>2,321,058</u>	<u>1,027,255</u>	<u>53</u>
(86,813)	37,849	(6,566)	(2,320,726)	(926,062)	4,375
484,219					
		(3)			
<u>484,219</u>		<u>(3)</u>			
397,406	37,849	(6,569)	(2,320,726)	(926,062)	4,375
(370,824)	(37,844)	6,569	5,212,941	1,476,394	163,574
<u>\$ 26,582</u>	<u>\$ 5</u>	<u>\$</u>	<u>\$ 2,892,215</u>	<u>\$ 550,332</u>	<u>\$ 167,949</u>

(Continued)

**CITY OF RIO RANCHO, NEW MEXICO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**ALL CAPITAL PROJECTS FUNDS**  
**YEAR ENDED JUNE 30, 2013**  
**(Concluded)**

	<u>Park Impact Fees Fund</u>	<u>Public Safety Impact Fees Fund</u>	<u>Drainage Impact Fees Fund</u>
<b>Revenues:</b>			
Intergovernmental federal	\$	\$	\$
Intergovernmental state			
Impact fees	47,787	101,155	95,998
Investment income			
Other revenues			
<b>Total revenues</b>	<u>47,787</u>	<u>101,155</u>	<u>95,998</u>
<b>Expenditures:</b>			
Current -			
General government	606	1,469	1,075
Public works			8,930
Capital outlay	<u>70,723</u>	<u>178,114</u>	<u>29,114</u>
<b>Total expenditures</b>	<u>71,329</u>	<u>179,583</u>	<u>39,119</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(23,542)</u>	<u>(78,428)</u>	<u>56,879</u>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
<b>Total other financing sources (uses)</b>			
<b>Change in fund balances</b>	<u>(23,542)</u>	<u>(78,428)</u>	<u>56,879</u>
<b>Fund balances (deficits), beginning of year</b>	464,589	213,904	807,539
<b>Fund balances, end of year</b>	<u>\$ 441,047</u>	<u>\$ 135,476</u>	<u>\$ 864,418</u>

Totals

\$ 3,383,825  
463,717  
350,561  
332  
1,072  
4,199,507

24,165  
112,392  
7,786,744  
7,923,301

(3,723,794)

484,219  
(184)  
484,035

(3,239,759)

8,317,783

\$ 5,078,024



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**SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES – BUDGET AND ACTUAL**



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**CITY OF RIO RANCHO, NEW MEXICO  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - DONATIONS FUND  
YEAR ENDED JUNE 30, 2013**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Charges for services	\$ 30,000	\$ 25,000	\$ 28,285	\$ 3,285
Fines and forfeits	800	800	590	(210)
Contributions and donations	3,700	8,700	10,147	1,447
Investment income			6	6
<b>Total revenues</b>	<u>34,500</u>	<u>34,500</u>	<u>39,028</u>	<u>4,528</u>
<b>Expenditures:</b>				
Current -				
Public safety	60,708	60,708	32,312	28,396
Culture and recreation	3,745	10,661	8,944	1,717
<b>Total expenditures</b>	<u>64,453</u>	<u>71,369</u>	<u>41,256</u>	<u>30,113</u>
<b>Change in fund balances</b>	<u>(29,953)</u>	<u>(36,869)</u>	<u>(2,228)</u>	<u>34,641</u>
<b>Fund balances, July 1, 2012</b>	37,930	37,930	37,586	(344)
<b>Fund balances, June 30, 2013</b>	<u>\$ 7,977</u>	<u>\$ 1,061</u>	<u>\$ 35,358</u>	<u>\$ 34,297</u>



**CITY OF RIO RANCHO, NEW MEXICO  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - RECREATION ACTIVITIES FUND  
YEAR ENDED JUNE 30, 2013**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Charges for services	\$ 304,488	\$ 308,548	\$ 221,848	\$ (86,700)
Investment income/(expense)			(46)	(46)
Other revenues		5,978	5,979	1
<b>Total revenues</b>	<u>304,488</u>	<u>314,526</u>	<u>227,781</u>	<u>(86,745)</u>
<b>Expenditures:</b>				
Current -				
Culture and recreation	326,929	359,720	197,273	162,447
Capital outlay		58,595	44,065	14,530
<b>Total expenditures</b>	<u>326,929</u>	<u>418,315</u>	<u>241,338</u>	<u>176,977</u>
<b>Change in fund balances</b>	<u>(22,441)</u>	<u>(103,789)</u>	<u>(13,557)</u>	<u>90,232</u>
<b>Fund balances, July 1, 2012</b>	88,013	199,656	182,891	(16,765)
<b>Fund balances, June 30, 2013</b>	<u>\$ 65,572</u>	<u>\$ 95,867</u>	<u>\$ 169,334</u>	<u>\$ 73,467</u>

**CITY OF RIO RANCHO, NEW MEXICO  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - RECREATION FUND  
YEAR ENDED JUNE 30, 2013**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Investment income/(expense)	\$	\$	\$ (25)	\$ (25)
<b>Total revenues</b>			(25)	(25)
<b>Expenditures:</b>				
Current -				
Culture and recreation		2,221	2,220	1
Capital outlay	24	45,810	45,807	3
<b>Total expenditures</b>	24	48,031	48,027	4
<b>Change in fund balances</b>	(24)	(48,031)	(48,052)	(21)
<b>Fund balances, July 1, 2012</b>	24	48,031	48,052	21
<b>Fund balances, June 30, 2013</b>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

**CITY OF RIO RANCHO, NEW MEXICO  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - KEEP RIO RANCHO BEAUTIFUL GRANT FUND  
 YEAR ENDED JUNE 30, 2013**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental state	\$ 68,000	\$ 89,731	\$ 66,160	\$ (23,571)
<b>Total revenues</b>	<u>68,000</u>	<u>89,731</u>	<u>66,160</u>	<u>(23,571)</u>
<b>Expenditures:</b>				
Current -				
Culture and recreation	68,000	69,750	63,734	6,016
<b>Total expenditures</b>	<u>68,000</u>	<u>69,750</u>	<u>63,734</u>	<u>6,016</u>
<b>Change in fund balances</b>		<u>19,981</u>	<u>2,426</u>	<u>(17,555)</u>
<b>Fund balances (deficits), July 1, 2012</b>		(19,981)	74	20,055
<b>Fund balances, June 30, 2013</b>	<u>\$</u>	<u>\$</u>	<u>\$ 2,500</u>	<u>\$ 2,500</u>

**CITY OF RIO RANCHO, NEW MEXICO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - COMMUNITY RESPONSE PROGRAM FUND**  
**YEAR ENDED JUNE 30, 2013**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental federal	\$	\$ 32,836	\$ 19,543	\$ (13,293)
<b>Total revenues</b>		<u>32,836</u>	<u>19,543</u>	<u>(13,293)</u>
<b>Expenditures:</b>				
Current -				
Public safety		29,196	19,543	9,653
<b>Total expenditures</b>		<u>29,196</u>	<u>19,543</u>	<u>9,653</u>
<b>Change in fund balances</b>		<u>3,640</u>		<u>(3,640)</u>
<b>Fund balances (deficits), July 1, 2012</b>		(3,640)		3,640
<b>Fund balances, June 30, 2013</b>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

**CITY OF RIO RANCHO, NEW MEXICO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - WORKERS COMPENSATION FUND**  
**YEAR ENDED JUNE 30, 2013**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Investment income	\$	\$	\$ 51	\$ 51
Other revenues	831,335	831,335	576,564	(254,771)
<b>Total revenues</b>	<u>831,335</u>	<u>831,335</u>	<u>576,615</u>	<u>(254,720)</u>
<b>Expenditures:</b>				
Current -				
General government	903,378	903,378	493,049	410,329
<b>Total expenditures</b>	<u>903,378</u>	<u>903,378</u>	<u>493,049</u>	<u>410,329</u>
<b>Changes in fund balances</b>	<u>(72,043)</u>	<u>(72,043)</u>	<u>83,566</u>	<u>155,609</u>
<b>Fund balances, July 1, 2012</b>	653,378	653,378	591,554	(61,824)
<b>Fund balances, June 30, 2013</b>	<u>\$ 581,335</u>	<u>\$ 581,335</u>	<u>\$ 675,120</u>	<u>\$ 93,785</u>

**CITY OF RIO RANCHO, NEW MEXICO  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - SENIOR SERVICES FUND  
YEAR ENDED JUNE 30, 2013**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Intergovernmental state	\$	\$ 4,400	\$ 4,398	\$ (2)
Charges for services	25,464	22,734	15,658	(7,076)
Investment income/(expense)			(9)	(9)
Other revenues	500	500	2,965	2,465
<b>Total revenues</b>	<u>25,964</u>	<u>27,634</u>	<u>23,012</u>	<u>(4,622)</u>
<b>Expenditures:</b>				
Current -				
Culture and recreation	25,604	32,005	18,782	13,223
<b>Total expenditures</b>	<u>25,604</u>	<u>32,005</u>	<u>18,782</u>	<u>13,223</u>
<b>Change in fund balances</b>	<u>360</u>	<u>(4,371)</u>	<u>4,230</u>	<u>8,601</u>
<b>Fund balances, July 1, 2012</b>	24,928	25,590	25,102	(488)
<b>Fund balances, June 30, 2013</b>	<u>\$ 25,288</u>	<u>\$ 21,219</u>	<u>\$ 29,332</u>	<u>\$ 8,113</u>

**CITY OF RIO RANCHO, NEW MEXICO  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - LIBRARY FUND  
YEAR ENDED JUNE 30, 2013**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental state	\$ 9,200	\$ 99,502	\$ 17,958	\$ (81,544)
Intergovernmental county	501,894	2,413,422	402,805	(2,010,617)
Investment income		500	23	(477)
<b>Total revenues</b>	<u>511,094</u>	<u>2,513,424</u>	<u>420,786</u>	<u>(2,092,638)</u>
<b>Expenditures:</b>				
Current -				
Culture and recreation	511,094	2,695,986	555,179	2,140,807
Capital outlay		16,313	7,331	8,982
<b>Total expenditures</b>	<u>511,094</u>	<u>2,712,299</u>	<u>562,510</u>	<u>2,149,789</u>
<b>Change in fund balances</b>		<u>(198,875)</u>	<u>(141,724)</u>	<u>57,151</u>
<b>Fund balances, July 1, 2012</b>	144,780	313,802	555,410	241,608
<b>Fund balances, June 30, 2013</b>	<u>\$ 144,780</u>	<u>\$ 114,927</u>	<u>\$ 413,686</u>	<u>\$ 298,759</u>

**CITY OF RIO RANCHO, NEW MEXICO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - PROMOTION AND MARKETING FUND**  
**YEAR ENDED JUNE 30, 2013**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Charges for services	\$ 132,550	\$ 246,175	\$ 110,290	\$ (135,885)
Investment income/(expense)			(12)	(12)
<b>Total revenues</b>	<u>132,550</u>	<u>246,175</u>	<u>110,278</u>	<u>(135,897)</u>
<b>Expenditures:</b>				
Current -				
Economic development	254,598	397,430	208,255	189,175
<b>Total expenditures</b>	<u>254,598</u>	<u>397,430</u>	<u>208,255</u>	<u>189,175</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(122,048)</u>	<u>(151,255)</u>	<u>(97,977)</u>	<u>53,278</u>
<b>Other financing sources (uses):</b>				
Transfers in	120,687	120,687	120,687	
<b>Total other financing sources (uses)</b>	<u>120,687</u>	<u>120,687</u>	<u>120,687</u>	
<b>Change in fund balances</b>	<u>(1,361)</u>	<u>(30,568)</u>	<u>22,710</u>	<u>53,278</u>
<b>Fund balances, July 1, 2012</b>	24,744	57,162	49,711	(7,451)
<b>Fund balances, June 30, 2013</b>	<u>\$ 23,383</u>	<u>\$ 26,594</u>	<u>\$ 72,421</u>	<u>\$ 45,827</u>



**CITY OF RIO RANCHO, NEW MEXICO  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - RIO RANCHO CONVENTION & VISITORS BUREAU FUND  
YEAR ENDED JUNE 30, 2013**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Municipal and state shared taxes	\$ 336,709	\$ 302,818	\$ 294,716	\$ (8,102)
Intergovernmental state	5,000	5,000		(5,000)
Investment income/(expense)	5	5	(14)	(19)
Other revenues	3,750	3,750	1,800	(1,950)
<b>Total revenues</b>	<u>345,464</u>	<u>311,573</u>	<u>296,502</u>	<u>(15,071)</u>
<b>Expenditures:</b>				
Current -				
Economic development	373,175	368,299	332,127	36,172
<b>Total expenditures</b>	<u>373,175</u>	<u>368,299</u>	<u>332,127</u>	<u>36,172</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(27,711)</u>	<u>(56,726)</u>	<u>(35,625)</u>	<u>21,101</u>
<b>Other financing sources (uses):</b>				
Transfers in	25,096	25,096	25,096	
<b>Total other financing sources (uses)</b>	<u>25,096</u>	<u>25,096</u>	<u>25,096</u>	
<b>Change in fund balances</b>	<u>(2,615)</u>	<u>(31,630)</u>	<u>(10,529)</u>	<u>21,101</u>
<b>Fund balances, July 1, 2012</b>	31,130	31,630	33,265	1,635
<b>Fund balances, June 30, 2013</b>	<u>\$ 28,515</u>	<u>\$</u>	<u>\$ 22,736</u>	<u>\$ 22,736</u>

**CITY OF RIO RANCHO, NEW MEXICO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - RIO VISION CABLE FUND**  
**YEAR ENDED JUNE 30, 2013**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Charges for services	\$	\$	\$ 75	\$ 75
Franchise fees	121,349	112,349	117,530	5,181
Investment income/(expense)	25	25	(16)	(41)
<b>Total revenues</b>	<u>121,374</u>	<u>112,374</u>	<u>117,589</u>	<u>5,215</u>
<b>Expenditures:</b>				
Current -				
Culture and recreation	126,452	140,745	126,263	14,482
<b>Total expenditures</b>	<u>126,452</u>	<u>140,745</u>	<u>126,263</u>	<u>14,482</u>
<b>Change in fund balances</b>	<u>(5,078)</u>	<u>(28,371)</u>	<u>(8,674)</u>	<u>19,697</u>
<b>Fund balances, July 1, 2012</b>	9,907	32,309	49,795	17,486
<b>Fund balances, June 30, 2013</b>	<u>\$ 4,829</u>	<u>\$ 3,938</u>	<u>\$ 41,121</u>	<u>\$ 37,183</u>

**CITY OF RIO RANCHO, NEW MEXICO  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - LOCAL GOVERNMENT CORRECTIONS FUND  
 YEAR ENDED JUNE 30, 2013**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Charges for services	\$ 200,000	\$ 251,296	\$ 260,198	\$ 8,902
Investment income/(expense)			(19)	(19)
<b>Total revenues</b>	<u>200,000</u>	<u>251,296</u>	<u>260,179</u>	<u>8,883</u>
<b>Expenditures:</b>				
Current -				
Public safety	318,368	390,653	343,776	46,877
<b>Total expenditures</b>	<u>318,368</u>	<u>390,653</u>	<u>343,776</u>	<u>46,877</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(118,368)</u>	<u>(139,357)</u>	<u>(83,597)</u>	<u>55,760</u>
<b>Other financing sources (uses):</b>				
Transfers in	76,200	76,200	76,200	
<b>Total other financing sources (uses)</b>	<u>76,200</u>	<u>76,200</u>	<u>76,200</u>	
<b>Change in fund balances</b>	<u>(42,168)</u>	<u>(63,157)</u>	<u>(7,397)</u>	<u>55,760</u>
<b>Fund balances, July 1, 2012</b>	42,168	63,157	25,931	(37,226)
<b>Fund balances, June 30, 2013</b>	<u>\$</u>	<u>\$</u>	<u>\$ 18,534</u>	<u>\$ 18,534</u>

**CITY OF RIO RANCHO, NEW MEXICO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - LAW ENFORCEMENT FUND**  
**YEAR ENDED JUNE 30, 2013**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Intergovernmental state	\$ 104,400	\$ 104,400	\$ 104,400	\$
Investment income/(expense)			(13)	(13)
<b>Total revenues</b>	<u>104,400</u>	<u>104,400</u>	<u>104,387</u>	<u>(13)</u>
<b>Expenditures:</b>				
Current -				
Public safety	149,657	208,429	190,000	18,429
Capital outlay	57,315	214,627	214,627	
Debt service -				
Principal	53,805	53,805	53,805	
Interest and fiscal charges	2,926	2,926	2,488	438
<b>Total expenditures</b>	<u>263,703</u>	<u>479,787</u>	<u>460,920</u>	<u>18,867</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(159,303)</u>	<u>(375,387)</u>	<u>(356,533)</u>	<u>18,854</u>
<b>Other financing sources (uses):</b>				
Transfers in	362,084	362,084	359,916	(2,168)
<b>Total other financing sources (uses)</b>	<u>362,084</u>	<u>362,084</u>	<u>359,916</u>	<u>(2,168)</u>
<b>Change in fund balances</b>	<u>202,781</u>	<u>(13,303)</u>	<u>3,383</u>	<u>16,686</u>
<b>Fund balances, July 1, 2012</b>	13,303	13,303	8,180	(5,123)
<b>Fund balances, June 30, 2013</b>	<u>\$ 216,084</u>	<u>\$</u>	<u>\$ 11,563</u>	<u>\$ 11,563</u>

**CITY OF RIO RANCHO, NEW MEXICO  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - DPS ENFORCEMENT AID FUND  
YEAR ENDED JUNE 30, 2013**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Intergovernmental federal	\$ 15,000	\$ 5,000	\$ 2,952	\$ (2,048)
Contributions and donations	1,000	1,000		(1,000)
Investment income/(expense)			(5)	(5)
Other revenues			5,390	5,390
<b>Total revenues</b>	<u>16,000</u>	<u>6,000</u>	<u>8,337</u>	<u>2,337</u>
<b>Expenditures:</b>				
Current -				
Public safety	30,808	21,083	13,188	7,895
<b>Total expenditures</b>	<u>30,808</u>	<u>21,083</u>	<u>13,188</u>	<u>7,895</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(14,808)</u>	<u>(15,083)</u>	<u>(4,851)</u>	<u>10,232</u>
<b>Other financing sources (uses):</b>				
Transfers in		1,287	1,287	
Transfers out		(1,287)	(1,287)	
<b>Total other financing sources (uses)</b>				
<b>Change in fund balances</b>	<u>(14,808)</u>	<u>(15,083)</u>	<u>(4,851)</u>	<u>10,232</u>
<b>Fund balances, July 1, 2012</b>	14,808	15,083	12,246	(2,837)
<b>Fund balances, June 30, 2013</b>	<u>\$</u>	<u>\$</u>	<u>\$ 7,395</u>	<u>\$ 7,395</u>

**CITY OF RIO RANCHO, NEW MEXICO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - TRAFFIC EDUCATION AND ENFORCEMENT AID FUND**  
**YEAR ENDED JUNE 30, 2013**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Fines and forfeits	\$ 62,000	\$ 92,000	\$ 88,851	\$ (3,149)
Investment income/(expense)			(18)	(18)
<b>Total revenues</b>	<u>62,000</u>	<u>92,000</u>	<u>88,833</u>	<u>(3,167)</u>
<b>Expenditures:</b>				
Current -				
Public safety	81,145	60,808	26,120	34,688
Capital outlay		50,495	50,453	42
<b>Total expenditures</b>	<u>81,145</u>	<u>111,303</u>	<u>76,573</u>	<u>34,730</u>
<b>Change in fund balances</b>	<u>(19,145)</u>	<u>(19,303)</u>	<u>12,260</u>	<u>31,563</u>
<b>Fund balances, July 1, 2012</b>	31,992	33,824	33,850	26
<b>Fund balances, June 30, 2013</b>	<u>\$ 12,847</u>	<u>\$ 14,521</u>	<u>\$ 46,110</u>	<u>\$ 31,589</u>

**CITY OF RIO RANCHO, NEW MEXICO  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - NM GANG TASK FORCE GRANT FUND  
YEAR ENDED JUNE 30, 2013**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Intergovernmental federal	\$ 232,485	\$ 372,779	\$ 202,250	\$ (170,529)
Contributions and donations		2,032	2,032	
Other revenues		24,342	25,025	683
<b>Total revenues</b>	<u>232,485</u>	<u>399,153</u>	<u>229,307</u>	<u>(169,846)</u>
<b>Expenditures:</b>				
Current -				
Public safety	232,485	309,222	261,749	47,473
<b>Total expenditures</b>	<u>232,485</u>	<u>309,222</u>	<u>261,749</u>	<u>47,473</u>
<b>Excess (deficiency) of revenues over expenditures</b>		<u>89,931</u>	<u>(32,442)</u>	<u>(122,373)</u>
<b>Other financing sources (uses):</b>				
Transfers in		1,295		(1,295)
<b>Total other financing sources (uses)</b>		<u>1,295</u>		<u>(1,295)</u>
<b>Change in fund balances</b>		<u>91,226</u>	<u>(32,442)</u>	<u>(123,668)</u>
<b>Fund balances (deficits), July 1, 2012</b>		(91,226)	31,147	122,373
<b>Fund balances (deficits), June 30, 2013</b>	<u>\$</u>	<u>\$</u>	<u>\$ (1,295)</u>	<u>\$ (1,295)</u>

**CITY OF RIO RANCHO, NEW MEXICO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - FIRE PROTECTION FUND**  
**YEAR ENDED JUNE 30, 2013**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental state	\$ 651,128	\$ 649,308	\$ 649,308	\$
Investment income		20	309	289
Other revenues			500	500
<b>Total revenues</b>	<b>651,128</b>	<b>649,328</b>	<b>650,117</b>	<b>789</b>
<b>Expenditures:</b>				
Current -				
Public safety	484,656	499,471	408,223	91,248
Capital outlay		790,982	692,687	98,295
Debt service -				
Principal	135,508	135,508	135,507	1
Interest and fiscal charges	61,247	61,247	57,427	3,820
<b>Total expenditures</b>	<b>681,411</b>	<b>1,487,208</b>	<b>1,293,844</b>	<b>193,364</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(30,283)</b>	<b>(837,880)</b>	<b>(643,727)</b>	<b>194,153</b>
<b>Other financing sources (uses):</b>				
Issuance of debt		948,046	795,925	(152,121)
<b>Total other financing sources (uses)</b>		<b>948,046</b>	<b>795,925</b>	<b>(152,121)</b>
<b>Change in fund balances</b>	<b>(30,283)</b>	<b>110,166</b>	<b>152,198</b>	<b>42,032</b>
<b>Fund balances, July 1, 2012</b>	<b>30,283</b>	<b>41,955</b>	<b>184,657</b>	<b>142,702</b>
<b>Fund balances, June 30, 2013</b>	<b>\$</b>	<b>\$ 152,121</b>	<b>\$ 336,855</b>	<b>\$ 184,734</b>



**CITY OF RIO RANCHO, NEW MEXICO  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - EMERGENCY MEDICAL SERVICES FUND  
 YEAR ENDED JUNE 30, 2013**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Intergovernmental state	\$ 95,520	\$ 94,500	\$ 94,500	\$
Investment income/(expense)			(2)	(2)
<b>Total revenues</b>	<u>95,520</u>	<u>94,500</u>	<u>94,498</u>	<u>(2)</u>
<b>Expenditures:</b>				
Current -				
Public safety	24,932	23,912	23,910	2
Capital outlay	75,000	75,000		75,000
<b>Total expenditures</b>	<u>99,932</u>	<u>98,912</u>	<u>23,910</u>	<u>75,002</u>
<b>Change in fund balances</b>	<u>(4,412)</u>	<u>(4,412)</u>	<u>70,588</u>	<u>75,000</u>
<b>Fund balances, July 1, 2012</b>	4,412	4,412	4,416	4
<b>Fund balances, June 30, 2013</b>	<u>\$</u>	<u>\$</u>	<u>\$ 75,004</u>	<u>\$ 75,004</u>

**CITY OF RIO RANCHO, NEW MEXICO  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - DWI PROGRAM FUND  
YEAR ENDED JUNE 30, 2013**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Investment income/(expense)	\$	\$	\$ (85)	\$ (85)
Other revenues				
<b>Total revenues</b>			<u>(85)</u>	<u>(85)</u>
<b>Expenditures:</b>				
Current -				
Public Safety	228,250	228,250		228,250
<b>Total expenditures</b>	<u>228,250</u>	<u>228,250</u>		<u>228,250</u>
<b>Changes in fund balances</b>	<u>(228,250)</u>	<u>(228,250)</u>	<u>(85)</u>	<u>228,165</u>
<b>Fund balances, July 1, 2012</b>	228,250	228,250	228,374	124
<b>Fund balances, June 30, 2013</b>	<u>\$</u>	<u>\$</u>	<u>\$ 228,289</u>	<u>\$ 228,289</u>

**CITY OF RIO RANCHO, NEW MEXICO  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - SUMMER LUNCH PROGRAM FUND  
YEAR ENDED JUNE 30, 2013**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Intergovernmental federal	\$ 138,425	\$ 138,425	\$ 149,878	\$ 11,453
Investment income/(expense)			(24)	(24)
<b>Total revenues</b>	<u>138,425</u>	<u>138,425</u>	<u>149,854</u>	<u>11,429</u>
<b>Expenditures:</b>				
Current -				
Culture and recreation	126,500	227,748	93,140	134,608
<b>Total expenditures</b>	<u>126,500</u>	<u>227,748</u>	<u>93,140</u>	<u>134,608</u>
<b>Change in fund balances</b>	<u>11,925</u>	<u>(89,323)</u>	<u>56,714</u>	<u>146,037</u>
<b>Fund balances (deficits), July 1, 2012</b>	(11,925)	89,323	38	(89,285)
<b>Fund balances, June 30, 2013</b>	<u>\$</u>	<u>\$</u>	<u>\$ 56,752</u>	<u>\$ 56,752</u>

**CITY OF RIO RANCHO, NEW MEXICO  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - ARRA EECBG FUND  
YEAR ENDED JUNE 30, 2013**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental federal	\$	\$ 28,099	\$ 10,000	\$ (18,099)
<b>Total revenues</b>		<u>28,099</u>	<u>10,000</u>	<u>(18,099)</u>
<b>Expenditures:</b>				
Current -				
General government		24,802	10,000	14,802
<b>Total expenditures</b>		<u>24,802</u>	<u>10,000</u>	<u>14,802</u>
<b>Change in fund balances</b>		<u>3,297</u>		<u>(3,297)</u>
<b>Fund balances (deficits), July 1, 2012</b>		(3,297)		3,297
<b>Fund balances, June 30, 2013</b>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

**CITY OF RIO RANCHO, NEW MEXICO  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - PUBLIC SAFETY AND OTHER GRANTS FUND  
 YEAR ENDED JUNE 30, 2013**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental federal	\$ 457,303	\$ 975,611	\$ 425,576	\$ (550,035)
Intergovernmental state	45,880	1,260,093	338,778	(921,315)
<b>Total revenues</b>	503,183	2,235,704	764,354	(1,471,350)
<b>Expenditures:</b>				
Current -				
Public safety	457,303	1,957,821	720,608	1,237,213
Culture and recreation	45,880	24,734	23,327	1,407
Capital outlay		19,127	19,127	
<b>Total expenditures</b>	503,183	2,001,682	763,062	1,238,620
<b>Change in fund balances</b>		234,022	1,292	(232,730)
<b>Fund balances (deficits), July 1, 2012</b>		(234,022)	(1,227)	232,795
<b>Fund balances, June 30, 2013</b>	\$	\$	\$ 65	\$ 65

**CITY OF RIO RANCHO, NEW MEXICO  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - ENVIRONMENTAL GROSS RECEIPTS TAX FUND  
 YEAR ENDED JUNE 30, 2013**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Municipal and state shared taxes	\$ 638,039	\$ 638,039	\$ 646,010	\$ 7,971
Contributions and donations	19,144	19,144	19,144	
Investment income			893	893
<b>Total revenues</b>	<u>657,183</u>	<u>657,183</u>	<u>666,047</u>	<u>8,864</u>
<b>Expenditures:</b>				
Current -				
Public works	133,400	140,521	171,725	(31,204)
Culture and recreation	40,653	40,953	40,386	567
Capital outlay	111,343	1,264,559	213,184	1,051,375
Debt service -				
Principal	230,758	230,758	230,246	512
Interest and fiscal charges	126,931	126,931	107,144	19,787
<b>Total expenditures</b>	<u>643,085</u>	<u>1,803,722</u>	<u>762,685</u>	<u>1,041,037</u>
<b>Change in fund balances</b>	<u>14,098</u>	<u>(1,146,539)</u>	<u>(96,638)</u>	<u>1,049,901</u>
<b>Fund balances, July 1, 2012</b>	461,509	1,640,606	1,716,442	75,836
<b>Fund balances, June 30, 2013</b>	<u>\$ 475,607</u>	<u>\$ 494,067</u>	<u>\$ 1,619,804</u>	<u>\$ 1,125,737</u>

**CITY OF RIO RANCHO, NEW MEXICO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - HIGHER EDUCATION GROSS RECEIPTS TAX FUND**  
**YEAR ENDED JUNE 30, 2013**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Municipal and state shared taxes	\$ 2,073,626	\$ 2,073,626	\$ 2,056,895	\$ (16,731)
Investment income/(expense)	1,000	1,000	(959)	(1,959)
<b>Total revenues</b>	<u>2,074,626</u>	<u>2,074,626</u>	<u>2,055,936</u>	<u>(18,690)</u>
<b>Expenditures:</b>				
Current -				
General government	1,663,000	1,663,000	1,663,000	
Capital outlay		250,000		250,000
<b>Total expenditures</b>	<u>1,663,000</u>	<u>1,913,000</u>	<u>1,663,000</u>	<u>250,000</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>411,626</u>	<u>161,626</u>	<u>392,936</u>	<u>231,310</u>
<b>Other financing sources (uses):</b>				
Transfers in		65	65	
<b>Total other financing sources (uses)</b>		<u>65</u>	<u>65</u>	
<b>Change in fund balances</b>	<u>411,626</u>	<u>161,691</u>	<u>393,001</u>	<u>231,310</u>
<b>Fund balances, July 1, 2012</b>	3,237,710	3,487,710	3,850,792	363,082
<b>Fund balances, June 30, 2013</b>	<u>\$ 3,649,336</u>	<u>\$ 3,649,401</u>	<u>\$ 4,243,793</u>	<u>\$ 594,392</u>

**CITY OF RIO RANCHO, NEW MEXICO  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - MUNICIPAL ROAD FUND  
YEAR ENDED JUNE 30, 2013**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Municipal and state shared taxes	\$ 500,000	\$ 500,000	\$ 596,135	\$ 96,135
Charges for services	1,500	1,500	5,882	4,382
Investment income/(expense)	1,000	1,000	(21)	(1,021)
Other revenues			37,801	37,801
<b>Total revenues</b>	<u>502,500</u>	<u>502,500</u>	<u>639,797</u>	<u>137,297</u>
<b>Expenditures:</b>				
Current -				
Public works	521,000	618,868	390,179	228,689
Capital outlay	35,292	125,808	75,918	49,890
<b>Total expenditures</b>	<u>556,292</u>	<u>744,676</u>	<u>466,097</u>	<u>278,579</u>
<b>Change in fund balances</b>	<u>(53,792)</u>	<u>(242,176)</u>	<u>173,700</u>	<u>415,876</u>
<b>Fund balances, July 1, 2012</b>	144,790	365,124	349,956	(15,168)
<b>Fund balances, June 30, 2013</b>	<u>\$ 90,998</u>	<u>\$ 122,948</u>	<u>\$ 523,656</u>	<u>\$ 400,708</u>



**CITY OF RIO RANCHO, NEW MEXICO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - RECREATION DEVELOPMENT FUND**  
**YEAR ENDED JUNE 30, 2013**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental state	\$	\$ 1,265,387	\$ 31,621	\$ (1,233,766)
Intergovernmental county		225,000	3,104	(221,896)
Other revenues		88,766	79,766	(9,000)
<b>Total revenues</b>		<u>1,579,153</u>	<u>114,491</u>	<u>(1,464,662)</u>
<b>Expenditures:</b>				
Current -				
Culture and recreation		15,667	2,224	13,443
Capital outlay		1,687,700	66,110	1,621,590
<b>Total expenditures</b>		<u>1,703,367</u>	<u>68,334</u>	<u>1,635,033</u>
<b>Change in fund balances</b>		<u>(124,214)</u>	<u>46,157</u>	<u>170,371</u>
<b>Fund balances, July 1, 2012</b>	3,697	127,911	121,918	(5,993)
<b>Fund balances, June 30, 2013</b>	<u>\$ 3,697</u>	<u>\$ 3,697</u>	<u>\$ 168,075</u>	<u>\$ 164,378</u>

**CITY OF RIO RANCHO, NEW MEXICO  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - HUD - CDBG FUND  
YEAR ENDED JUNE 30, 2013**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental federal	\$ 301,481	\$ 643,037	\$ 350,984	\$ (292,053)
<b>Total revenues</b>	<u>301,481</u>	<u>643,037</u>	<u>350,984</u>	<u>(292,053)</u>
<b>Expenditures:</b>				
Current -				
General government	301,481	406,620	249,034	157,586
Capital outlay		134,950	97,104	37,846
<b>Total expenditures</b>	<u>301,481</u>	<u>541,570</u>	<u>346,138</u>	<u>195,432</u>
<b>Change in fund balances</b>		<u>101,467</u>	<u>4,846</u>	<u>(96,621)</u>
<b>Fund balances (deficits), July 1, 2012</b>		(101,467)		101,467
<b>Fund balances, June 30, 2013</b>	<u>\$</u>	<u>\$</u>	<u>\$ 4,846</u>	<u>\$ 4,846</u>

**CITY OF RIO RANCHO, NEW MEXICO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - CRIME VICTIMS ASSISTANCE FUND**  
**YEAR ENDED JUNE 30, 2013**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Intergovernmental federal	\$ 34,400	\$ 68,184	\$ 47,647	\$ (20,537)
<b>Total revenues</b>	<u>34,400</u>	<u>68,184</u>	<u>47,647</u>	<u>(20,537)</u>
<b>Expenditures:</b>				
Current -				
Public safety	42,011	68,061	52,312	15,749
<b>Total expenditures</b>	<u>42,011</u>	<u>68,061</u>	<u>52,312</u>	<u>15,749</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(7,611)</u>	<u>123</u>	<u>(4,665)</u>	<u>(4,788)</u>
<b>Other financing sources (uses):</b>				
Transfers in	7,611	11,649	4,665	(6,984)
<b>Total other financing sources (uses)</b>	<u>7,611</u>	<u>11,649</u>	<u>4,665</u>	<u>(6,984)</u>
<b>Change in fund balances</b>		<u>11,772</u>		<u>(11,772)</u>
<b>Fund balances (deficits), July 1, 2012</b>		(11,772)		11,772
<b>Fund balances, June 30, 2013</b>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

**CITY OF RIO RANCHO, NEW MEXICO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL OBLIGATION BONDS FUND**  
**YEAR ENDED JUNE 30, 2013**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Property taxes	\$ 3,383,164	\$ 3,383,164	\$ 3,285,872	\$ (97,292)
Investment income	500	500		(500)
<b>Total revenues</b>	<u>3,383,664</u>	<u>3,383,664</u>	<u>3,285,872</u>	<u>(97,792)</u>
<b>Expenditures:</b>				
Debt service -				
Principal	2,650,000	2,650,000	2,650,000	
Interest and fiscal charges	1,180,073	1,180,073	803,281	376,792
Bond issuance costs		32,881	31,309	1,572
<b>Total expenditures</b>	<u>3,830,073</u>	<u>3,862,954</u>	<u>3,484,590</u>	<u>378,364</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(446,409)</u>	<u>(479,290)</u>	<u>(198,718)</u>	<u>280,572</u>
<b>Other financing sources (uses):</b>				
Refunding bonds issued		1,715,000	1,715,000	
Transfers in		3	3	
<b>Total other financing sources (uses)</b>		<u>1,715,003</u>	<u>1,715,003</u>	
<b>Other financing sources (uses) - non-budgeted:</b>				
Payment to refunded bond escrow agent			(1,683,691)	(1,683,691)
<b>Total other financing sources (uses) non-budgeted</b>			<u>(1,683,691)</u>	<u>(1,683,691)</u>
<b>Changes in fund balances</b>	<u>(446,409)</u>	<u>1,235,713</u>	<u>(167,406)</u>	<u>(1,403,119)</u>
<b>Fund balances, July 1, 2012</b>	3,347,539	3,347,539	3,045,519	(302,020)
<b>Fund balances, June 30, 2013</b>	<u>\$ 2,901,130</u>	<u>\$ 4,583,252</u>	<u>\$ 2,878,113</u>	<u>\$ (1,705,139)</u>

**CITY OF RIO RANCHO, NEW MEXICO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GROSS RECEIPTS TAX REVENUE BONDS FUND**  
**YEAR ENDED JUNE 30, 2013**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Municipal and state shared taxes	\$ 1,695,074	\$ 1,695,074	\$ 1,660,771	\$ (34,303)
<b>Total revenues</b>	<u>1,695,074</u>	<u>1,695,074</u>	<u>1,660,771</u>	<u>(34,303)</u>
<b>Expenditures:</b>				
Debt service -				
Principal	920,000	920,000	920,000	
Interest and fiscal charges	836,732	836,732	778,483	58,249
Bond issuance costs		142,299	132,837	9,462
<b>Total expenditures</b>	<u>1,756,732</u>	<u>1,899,031</u>	<u>1,831,320</u>	<u>67,711</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(61,658)</u>	<u>(203,957)</u>	<u>(170,549)</u>	<u>33,408</u>
<b>Other financing sources (uses):</b>				
Refunding bonds issued		14,552,966	13,420,000	(1,132,966)
<b>Total other financing sources (uses)</b>		<u>14,552,966</u>	<u>13,420,000</u>	<u>(1,132,966)</u>
<b>Other financing sources (uses) - non-budgeted:</b>				
Payment to refunded bond escrow agent			(13,287,163)	(13,287,163)
<b>Total other financing sources (uses) non-budgeted</b>			<u>(13,287,163)</u>	<u>(13,287,163)</u>
<b>Changes in fund balances</b>	<u>(61,658)</u>	<u>14,349,009</u>	<u>(37,712)</u>	<u>(14,386,721)</u>
<b>Fund balances, July 1, 2012</b>	185,441	185,441	409,314	223,873
<b>Fund balances, June 30, 2013</b>	<u>\$ 123,783</u>	<u>\$ 14,534,450</u>	<u>\$ 371,602</u>	<u>\$ (14,162,848)</u>

**CITY OF RIO RANCHO, NEW MEXICO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GROSS RECEIPTS TAX REFUND LOAN FUND**  
**YEAR ENDED JUNE 30, 2013**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Municipal and state shared taxes	\$ 333,144	\$ 333,144	\$ 328,172	\$ (4,972)
Investment income				
<b>Total revenues</b>	<u>333,144</u>	<u>333,144</u>	<u>328,172</u>	<u>(4,972)</u>
<b>Expenditures:</b>				
Debt service -				
Principal	317,724	317,724	317,724	
Interest and fiscal charges	16,332	16,332	15,106	1,226
<b>Total expenditures</b>	<u>334,056</u>	<u>334,056</u>	<u>332,830</u>	<u>1,226</u>
<b>Changes in fund balances</b>	<u>(912)</u>	<u>(912)</u>	<u>(4,658)</u>	<u>(3,746)</u>
<b>Fund balances, July 1, 2012</b>	2,662	2,662	62,010	59,348
<b>Fund balances, June 30, 2013</b>	<u>\$ 1,750</u>	<u>\$ 1,750</u>	<u>\$ 57,352</u>	<u>\$ 55,602</u>

**CITY OF RIO RANCHO, NEW MEXICO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - HP LOAN FUND**  
**YEAR ENDED JUNE 30, 2013**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Municipal and state shared taxes	\$ 418,038	\$ 418,038	\$ 419,282	\$ 1,244
<b>Total revenues</b>	<u>418,038</u>	<u>418,038</u>	<u>419,282</u>	<u>1,244</u>
<b>Expenditures:</b>				
Debt service -				
Principal	195,000	195,000	195,000	
Interest and fiscal charges	240,139	240,139	222,418	17,721
<b>Total expenditures</b>	<u>435,139</u>	<u>435,139</u>	<u>417,418</u>	<u>17,721</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(17,101)</u>	<u>(17,101)</u>	<u>1,864</u>	<u>18,965</u>
<b>Other financing sources (uses):</b>				
Transfers in		46	46	
<b>Total other financing sources (uses)</b>		<u>46</u>	<u>46</u>	
<b>Change in fund balances</b>	<u>(17,101)</u>	<u>(17,055)</u>	<u>1,910</u>	<u>18,965</u>
<b>Fund balances, July 1, 2012</b>	61,338	61,338	111,579	50,241
<b>Fund balances, June 30, 2013</b>	<u>\$ 44,237</u>	<u>\$ 44,283</u>	<u>\$ 113,489</u>	<u>\$ 69,206</u>

**CITY OF RIO RANCHO, NEW MEXICO  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - HS LOAN FUND  
YEAR ENDED JUNE 30, 2013**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Municipal and state shared taxes	\$ 433,004	\$ 433,004	\$ 427,639	\$ (5,365)
<b>Total revenues</b>	<u>433,004</u>	<u>433,004</u>	<u>427,639</u>	<u>(5,365)</u>
<b>Expenditures:</b>				
Debt service -				
Principal	210,000	210,000	210,000	
Interest and fiscal charges	225,009	225,009	208,406	16,603
<b>Total expenditures</b>	<u>435,009</u>	<u>435,009</u>	<u>418,406</u>	<u>16,603</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(2,005)</u>	<u>(2,005)</u>	<u>9,233</u>	<u>11,238</u>
<b>Other financing sources (uses):</b>				
Transfers in		62	62	
<b>Total other financing sources (uses)</b>		<u>62</u>	<u>62</u>	
<b>Change in fund balances</b>	<u>(2,005)</u>	<u>(1,943)</u>	<u>9,295</u>	<u>11,238</u>
<b>Fund balances, July 1, 2012</b>	18,642	18,642	77,742	59,100
<b>Fund balances, June 30, 2013</b>	<u>\$ 16,637</u>	<u>\$ 16,699</u>	<u>\$ 87,037</u>	<u>\$ 70,338</u>



**CITY OF RIO RANCHO, NEW MEXICO  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - CAPITAL PROJECTS FUND  
YEAR ENDED JUNE 30, 2013**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
<b>Total revenues</b>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
<b>Expenditures:</b>				
General government		19,500	19,500	
<b>Total expenditures</b>		<u>19,500</u>	<u>19,500</u>	
<b>Excess (deficiency) of revenues over expenditures</b>		<u>(19,500)</u>	<u>(19,500)</u>	
<b>Other financing sources (uses):</b>				
Transfers out		(73)	(73)	
<b>Total other financing sources (uses)</b>		<u>(73)</u>	<u>(73)</u>	
<b>Changes in fund balances</b>		<u>(19,573)</u>	<u>(19,573)</u>	
<b>Fund balances, July 1, 2012</b>		19,573	19,573	
<b>Fund balances, June 30, 2013</b>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

**CITY OF RIO RANCHO, NEW MEXICO  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - HP INFRASTRUCTURE FUND  
YEAR ENDED JUNE 30, 2013**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
	\$	\$	\$	\$
<b>Total revenues</b>				
<b>Expenditures:</b>				
Capital outlay		280,952	280,952	
<b>Total expenditures</b>		280,952	280,952	
<b>Excess (deficiency) of revenues over expenditures</b>		(280,952)	(280,952)	
<b>Other financing sources (uses):</b>				
Transfers out		(46)	(46)	
<b>Total other financing sources (uses)</b>		(46)	(46)	
<b>Changes in fund balances</b>		(280,998)	(280,998)	
<b>Fund balances, July 1, 2012</b>	46	280,998	280,998	
<b>Fund balances, June 30, 2013</b>	\$ 46	\$	\$	\$

**CITY OF RIO RANCHO, NEW MEXICO  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - HS INFRASTRUCTURE FUND  
YEAR ENDED JUNE 30, 2013**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
<b>Total revenues</b>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
<b>Expenditures:</b>				
Capital outlay		118,857	80,308	38,549
<b>Total expenditures</b>		<u>118,857</u>	<u>80,308</u>	<u>38,549</u>
<b>Excess (deficiency) of revenues over expenditures</b>		<u>(118,857)</u>	<u>(80,308)</u>	<u>38,549</u>
<b>Other financing sources (uses):</b>				
Transfers out		(62)	(62)	
<b>Total other financing sources (uses)</b>		<u>(62)</u>	<u>(62)</u>	
<b>Changes in fund balances</b>		<u>(118,919)</u>	<u>(80,370)</u>	<u>38,549</u>
<b>Fund balances, July 1, 2012</b>	62	118,919	80,370	(38,549)
<b>Fund balances, June 30, 2013</b>	<u>\$ 62</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

**CITY OF RIO RANCHO, NEW MEXICO  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - INFRASTRUCTURE FUND  
YEAR ENDED JUNE 30, 2013**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental federal	\$	\$ 12,435,255	\$ 3,383,825	\$ (9,051,430)
Intergovernmental state		668,962	399,508	(269,454)
Other revenues			1,072	1,072
<b>Total revenues</b>		<u>13,104,217</u>	<u>3,784,405</u>	<u>(9,319,812)</u>
<b>Expenditures:</b>				
Current -				
Public works		258,171	71,414	186,757
Capital outlay	24,185	9,415,342	3,799,804	5,615,538
<b>Total expenditures</b>	<u>24,185</u>	<u>9,673,513</u>	<u>3,871,218</u>	<u>5,802,295</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(24,185)</u>	<u>3,430,704</u>	<u>(86,813)</u>	<u>(3,517,517)</u>
<b>Other financing sources (uses):</b>				
Transfers in		510,000	484,219	(25,781)
<b>Total other financing sources (uses)</b>		<u>510,000</u>	<u>484,219</u>	<u>(25,781)</u>
<b>Change in fund balances</b>	<u>(24,185)</u>	<u>3,940,704</u>	<u>397,406</u>	<u>(3,543,298)</u>
<b>Fund balances (deficits), July 1, 2012</b>	30,327	(3,934,602)	(370,824)	3,563,778
<b>Fund balances, June 30, 2013</b>	<u>\$ 6,142</u>	<u>\$ 6,102</u>	<u>\$ 26,582</u>	<u>\$ 20,480</u>

**CITY OF RIO RANCHO, NEW MEXICO  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - STATE APPROPRIATION CAPITAL PROJECTS FUND  
YEAR ENDED JUNE 30, 2013**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental state	\$	\$ 873,498	\$ 64,209	\$ (809,289)
<b>Total revenues</b>		<u>873,498</u>	<u>64,209</u>	<u>(809,289)</u>
<b>Expenditures:</b>				
Capital outlay		683,461	26,360	657,101
<b>Total expenditures</b>		<u>683,461</u>	<u>26,360</u>	<u>657,101</u>
<b>Change in fund balances</b>		<u>190,037</u>	<u>37,849</u>	<u>(152,188)</u>
<b>Fund balances (deficits), July 1, 2012</b>		(190,037)	(37,844)	152,193
<b>Fund balances, June 30, 2013</b>	<u>\$</u>	<u>\$</u>	<u>\$ 5</u>	<u>\$ 5</u>

**CITY OF RIO RANCHO, NEW MEXICO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - BOND CONSTRUCTION 2006 AQUATICS FUND**  
**YEAR ENDED JUNE 30, 2013**

	<u>Budgeted Amounts</u>		Actual	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
	\$	\$	\$	\$
<b>Total revenues</b>				
<b>Expenditures:</b>				
Capital outlay		6,567	6,566	1
<b>Total expenditures</b>		6,567	6,566	1
<b>Excess (deficiency) of revenues over expenditures</b>		(6,567)	(6,566)	1
<b>Other financing sources (uses)</b>				
Transfers out		(3)	(3)	
<b>Total other financing sources (uses)</b>		(3)	(3)	
<b>Fund balances, July 1, 2012</b>		6,570	6,569	(1)
<b>Fund balances, June 30, 2013</b>	\$	\$	\$	

**CITY OF RIO RANCHO, NEW MEXICO  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - BOND CONSTRUCTION 2009 ROADS FUND  
 YEAR ENDED JUNE 30, 2013**

	<u>Budgeted Amounts</u>		Actual	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
<b>Revenues:</b>				
Investment income	\$	\$	\$ 332	\$ 332
<b>Total revenues</b>			<u>332</u>	<u>332</u>
<b>Expenditures:</b>				
Current -				
Public works		60,000	32,048	27,952
Capital outlay		5,381,238	2,289,010	3,092,228
<b>Total expenditures</b>		<u>5,441,238</u>	<u>2,321,058</u>	<u>3,120,180</u>
<b>Change in fund balances</b>		<u>(5,441,238)</u>	<u>(2,320,726)</u>	<u>3,120,512</u>
<b>Fund balances, July 1, 2012</b>	3,691	5,444,929	5,212,941	(231,988)
<b>Fund balances, June 30, 2013</b>	<u>\$ 3,691</u>	<u>\$ 3,691</u>	<u>\$ 2,892,215</u>	<u>\$ 2,888,524</u>

**CITY OF RIO RANCHO, NEW MEXICO  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - ROAD IMPACT FEES FUND  
YEAR ENDED JUNE 30, 2013**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Impact fees	\$ 149,313	\$ 48,719	\$ 101,193	\$ 52,474
Investment income	700	700		(700)
<b>Total revenues</b>	<u>150,013</u>	<u>49,419</u>	<u>101,193</u>	<u>51,774</u>
<b>Expenditures:</b>				
Current -				
General government	4,479	1,462	1,462	
Capital outlay	<u>282,173</u>	<u>1,454,200</u>	<u>1,025,793</u>	<u>428,407</u>
<b>Total expenditures</b>	<u>286,652</u>	<u>1,455,662</u>	<u>1,027,255</u>	<u>428,407</u>
<b>Change in fund balances</b>	<u>(136,639)</u>	<u>(1,406,243)</u>	<u>(926,062)</u>	<u>480,181</u>
<b>Fund balances, July 1, 2012</b>	251,692	1,476,395	1,476,394	(1)
<b>Fund balances, June 30, 2013</b>	<u>\$ 115,053</u>	<u>\$ 70,152</u>	<u>\$ 550,332</u>	<u>\$ 480,180</u>



**CITY OF RIO RANCHO, NEW MEXICO  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - TRAIL IMPACT FEES FUND  
 YEAR ENDED JUNE 30, 2013**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Impact fees	\$ 5,272	\$ 1,760	\$ 4,428	\$ 2,668
Investment income	15	15		(15)
<b>Total revenues</b>	5,287	1,775	4,428	2,653
<b>Expenditures:</b>				
Current -				
General government	164	53	53	
Capital outlay	6,336	158,662		158,662
<b>Total expenditures</b>	6,500	158,715	53	158,662
<b>Change in fund balances</b>	(1,213)	(156,940)	4,375	161,315
<b>Fund balances, July 1, 2012</b>	11,248	163,574	163,574	
<b>Fund balances, June 30, 2013</b>	\$ 10,035	\$ 6,634	\$ 167,949	\$ 161,315

**CITY OF RIO RANCHO, NEW MEXICO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - PARK IMPACT FEES FUND**  
**YEAR ENDED JUNE 30, 2013**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Impact fees	\$ 40,345	\$ 20,195	\$ 47,787	\$ 27,592
Investment income	50	50		(50)
<b>Total revenues</b>	<u>40,395</u>	<u>20,245</u>	<u>47,787</u>	<u>27,542</u>
<b>Expenditures:</b>				
Current -				
General government	1,212	606	606	
Capital outlay	39,134	292,996	70,723	222,273
<b>Total expenditures</b>	<u>40,346</u>	<u>293,602</u>	<u>71,329</u>	<u>222,273</u>
<b>Change in fund balances</b>	<u>49</u>	<u>(273,357)</u>	<u>(23,542)</u>	<u>249,815</u>
<b>Fund balances, July 1, 2012</b>	220,535	474,397	464,589	(9,808)
<b>Fund balances, June 30, 2013</b>	<u>\$ 220,584</u>	<u>\$ 201,040</u>	<u>\$ 441,047</u>	<u>\$ 240,007</u>

**CITY OF RIO RANCHO, NEW MEXICO  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - PUBLIC SAFETY IMPACT FEES FUND  
 YEAR ENDED JUNE 30, 2013**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Impact fees	\$ 138,137	\$ 48,978	\$ 101,155	\$ 52,177
Investment income	100	100		(100)
<b>Total revenues</b>	<u>138,237</u>	<u>49,078</u>	<u>101,155</u>	<u>52,077</u>
<b>Expenditures:</b>				
Current -				
General government	4,144	1,469	1,469	
Capital outlay	160,960	188,046	178,114	9,932
<b>Total expenditures</b>	<u>165,104</u>	<u>189,515</u>	<u>179,583</u>	<u>9,932</u>
<b>Change in fund balances</b>	<u>(26,867)</u>	<u>(140,437)</u>	<u>(78,428)</u>	<u>62,009</u>
<b>Fund balances, July 1, 2012</b>	138,863	213,904	213,904	
<b>Fund balances, June 30, 2013</b>	<u>\$ 111,996</u>	<u>\$ 73,467</u>	<u>\$ 135,476</u>	<u>\$ 62,009</u>

**CITY OF RIO RANCHO, NEW MEXICO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - DRAINAGE IMPACT FEES FUND**  
**YEAR ENDED JUNE 30, 2013**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Impact fees	\$ 71,599	\$ 35,838	\$ 95,998	\$ 60,160
Investment income	300	300		(300)
<b>Total revenues</b>	<u>71,899</u>	<u>36,138</u>	<u>95,998</u>	<u>59,860</u>
<b>Expenditures:</b>				
Current -				
General government	2,148	1,075	1,075	
Public works			8,930	(8,930)
Capital outlay	<u>100,000</u>	<u>701,172</u>	<u>29,114</u>	<u>672,058</u>
<b>Total expenditures</b>	<u>102,148</u>	<u>702,247</u>	<u>39,119</u>	<u>663,128</u>
<b>Change in fund balances</b>	<u>(30,249)</u>	<u>(666,109)</u>	<u>56,879</u>	<u>722,988</u>
<b>Fund balances, July 1, 2012</b>	259,947	861,119	807,539	(53,580)
<b>Fund balances, June 30, 2013</b>	<u>\$ 229,698</u>	<u>\$ 195,010</u>	<u>\$ 864,418</u>	<u>\$ 669,408</u>

**CITY OF RIO RANCHO, NEW MEXICO**  
**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES**  
**IN NET POSITION - BUDGET AND ACTUAL**  
**UTILITIES FUND**  
**YEAR ENDED JUNE 30, 2013**

	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Charges for services - water	\$ 20,813,544	\$ 21,459,867	\$ 24,311,077	\$ 2,851,210
Charges for services - wastewater	14,083,384	14,592,809	15,142,490	549,681
Interest on investments	25,550	25,550	32,319	6,769
Intergovernmental federal		6,457,773	56,636	(6,401,137)
Intergovernmental state		3,239,997	3,136,597	(103,400)
Intergovernmental county		2,500	2,500	
Impact fees	325,849	184,644	382,395	197,751
Loan Proceeds		42,834,397	6,373,993	(36,460,404)
Other revenues	120,000	120,000	310,340	190,340
<b>Total revenues</b>	<u>35,368,327</u>	<u>88,917,537</u>	<u>49,748,347</u>	<u>(39,169,190)</u>
<b>Expenditures:</b>				
Operations	20,756,510	22,255,724	20,794,610	1,461,114
Capital outlay	4,101,159	35,510,583	11,961,724	23,548,859
Debt service -				
Principal	6,936,454	9,736,454	9,723,218	13,236
Interest and fiscal charges	5,606,439	5,611,229	5,508,919	102,310
<b>Total expenditures</b>	<u>37,400,562</u>	<u>73,113,990</u>	<u>47,988,471</u>	<u>25,125,519</u>
<b>Excess of revenues over (under) expenditures</b>	<u>\$ (2,032,235)</u>	<u>\$ 15,803,547</u>	1,759,876	<u>\$ (14,043,671)</u>
Revenues (expenses) not budgeted:				
Amortization			24,076	
Depreciation			(6,758,111)	
Other nonoperating expense			(398,233)	
Changes to conform to generally accepted accounting principles:				
Principal payment on bonds			9,723,218	
Loan proceeds			(6,373,993)	
Capital contributions			1,245,764	
Capital outlay			<u>11,961,724</u>	
<b>Changes in Net Position as reported in the Statement of Revenues, Expenses and Changes in Net Position</b>			<u>\$ 11,184,321</u>	

**CITY OF RIO RANCHO, NEW MEXICO  
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES  
IN NET POSITON - BUDGET AND ACTUAL  
MULTI-PURPOSE EVENT CENTER FUND  
YEAR ENDED JUNE 30, 2013**

	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>				
Charges for services	\$ 494,792	\$ 372,548	\$ 473,043	\$ 100,495
Issuance of debt		27,966,748		
Interest on investments	7,500	7,500	15,557	8,057
Intergovernmental	<u>2,608,339</u>	<u>2,608,339</u>	<u>2,452,570</u>	<u>(155,769)</u>
<b>Total revenues</b>	<u>3,110,631</u>	<u>30,955,135</u>	<u>2,941,170</u>	<u>(47,217)</u>
<b>Expenditures:</b>				
Operations	113,684	295,154	110,657	184,497
Capital outlay				
Debt service -				
Principal	1,385,000	1,385,000	1,385,000	
Interest and fiscal charges	<u>1,604,447</u>	<u>1,604,447</u>	<u>1,453,958</u>	<u>150,489</u>
<b>Total expenditures</b>	<u>3,103,131</u>	<u>3,284,601</u>	<u>2,949,615</u>	<u>334,986</u>
<b>Excess of revenues over (under) expenditures</b>	<u>\$ 7,500</u>	<u>\$ 27,670,534</u>	<u>(8,445)</u>	<u>\$ 287,769</u>
<b>Revenues (expenses) not budgeted:</b>				
Amortization			(213,246)	
Depreciation			(886,491)	
Other nonoperating expense			(2,464,227)	
<b>Changes to conform to generally accepted accounting principles:</b>				
Principal payment on bonds			1,385,000	
Capital contributions			<u>344,619</u>	
<b>Changes in Net Position as reported in the Statement of Revenues, Expenses and Changes in Net Position</b>			<u>\$ (1,842,790)</u>	



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## **INTERNAL SERVICE FUND DESCRIPTIONS**

*Health Self-Insurance* – To account for revenues collected from employee/employer contributions for the purpose of self funding health insurance administered by Presbyterian and Lovelace Health.

*Dental Self-Insurance* – To account for revenues collected from employee/employer contributions for the purpose of self funding dental insurance administered by Delta Dental.



**CITY OF RIO RANCHO, NEW MEXICO**  
**COMBINING STATEMENT OF NET POSITION - ALL INTERNAL SERVICE FUNDS**  
**JUNE 30, 2013**

	<u>Health Self Insurance Fund</u>	<u>Dental Self Insurance Fund</u>	<u>Totals</u>
<b><u>ASSETS</u></b>			
Current Assets:			
Cash and investments	\$ 2,180,273	\$ 93,431	\$ 2,273,704
<b>Total assets</b>	<b>\$ 2,180,273</b>	<b>\$ 93,431</b>	<b>\$ 2,273,704</b>
<b><u>LIABILITIES</u></b>			
Current liabilities:			
Claims payable	825,129	75,502	900,631
<b>Total liabilities</b>	<b>\$ 825,129</b>	<b>\$ 75,502</b>	<b>\$ 900,631</b>
<b><u>NET POSITION</u></b>			
Unrestricted	1,355,144	17,929	1,373,073
<b>Total net position</b>	<b>\$ 1,355,144</b>	<b>\$ 17,929</b>	<b>\$ 1,373,073</b>

**CITY OF RIO RANCHO, NEW MEXICO**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**ALL INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Health Self Insurance Fund</u>	<u>Dental Self Insurance Fund</u>	<u>Totals</u>
<b>Operating revenues:</b>			
Charges for services - other services	\$ 5,273,888	\$ 461,060	\$ 5,734,948
Investment income/(expense)	(15)	(37)	(52)
Other revenue	36,597		36,597
<b>Total operating revenues</b>	<u>5,310,470</u>	<u>461,023</u>	<u>5,771,493</u>
<b>Operating expenses:</b>			
Other services	4,600,809	471,723	5,072,532
<b>Total operating expenses</b>	<u>4,600,809</u>	<u>471,723</u>	<u>5,072,532</u>
<b>Operating income (loss)</b>	<u>709,661</u>	<u>(10,700)</u>	<u>698,961</u>
<b>Income before capital contributions and transfers</b>	<u>709,661</u>	<u>(10,700)</u>	<u>698,961</u>
<b>Change in net position</b>	<u>709,661</u>	<u>(10,700)</u>	<u>698,961</u>
<b>Total net position, beginning of year</b>	645,483	28,629	674,112
<b>Total net position, end of year</b>	<u>\$ 1,355,144</u>	<u>\$ 17,929</u>	<u>\$ 1,373,073</u>

**CITY OF RIO RANCHO, NEW MEXICO  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
YEAR ENDED JUNE 30, 2013**

	Health Self Insurance Fund	Dental Self Insurance Fund	Total Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from customers	\$ 5,273,888	\$ 461,060	\$ 5,734,948
Cash payments to employees			-
Cash payments to suppliers for goods and services	<u>(4,533,169)</u>	<u>(470,321)</u>	<u>(5,003,490)</u>
Net cash provided by (used for) operating activities	<u>740,719</u>	<u>(9,261)</u>	<u>731,458</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Intergovernmental revenues	<u>36,597</u>	<u>-</u>	<u>36,597</u>
Net cash provided by (used for) noncapital and related financing activities	<u>36,597</u>	<u>-</u>	<u>36,597</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment income/(expense)	<u>(15)</u>	<u>(37)</u>	<u>(52)</u>
Net cash provided by (used for) investing activities	<u>(15)</u>	<u>(37)</u>	<u>(52)</u>
Net increase (decrease) in cash and cash equivalents	777,301	(9,298)	768,003
Cash and cash equivalents, beginning of year	<u>1,402,972</u>	<u>102,729</u>	<u>1,505,701</u>
Cash and cash equivalents, end of year	<u>\$ 2,180,273</u>	<u>\$ 93,431</u>	<u>\$ 2,273,704</u>

**Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:**

Operating income/(loss)	\$ 673,079	\$ (10,663)	\$ 662,416
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:			
Depreciation			-
Changes in assets and liabilities:			-
(Increase) decrease in accounts receivable			-
Increase (decrease) in accounts payable	67,640	1,402	69,042
Increase (decrease) in accrued liabilities			-
Increase (decrease) in compensated absences payable			-
Increase (decrease) in deposits held for others			-
Increase (decrease) in deferred revenue			-
Total adjustments	<u>67,640</u>	<u>1,402</u>	<u>69,042</u>
Net cash provided by (used for) operating activities	<u>\$ 740,719</u>	<u>\$ (9,261)</u>	<u>\$ 731,458</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF RIO RANCHO, NEW MEXICO  
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES  
IN NET POSITION - BUDGET AND ACTUAL  
HEALTH SELF INSURANCE FUND  
YEAR ENDED JUNE 30, 2013**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Charges for services	\$ 5,233,128	\$ 5,233,128	\$ 5,273,888	\$ 40,760
Investment income/(expense)	2,264	2,264	(15)	(2,279)
Other revenue	77,120	77,120	36,597	(40,523)
<b>Total revenues</b>	<u>5,312,512</u>	<u>5,312,512</u>	<u>5,310,470</u>	<u>(2,042)</u>
<b>Expenditures:</b>				
Operations	4,593,480	4,593,480	4,600,809	(7,329)
<b>Total expenditures</b>	<u>4,593,480</u>	<u>4,593,480</u>	<u>4,600,809</u>	<u>(7,329)</u>
<b>Excess of revenues over (under) expenditures</b>	<u>\$ 719,032</u>	<u>\$ 719,032</u>	709,661	<u>\$ (9,371)</u>
<b>Changes in Net Position as reported in the Statement of Revenues, Expenses and Changes in Net Position</b>			<u>\$ 709,661</u>	

**CITY OF RIO RANCHO, NEW MEXICO  
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES  
IN FUND NET POSITION - BUDGET AND ACTUAL  
DENTAL SELF INSURANCE FUND  
YEAR ENDED JUNE 30, 2013**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Charges for services	\$ 463,243	\$ 494,280	\$ 461,060	\$ (33,220)
Investment income/(expense)	24	24	(37)	(61)
<b>Total revenues</b>	<u>463,267</u>	<u>494,304</u>	<u>461,023</u>	<u>(33,281)</u>
<b>Expenditures:</b>				
Operations	<u>475,605</u>	<u>475,605</u>	<u>471,723</u>	<u>3,882</u>
<b>Total expenditures</b>	<u>475,605</u>	<u>475,605</u>	<u>471,723</u>	<u>3,882</u>
<b>Excess of revenues over (under) expenditures</b>	<u>\$ (12,338)</u>	<u>\$ 18,699</u>	(10,700)	<u>\$ (29,399)</u>
<b>Changes in Net Position as reported in the Statement of Revenues, Expenses and Changes in Net Position</b>			<u>\$ (10,700)</u>	

## AGENCY FUND DESCRIPTIONS

*Rio Metro Fund* – To account for Para-transit fees collected on behalf of Rio Metro and the reimbursement of bus maintenance costs associated with Rio Metro.

*Special Assessment District Operations Fund* – To account for Special Assessment District administrative fees which may be used for collection or other expenditures related to the administration of Special Assessment Districts.

*Special Assessment District VIII Bonds Fund* – To account for funds held by the City as a paying agent of the special assessment district eight projects debt service.

*Special Assessment District VI Bonds Fund* – To account for funds held by the City as a paying agent of the special assessment district six projects debt service.

*Special Assessment District VII Bonds Fund* – To account for funds held by the City as a paying agent of the special assessment district seven projects debt service.

*Special Assessment District V Bonds Fund* – To account for funds held by the City as a paying agent of the special assessment district five projects debt service.

*Rio Rancho Economic Development Fund* – To account for contributions from builders for the Rio Rancho Economic Development Corporation. The fund is a pass-through fund; all revenues collected are remitted to RREDC.

*Incentive Program (GRIP) Fund* – To account for funds held by the City for reimbursement to retail businesses which generate significant gross receipts tax revenue to the City.

*Municipal Court Fund* – To account for collections and payments of court fines, criminal bonds and other fees from and on behalf of the public.

*Motor Vehicle Division Fund* – To account for license fees and revenue collected by the City as agent for the Motor Vehicle Division, State of New Mexico as allowed by New Mexico State Statute, Section 66.

**CITY OF RIO RANCHO, NEW MEXICO**  
**COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**ALL AGENCY FUNDS**  
**JUNE 30, 2013**

	<u>Rio Metro Fund</u>	<u>Special Assessment District Operations Fund</u>	<u>Special Assessment District VIII Bonds</u>	<u>Special Assessment District VI Bonds Fund</u>	<u>Special Assessment District VII Bonds Fund</u>
<b><u>ASSETS</u></b>					
Cash and investments	\$ 2,306	\$ 11,901	\$ 388,874	\$ 715,238	\$ 1,877,484
<b>Total assets</b>	<b><u>\$ 2,306</u></b>	<b><u>\$ 11,901</u></b>	<b><u>\$ 388,874</u></b>	<b><u>\$ 715,238</u></b>	<b><u>\$ 1,877,484</u></b>
<b><u>LIABILITIES</u></b>					
Deposits held for others	2,306	11,901	388,874	715,238	1,877,484
<b>Total liabilities</b>	<b><u>\$ 2,306</u></b>	<b><u>\$ 11,901</u></b>	<b><u>\$ 388,874</u></b>	<b><u>\$ 715,238</u></b>	<b><u>\$ 1,877,484</u></b>

<u>Special Assessment District V Bonds Fund</u>	<u>RR Economic Development Fund</u>	<u>Incentive Program (GRIP) Fund</u>	<u>Municipal Court Fund</u>	<u>Motor Vehicle Division Fund</u>	<u>Totals</u>
<u>\$</u>	<u>\$ 1,455</u>	<u>\$ 23,530</u>	<u>\$ 31,610</u>	<u>\$</u>	<u>\$ 3,052,398</u>
<u>\$</u>	<u>\$ 1,455</u>	<u>\$ 23,530</u>	<u>\$ 31,610</u>	<u>\$</u>	<u>\$ 3,052,398</u>
	<u>1,455</u>	<u>23,530</u>	<u>31,610</u>		<u>3,052,398</u>
<u>\$</u>	<u>\$ 1,455</u>	<u>\$ 23,530</u>	<u>\$ 31,610</u>	<u>\$</u>	<u>\$ 3,052,398</u>



**CITY OF RIO RANCHO, NEW MEXICO**  
**COMBINING STATEMENT OF CHANGES IN FIUCIARY ASSETS AND LIABILITIES - ALL AGENCY FUNDS**  
**YEAR ENDED JUNE 30, 2013**

	<u>Balance</u> <u>July 1, 2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2013</u>
<b><u>RIO METRO FUND</u></b>				
<u>Assets</u>				
Cash and investments	\$ (3,220)	\$ 104,841	\$ 99,315	\$ 2,306
Total assets	<u>\$ (3,220)</u>	<u>\$ 104,841</u>	<u>\$ 99,315</u>	<u>\$ 2,306</u>
<u>Liabilities</u>				
Deposits held for others	\$ (3,220)	\$ 104,841	\$ 99,315	\$ 2,306
Total liabilities	<u>\$ (3,220)</u>	<u>\$ 104,841</u>	<u>\$ 99,315</u>	<u>\$ 2,306</u>
<b><u>SPECIAL ASSESSMENT DISTRICT OPERATIONS FUND</u></b>				
<u>Assets</u>				
Cash and investments	\$ 38,633	\$ 56,211	\$ 82,943	\$ 11,901
Total assets	<u>\$ 38,633</u>	<u>\$ 56,211</u>	<u>\$ 82,943</u>	<u>\$ 11,901</u>
<u>Liabilities</u>				
Deposits held for others	\$ 38,633	\$ 56,211	\$ 82,943	\$ 11,901
Total liabilities	<u>\$ 38,633</u>	<u>\$ 56,211</u>	<u>\$ 82,943</u>	<u>\$ 11,901</u>
<b><u>SPECIAL ASSESSMENT DISTRICT VIII BONDS</u></b>				
<u>Assets</u>				
Cash and investments	\$ 270,475	\$ 290,482	\$ 172,083	\$ 388,874
Total assets	<u>\$ 270,475</u>	<u>\$ 290,482</u>	<u>\$ 172,083</u>	<u>\$ 388,874</u>
<u>Liabilities</u>				
Deposits held for others	\$ 270,475	\$ 290,482	\$ 172,083	\$ 388,874
Total liabilities	<u>\$ 270,475</u>	<u>\$ 290,482</u>	<u>\$ 172,083</u>	<u>\$ 388,874</u>
<b><u>SPECIAL ASSESSMENT DISTRICT VI BONDS</u></b>				
<u>Assets</u>				
Cash and investments	\$ 1,187,436	\$ 691,462	\$ 1,163,660	\$ 715,238
Total assets	<u>\$ 1,187,436</u>	<u>\$ 691,462</u>	<u>\$ 1,163,660</u>	<u>\$ 715,238</u>
<u>Liabilities</u>				
Deposits held for others	\$ 1,187,436	\$ 691,462	\$ 1,163,660	\$ 715,238
Total liabilities	<u>\$ 1,187,436</u>	<u>\$ 691,462</u>	<u>\$ 1,163,660</u>	<u>\$ 715,238</u>

	<u>Balance</u> <u>July 1, 2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2013</u>
<b><u>SPECIAL ASSESSMENT DISTRICT VII BONDS</u></b>				
<b><u>Assets</u></b>				
Cash and investments	\$ 1,522,792	\$ 946,784	\$ 592,092	\$ 1,877,484
Total assets	<u>\$ 1,522,792</u>	<u>\$ 946,784</u>	<u>\$ 592,092</u>	<u>\$ 1,877,484</u>
<b><u>Liabilities</u></b>				
Deposits held for others	\$ 1,522,792	\$ 946,784	\$ 592,092	\$ 1,877,484
Total liabilities	<u>\$ 1,522,792</u>	<u>\$ 946,784</u>	<u>\$ 592,092</u>	<u>\$ 1,877,484</u>
<b><u>SPECIAL ASSESSMENT DISTRICT V BONDS</u></b>				
<b><u>Assets</u></b>				
Cash and investments	\$ 5,002	\$ 15,730	\$ 20,732	\$ 0
Total assets	<u>\$ 5,002</u>	<u>\$ 15,730</u>	<u>\$ 20,732</u>	<u>\$ 0</u>
<b><u>Liabilities</u></b>				
Deposits held for others	\$ 5,002	\$ 15,730	\$ 20,732	\$ 0
Total liabilities	<u>\$ 5,002</u>	<u>\$ 15,730</u>	<u>\$ 20,732</u>	<u>\$ 0</u>
<b><u>RIO RANCHO ECONOMIC DEVELOPMENT FUND</u></b>				
<b><u>Assets</u></b>				
Cash and investments	\$ 946	\$ 6,375	\$ 5,866	\$ 1,455
Total assets	<u>\$ 946</u>	<u>\$ 6,375</u>	<u>\$ 5,866</u>	<u>\$ 1,455</u>
<b><u>Liabilities</u></b>				
Deposits held for others	\$ 946	\$ 6,375	\$ 5,866	\$ 1,455
Total liabilities	<u>\$ 946</u>	<u>\$ 6,375</u>	<u>\$ 5,866</u>	<u>\$ 1,455</u>
<b><u>INCENTIVE PROGRAM (GRIP) FUND</u></b>				
<b><u>Assets</u></b>				
Cash and investments	\$ -	\$ 288,165	\$ 264,635	\$ 23,530
Total assets	<u>\$ -</u>	<u>\$ 288,165</u>	<u>\$ 264,635</u>	<u>\$ 23,530</u>
<b><u>Liabilities</u></b>				
Deposits held for others	\$ -	\$ 288,165	\$ 264,635	\$ 23,530
Total liabilities	<u>\$ -</u>	<u>\$ 288,165</u>	<u>\$ 264,635</u>	<u>\$ 23,530</u>

	<u>Balance</u> <u>July 1, 2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2013</u>
<b><u>MUNICIPAL COURT FUND</u></b>				
<u>Assets</u>				
Cash and investments	\$ 25,773	\$ 186,895	\$ 181,058	\$ 31,610
Total assets	<u>\$ 25,773</u>	<u>\$ 186,895</u>	<u>\$ 181,058</u>	<u>\$ 31,610</u>
<u>Liabilities</u>				
Deposits held for others	\$ 25,773	\$ 186,895	\$ 181,058	\$ 31,610
Total liabilities	<u>\$ 25,773</u>	<u>\$ 186,895</u>	<u>\$ 181,058</u>	<u>\$ 31,610</u>
<b><u>MOTOR VEHICLE DIVISION FUND</u></b>				
<u>Assets</u>				
Cash and investments	\$ 3,708	\$ 915,035	\$ 918,743	\$ -
Total assets	<u>\$ 3,708</u>	<u>\$ 915,035</u>	<u>\$ 918,743</u>	<u>\$ -</u>
<u>Liabilities</u>				
Deposits held for others	\$ 3,708	\$ 915,035	\$ 918,743	\$ -
Total liabilities	<u>\$ 3,708</u>	<u>\$ 915,035</u>	<u>\$ 918,743</u>	<u>\$ -</u>
<b><u>TOTAL AGENCY FUNDS</u></b>				
<u>Assets</u>				
Cash and investments	\$ 3,051,545	\$ 3,501,980	\$ 3,501,127	\$ 3,052,398
Total assets	<u>\$ 3,051,545</u>	<u>\$ 3,501,980</u>	<u>\$ 3,501,127</u>	<u>\$ 3,052,398</u>
<u>Liabilities</u>				
Deposits held for others	\$ 3,051,545	\$ 3,501,980	\$ 3,501,127	\$ 3,052,398
Total liabilities	<u>\$ 3,051,545</u>	<u>\$ 3,501,980</u>	<u>\$ 3,501,127</u>	<u>\$ 3,052,398</u>

**OTHER SUPPLEMENTAL INFORMATION REQUIRED  
BY THE NEW MEXICO STATE AUDITOR**



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**CITY OF RIO RANCHO, NEW MEXICO**  
**SCHEDULE OF DEPOSIT AND INVESTMENT ACCOUNTS**  
**AND PLEDGED COLLATERAL**  
 June 30, 2013

**DEPOSIT ACCOUNTS:**

Financial Institution:		Balances	
Account Name	Account Type	Reconciled	On Deposit
<b>Wells Fargo</b>			
Operating	Checking	\$ 51,714,739	\$ 52,641,174
Operating	Savings	104,107	104,107
Municipal Court - Bond	Checking	31,610	35,193
<b>Total Wells Fargo Deposit Accounts</b>		<b>51,850,456</b>	<b>52,780,474</b>

**INVESTMENT ACCOUNTS**

Financial Institution:		Cost	Market
Account Name	Account Type		
<b>State of New Mexico</b>			
Local Government Investment Pool	Investment	\$ 11,066	\$ 11,066
<b>Total State of New Mexico Investment Accounts</b>		<b>11,066</b>	<b>11,066</b>
<b>Bank of New York Mellon *</b>			
Reserve (Loan# riorancho7)	Trust/Money Market	\$ 152,121	\$ 152,521
Reserve (Loan# riorancho19)	Trust/Money Market	339,000	339,893
Reserve (Loan# riorancho21)	Trust/Money Market	511,486	512,833
Reserve (Loan# riorancho22)	Trust/Money Market	653,528	655,248
<b>Total Bank of New York Mellon Investment Accounts</b>		<b>1,656,135</b>	<b>1,660,495</b>
University of New Mexico Valencia County Branch	Investment	945,000	946,049
<b>University of New Mexico Valencia County Branch Investment Accounts</b>		<b>945,000</b>	<b>946,049</b>
<b>Total Investment Accounts</b>		<b>\$ 2,612,201</b>	<b>\$ 2,617,610</b>

**PLEDGED COLLATERAL**

Custodian	Security	CUSIP Number	Location	Maturity Date	Fair Market Value
Bank of New York Mellon	FNMA-PT	3138EGU69	San Francisco, CA	08/01/26	1,382,492
Bank of New York Mellon	FNMA-PT	3138MSC56	San Francisco, CA	02/01/43	3,557,035
Bank of New York Mellon	FNMA-PT	3138WTRR9	San Francisco, CA	06/01/43	573,778
Bank of New York Mellon	FNMA-PT	3138WQA28	San Francisco, CA	05/01/43	117,367
Bank of New York Mellon	FNMA-PT	3138NKKJ5	San Francisco, CA	01/01/43	274,259
Bank of New York Mellon	FNMA-PT	3138W7GG3	San Francisco, CA	03/01/43	33,987
Bank of New York Mellon	FNMA-PT	3138W7GH1	San Francisco, CA	03/01/43	2,011,908
Bank of New York Mellon	FNMA-PT	31417FNF1	San Francisco, CA	02/01/43	2,971,676
Bank of New York Mellon	FNMA-PT	3138A2BQ1	San Francisco, CA	12/01/40	254,478
Bank of New York Mellon	FNMA-PT	3138ABZX0	San Francisco, CA	04/01/41	6,700,360
Bank of New York Mellon	FNMA-PT	3138AXCP4	San Francisco, CA	11/01/26	2,543,751
Bank of New York Mellon	FNMA-PT	3138AWHW6	San Francisco, CA	12/01/26	31,171,837
Bank of New York Mellon	FNMA-PT	31419FC38	San Francisco, CA	09/01/40	3,941,054
<b>Total Pledged Collateral</b>					<b>\$ 55,533,981</b>

\*Bank of New York Mellon pledges internal cash reserves of 100% of deposit amounts.



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**CITY OF RIO RANCHO, NEW MEXICO  
SCHEDULE OF JOINT POWERS AGREEMENTS (JPA)  
FISCAL YEAR ENDED  
JUNE 30, 2013**

<i>TYPE</i>	<i>PARTICIPANTS</i>	<i>RESPONSIBLE PARTY</i>	<i>DESCRIPTION</i>	<i>BEGINNING/ ENDING DATES OF AGREEMENT</i>	<i>TOTAL AMOUNT CITY SHARE</i>	<i>FY13 AMOUNT</i>	<i>AUDIT RESPONSIBILITY</i>	<i>FISCAL AGENT</i>	<i>GOVERNMENT AGENT FOR REPORTED REVENUES AND EXPENDITURES ARE REPORTED</i>
JPA	CITY OF RIO RANCHO/ NEW MEXICO TAXATION & REVENUE DEPARTMENT	BOTH	APPOINTMENT AS AGENT FOR ISSUANCE OF TAX ID	08/01/1988 - INDEFINITE	0.00%	\$ -	N/A	N/A	N/A
JPA	CITY OF RIO RANCHO/ NEW MEXICO ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT, STATE FORESTRY DIVISION (EMNRD)	BOTH	USE OF INMATE CREWS FOR NATURAL RESOURCE IMPROVEMENTS TO CITY PROPERTY	12/1/2003 - UNTIL TERMINATED BY EITHER PARTY	0.00%	\$ -	N/A	N/A	N/A
JPA	CITY OF RIO RANCHO/ COUNTY OF SANDOVAL, VILLAGE OF CORRALES, TOWN OF BERNALILLO, AND PUEBLO OF SANTA ANA	SANDOVAL COUNTY REGIONAL EMERGENCY COMMUNICATIONS CENTER BOARD	OPERATING, ADMINISTERING, AND MAINTAINING A JOINT ENHANCED 911 REGIONAL COMMUNICATIONS CENTER	08/25/2008- INDEFINITE	50.89%	\$1,007,856	SANDOVAL COUNTY REGIONAL EMERGENCY COMMUNICATIONS CENTER BOARD	CITY	CITY
JPA	CITY OF RIO RANCHO/ NEW MEXICO SELF-INSURER'S FUND (NMSIF)	NMSIF BOARD OF TRUSTEES	PROTECTIONS FOR MEMBERS AND THEIR EMPLOYEES RELATING TO INSURANCE OR SELF-INSURANCE	07/01/1996- INDEFINITE	100.00%	\$1,083,727	NMSIF	NMSIF	NMSIF
JPA	CITY OF RIO RANCHO/ NEW MEXICO ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT, STATE FORESTRY DIVISION (EMNRD)	BOTH	SUPPRESSION OF WILDFIRES ON STATE AND NON-MUNICIPAL, PRIVATE LANDS AND PROVIDE ASSISTANCE TO EQUIP LOCAL FIREFIGHTING FORCES TO SUPPRESS FIRES IN RURAL AREAS	03/25/1998-UNTIL TERMINATED BY EITHER PARTY	0.00%	\$ -	N/A	N/A	N/A



**CITY OF RIO RANCHO, NEW MEXICO  
SCHEDULE OF MEMORANDUMS OF UNDERSTANDINGS (MOU)  
FISCAL YEAR ENDED  
JUNE 30, 2013**

<i>TYPE</i>	<i>PARTICIPANTS</i>	<i>RESPONSIBLE PARTY</i>	<i>DESCRIPTION</i>	<i>BEGINNING/ ENDING DATES OF AGREEMENT</i>	<i>TOTAL AMOUNT CITY SHARE</i>	<i>FY13 AMOUNT</i>	<i>AUDIT RESPONSIBILITY</i>	<i>FISCAL AGENT</i>	<i>GOVERNMENT AGENCY FOR REPORTED REVENUES AND EXPENDITURES ARE REPORTED</i>
MOU	CITY OF RIO RANCHO/ REGENTS OF THE UNIVERSITY OF NEW MEXICO (UNM)/SANDIA FOUNDATION/LOBO DEVELOPMENT CORPORATION	CITY	PROVIDE REVENUES COLLECTED FROM THE MUNICIPAL HIGHER EDUCATION FACILITIES GROSS RECEIPTS TAX	06/17/2009-06/17/2014	\$ 7,565,000	\$1,513,000	CITY	CITY	CITY
MOU	CITY OF RIO RANCHO/ UNIVERSITY OF NEW MEXICO (UNM)	BOTH	DESIGN, MAINTAIN, CONSTRUCT AND OWN A MARQUEE SIGN	03/12/2012-03/12/2013	\$ 150,000	\$ 150,000	CITY	BOTH	CITY
MOU	CITY OF RIO RANCHO/ CENTRAL NEW MEXICO COMMUNITY COLLEGE (CNM)	BOTH	DESIGN, MAINTAIN, CONSTRUCT AND OWN A MARQUEE SIGN	03/12/2012-03/12/2013	\$ 125,000	\$ 125,000	CITY	BOTH	CITY
MOU	CITY OF RIO RANCHO/ MID-REGION COUNCIL OF GOVERNMENTS	BOTH	PARTICIPATION IN THE MID-REGION COUNCIL OF GOVERNMENTS 2014 DIGITAL ORTHOPHOTOGRAPHY PROJECT	12/21/2011-12/21/2013	\$ 15,000	\$ 7,500	CITY	BOTH	BOTH
MOU	CITY OF RIO RANCHO/ NEW MEXICO INTERSTATE STREAM COMMISSION (NMISC)	NMISC	INTEGRATED MANAGEMENT PLAN OF THE BOSQUE OPEN SPACE AND PLANNING AND DESIGN FOR PROPOSED HABITAT RESTORATION	09/12/2011-06/30/2014	\$ 456,872	\$ -	NMISC	NMISC	NMISC
MOU	CITY OF RIO RANCHO/ TOWN OF BERNALILLO	BOTH	EMERGENCY INTERCONNECTION AND EMERGENCY WATER SERVICE BETWEEN TOWN'S WATER SYSTEM AND CITY'S WATER SYSTEM	06/27/2011-06/27/2016	CURRENT RATE PER 1,000 GAL OF WATER	\$ -	TOWN	TOWN	TOWN

**CITY OF RIO RANCHO, NEW MEXICO  
SCHEDULE OF MEMORANDUMS OF UNDERSTANDINGS (MOU) CONT'D  
FISCAL YEAR ENDED  
JUNE 30, 2013**

<i><b>TYPE</b></i>	<i><b>PARTICIPANTS</b></i>	<i><b>RESPONSIBLE PARTY</b></i>	<i><b>DESCRIPTION</b></i>	<i><b>BEGINNING/ ENDING DATES OF AGREEMENT</b></i>	<i><b>TOTAL AMOUNT CITY SHARE</b></i>	<i><b>FY13 AMOUNT</b></i>	<i><b>AUDIT RESPONSIBILITY</b></i>	<i><b>FISCAL AGENT</b></i>	<i><b>GOVERNMENT AGENCY FOR REPORTED REVENUES AND EXPENDITURES ARE REPORTED</b></i>
MOU	CITY OF RIO RANCHO/COUNTY OF BERNALILLO	COUNTY	ADMINISTRATION OF SECTION 8 HOUSING CHOICE VOUCHER PROGRAM	12/01/2012-UNTIL TERMINATED	\$ -	\$ -	TOWN	TOWN	TOWN
MOU	CITY OF RIO RANCHO/ALBUQUERQUE HOUSING AUTHORITY (AHA)	AHA	AHA PROVIDES RENTAL ASSISTANCE PROGRAMS FOR ELIGIBLE CITY OF RIO RANCHO RESIDENTS	03/01/2013-UNTIL TERMINATED	\$ -	\$ -	AHA	AHA	AHA
MOU	CITY OF RIO RANCHO/COUNTY OF SANDOVAL	COUNTY	COMPENSATION COUNTY RESIDENTS USE OF THE CITY'S BULK WATER FILL STATION	03/21/2013-06/01/2014	\$ 35,718	\$ -	CITY	CITY	CITY
MOU	CITY OF RIO RANCHO/SOUTHERN SANDOVAL COUNTY ARROYO AND FLOOD CONTROL AUTHORITY (SCAPCA)	BOTH	EVALUATION OF STORM DRAINAGE FROM THE CITY CENTER WATERSHED AND DEVELOPMENT OF DRAINAGE MANAGEMENT PLAN	05/17/2013-09/30/2013	\$ 50,555	\$ -	SCAPCA	SCAPCA	SCAPCA
MOU	CITY OF RIO RANCHO/COUNTY OF SANDOVAL	BOTH	PARTICIPATE IN JOINT PLANNING SESSION WITH DWI TASKFORCE; PARTICIPATE IN JOINT OPERATIONS; SUBMIT OVERTIME DOCUMENTATION WITH 2 WEEKS OF OPERATION	09/28/2012-06/30/2013	\$ 24,500	\$ 24,500	CITY	COUNTY	BOTH
MOU	CITY OF RIO RANCHO/COUNTY OF SANDOVAL	BOTH	SUNDAY IS FUNDAY EVENT - PROVIDE FUNDING FOR PORTABLE TOILETS AND ENTERTAINMENT COSTS (MAGICIAN & FUN JUMPS)	07/31/2012-10/01/2012	\$ 1,000	\$ 1,000	CITY	COUNTY	BOTH

CITY OF RIO RANCHO, NEW MEXICO  
 SCHEDULE OF MEMORANDUMS OF UNDERSTANDINGS (MOU) CONT'D  
 FISCAL YEAR ENDED  
 JUNE 30, 2013

<i>TYPE</i>	<i>PARTICIPANTS</i>	<i>RESPONSIBLE PARTY</i>	<i>DESCRIPTION</i>	<i>BEGINNING/ ENDING DATES OF AGREEMENT</i>	<i>TOTAL AMOUNT CITY SHARE</i>	<i>FY13 AMOUNT</i>	<i>AUDIT RESPONSIBILITY</i>	<i>FISCAL AGENT</i>	<i>GOVERNMENT AGENCY FOR REPORTED REVENUES AND EXPENDITURES ARE REPORTED</i>
MOU	CITY OF RIO RANCHO/COUNTY OF SANDOVAL	CITY	PROVIDE FUNDING FOR PLANNING, DESIGN AND CONSTRUCTION COSTS OF THE COMMUNITY PARK (A PARK ABOVE)	12/05/2012-06/04/2014	\$ 210,000	\$ -	CITY	COUNTY	BOTH
MOU	CITY OF RIO RANCHO/COUNTY OF SANDOVAL	CITY	PROVIDE FUNDING FOR THE CONSTRUCTION OF A ROLL OFF ROOF OBSERVATORY AT THE RAINBOW PARK COMPLEX	08/31/2012-12/31/2013	\$ 15,000	\$ 7,884	CITY	COUNTY	BOTH
MOU	CITY OF RIO RANCHO/MIDDLE RIO GRANDE VALLEY TASK FORCE (REGION ONE) (USDEA)	CITY	PROVIDE ONE POLICE OFFICER TO WORK WITH TASK FORCE TO CONDUCT JOINT NARCOTICS INVESTIGATIONS AND PROVIDE AN UNMARKED POLICE VEHICLE	07/01/2012-06/30/2015	\$ -	\$ 21,914	BOTH	USDEA	BOTH
MOU	CITY OF RIO RANCHO/US MARSHAL SERVICE (USMS)	BOTH	PROVIDE POLICE OFFICERS TO WORK WITH USMS TO INVESTIGATE AND ARREST PERSONS WHO HAVE ACTIVE STATE AND FEDERAL WARRANTS FOR THEIR ARREST	03/04/2010-09/30/2015	\$ 12,000	\$ 12,000	CITY	USMS	BOTH
MOU	CITY OF RIO RANCHO/COUNTY OF SANDOVAL	BOTH	PURCHASE AND IMPLEMENTATION OF THE IMAGE TREND EMERGENCY DATA SYSTEM FOR FIRE AND EMS INCIDENT REPORTING FOR ELECTRONIC REPORTING; SHARE COSTS OF ANNUAL MAINTENANCE FEES FOR MAINTAINING THE FIRE AND EMS REPORTING SYSTEM	2008-UNTIL TERMINATED BY EITHER PARTY	\$ 49,300	\$ 11,560	BOTH	CITY	BOTH
MOU	CITY OF RIO RANCHO/RIO METRO REGIONAL TRANSIT DISTRICT	BOTH	TRANSFER THE FUNDING, MANAGEMENT AND OPERATIONAL RESPONSIBILITIES OF RIO TRANSIT FROM THE CITY TO RIO METRO	2009-UNTIL TERMINATED BY MUTUAL CONSENT OF BOTH PARTIES	\$ -	\$ -	RIO METRO	RIO METRO	BOTH

CITY OF RIO RANCHO, NEW MEXICO  
 SCHEDULE OF MEMORANDUMS OF UNDERSTANDINGS (MOU) CONCL'D  
 FISCAL YEAR ENDED  
 JUNE 30, 2013

<i><u>TYPE</u></i>	<i><u>PARTICIPANTS</u></i>	<i><u>RESPONSIBLE PARTY</u></i>	<i><u>DESCRIPTION</u></i>	<i><u>BEGINNING/ ENDING DATES OF AGREEMENT</u></i>	<i><u>TOTAL AMOUNT CITY SHARE</u></i>	<i><u>FY13 AMOUNT</u></i>	<i><u>AUDIT RESPONSIBILITY</u></i>	<i><u>FISCAL AGENT</u></i>	<i><u>GOVERNMENT AGENCY FOR REPORTED REVENUES AND EXPENDITURES ARE REPORTED</u></i>
MOU	CITY OF RIO RANCHO/COUNTY OF SANDOVAL	BOTH	USE OF AND PURCHASE FUEL FROM THE SANDOVAL COUNTY FUEL TANKS FOR PUBLIC WORKS VEHICLES AND HEAVY EQUIPMENT. 10% ADMIN FEE	2010-UNTIL TERMINATED BY EITHER PARTY	\$ -	\$ 12,448	COUNTY	COUNTY	BOTH



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**OTHER SUPPLEMENTAL INFORMATION REQUIRED  
FOR CONTINUING DISCLOSURE FILING/SUBMISSION (UNAUDITED)**



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**Annual Disclosure Report  
City of Rio Rancho, New Mexico  
Sandoval County  
General Obligation Bonds**

**Net Debt**

2013 Assessed Valuation	\$1,988,082,225
2013 Estimated Actual Valuation	\$6,572,448,837
Bonded Debt	<u>\$19,025,000</u>
NET DEBT	\$19,025,000
Ratio of Estimated Net Debt to 2013 Assessed Valuation	0.96%
Ratio of Estimated Net Debt to 2013 Estimated Actual Valuation	0.29%
Per Capita Net Bonded Debt:	\$209.48
Est. Population:	90,818



**Annual Disclosure Report**  
**City of Rio Rancho, New Mexico**  
**Sandoval County**  
**General Obligation Bonds**

**Outstanding Debt**

<u>Series</u>	Original Amount <u>Issued</u>	Final <u>Maturity</u>	Principal <u>Outstanding</u>
2004	\$5,500,000	8/1/2016	\$500,000
2006	7,000,000	8/1/2018	4,250,000
2009	25,000,000	8/1/2021	16,825,000
2013	<u>1,715,000</u>	8/1/2017	<u>1,715,000</u>
	\$39,215,000		\$23,290,000

**Annual Disclosure Report**  
**City of Rio Rancho, New Mexico**  
**Sandoval County**  
**General Obligation Bonds**

**Debt Service Requirements**

<b><u>Year</u></b>	<b><u>Principal</u></b>	<b>Present Requirements <u>Interest</u></b>	<b><u>Total</u></b>
2014	\$2,575,000	\$723,812	\$3,298,812
2015	2,955,000	645,393	3,600,393
2016	3,115,000	559,251	3,674,251
2017	3,270,000	469,272	3,739,272
2018	2,800,000	374,750	3,174,750
2019	2,750,000	279,875	3,029,875
2020	2,000,000	193,000	2,193,000
2021	2,000,000	113,000	2,113,000
2022	1,825,000	36,500	1,861,500
2023	-	-	-
<b>Total</b>	<b>\$23,290,000</b>	<b>\$3,394,853</b>	<b>\$26,684,853</b>

**Annual Disclosure Report  
City of Rio Rancho, New Mexico  
Sandoval County  
General Obligation Bonds**

**Direct & Overlapping Debt**

	2013 Assessed Valuation	G/O Debt Outstanding	Percent Applicable	Amount
State of New Mexico	\$54,236,985,670	\$372,700,000	3.67%	\$13,661,494
Sandoval County	3,142,634,223	16,450,000	63.26%	10,406,541
Central New Mexico Community College	16,557,891,922	53,530,000	12.01%	6,427,270
Southern Sandoval County				
Arroyo Flood Control Authority	2,493,301,002	25,770,000	79.74%	20,548,213
Rio Rancho Public Schools	2,065,846,896	110,265,000	96.24%	106,114,295
City of Rio Rancho	1,988,082,225	19,025,000	100.00%	19,025,000
			<b>Total</b>	<b>\$176,182,813</b>

Ratio of Estimated Direct & Overlapping Debt to 2013 Assessed Valuation: 8.86%

Ratio of Estimated Direct & Overlapping Debt to 2013 Estimated Actual Valuation: 2.68%

Per Capita Direct & Overlapping Debt: \$1,939.95

Annual Disclosure Report  
City of Rio Rancho, New Mexico  
Sandoval County  
General Obligation Bonds

Analysis of Assessed Valuation

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
<b>Assessments</b>							
Value of Land	\$612,544,933	\$630,359,028	\$662,680,712	\$756,404,245	\$770,739,675	\$754,457,807	\$714,207,921
Improvements	1,518,410,114	1,504,360,329	1,500,443,478	1,554,832,138	1,529,748,532	1,408,122,406	1,223,244,526
Personal Property	28,933,009	24,671,737	23,121,215	27,122,150	28,429,905	25,091,693	26,790,880
Mobile Homes	811,736	703,712	737,737	736,505	676,706	619,595	650,377
Livestock	<u>20,144</u>	<u>25,125</u>	<u>21,119</u>	<u>12,533</u>	<u>12,988</u>	<u>18,188</u>	<u>36,577</u>
Assessors Taxable Value	<u>\$2,160,719,936</u>	<u>\$2,160,119,931</u>	<u>\$2,187,004,261</u>	<u>\$2,339,107,571</u>	<u>\$2,329,607,806</u>	<u>\$2,188,309,689</u>	<u>\$1,964,930,281</u>
<b>Less Exemptions</b>							
Head of Family	\$27,313,113	\$27,229,679	\$26,443,615	\$25,661,321	\$24,054,756	\$23,129,106	\$21,875,392
Veterans	48,732,957	45,161,477	42,745,989	40,930,214	38,998,964	33,230,535	30,763,829
Other	<u>126,687,984</u>	<u>127,860,621</u>	<u>99,397,738</u>	<u>89,379,803</u>	<u>71,416,493</u>	<u>70,191,832</u>	<u>63,145,629</u>
Total	<u>\$202,734,054</u>	<u>\$200,251,777</u>	<u>\$168,587,342</u>	<u>\$155,971,338</u>	<u>\$132,470,213</u>	<u>\$126,551,473</u>	<u>\$115,784,850</u>
<b>Assessors Net</b>							
Taxable Value	\$1,957,985,882	\$1,959,868,154	\$2,018,416,919	\$2,183,136,233	\$2,197,137,593	\$2,061,758,216	\$1,849,145,431
Centrally Assessed	52,628,584	49,689,872	45,705,489	43,231,184	32,931,716	41,374,810	36,345,349
Total Assessed Valuation	<u>\$2,010,614,466</u>	<u>\$2,009,558,026</u>	<u>\$2,064,122,408</u>	<u>\$2,226,367,417</u>	<u>\$2,230,069,309</u>	<u>\$2,103,133,026</u>	<u>\$1,885,490,780</u>
Residential	\$1,564,263,570	\$1,548,183,201	\$1,580,178,432	\$1,640,657,521	\$1,637,485,527	\$1,502,047,415	\$1,313,532,372
Non-Residential	<u>446,350,896</u>	<u>461,374,825</u>	<u>483,973,976</u>	<u>585,709,896</u>	<u>592,583,782</u>	<u>601,085,611</u>	<u>571,958,408</u>
	<u>\$2,010,614,466</u>	<u>\$2,009,558,026</u>	<u>\$2,064,152,408</u>	<u>\$2,226,367,417</u>	<u>\$2,230,069,309</u>	<u>\$2,103,133,026</u>	<u>\$1,885,490,780</u>

Source: Sandoval County Assessor's Office.

**Annual Disclosure Report  
City of Rio Rancho, New Mexico  
Sandoval County  
General Obligation Bonds**

**History of Assessed Valuation**

<b><u>Tax Year</u></b>	<b><u>City of Rio Rancho</u></b>	<b><u>Sandoval County</u></b>
2004	920,932,352	1,589,098,941
2005	1,045,767,950	1,798,051,781
2006	1,254,458,716	2,094,517,714
2007	1,885,490,780	2,935,400,557
2008	2,103,133,026	3,259,727,705
2009	2,230,069,309	3,432,805,105
2010	2,226,367,417	3,433,909,053
2011	2,064,152,408	3,222,126,760
2012	2,009,558,026	3,180,127,526
2013	2,010,614,466	3,181,176,419

*Source: Sandoval County Assessor's Office*

**Annual Disclosure Report  
City of Rio Rancho, New Mexico  
Sandoval County  
General Obligation Bonds**

**Major Taxpayers**

<b>Taxpayer</b>	<b>Business</b>	<b>2013 Assessed Valuation</b>	<b>% of Total</b>
Presbyterian Health Care Services	Medical	\$14,277,309	0.72%
Wal-Mart Stores	Retail	5,121,699	0.26%
Sandia View LLC	Assisted Living	4,682,814	0.24%
De High Resort LLC Etal	Real Estate	4,623,141	0.23%
Pulte Homes of New Mexico	Home Builders	4,287,331	0.22%
Lowe's Home Centers	Home Improvement	3,966,083	0.20%
Rio Rancho Community Inc	Community Affairs	3,333,039	0.17%
Meadowlark Apartments	Real Estate	2,854,740	0.14%
Enchanted Vista Phase II Ltd	Real Estate	2,740,386	0.14%
Rio Rancho SPV LP	Real Estate	2,474,431	0.12%
<b>Total</b>		<b><u><u>\$48,360,973</u></u></b>	<b><u><u>2.43%</u></u></b>

Source: Sandoval County Assessor's Office.

**Annual Disclosure Report  
City of Rio Rancho, New Mexico  
Sandoval County  
General Obligation Bonds**

**Tax Rates**

**Within 20 Mill Limit for General Purposes  
(Per \$1,000 Assessed Valuation)**

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
State of New Mexico	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Sandoval County	6.137	5.964	5.621	5.253	5.136	5.056
City of Rio Rancho	7.181	6.990	6.518	6.113	5.944	5.847
Rio Rancho Schools	<u>0.254</u>	<u>0.247</u>	<u>0.230</u>	<u>0.216</u>	<u>0.210</u>	<u>0.207</u>
<b>Total</b>	<b>\$13.572</b>	<b>\$13.201</b>	<b>\$12.369</b>	<b>\$11.582</b>	<b>\$11.290</b>	<b>\$11.110</b>

**Over 20 Mill Limit - Interest, Principal, Judgement, etc.**

State of New Mexico	\$1.360	\$1.360	\$1.362	\$1.530	\$1.150	\$1.250
Sandoval County	1.030	1.031	1.038	0.699	0.673	0.312
City of Rio Rancho	1.789	1.617	1.645	2.060	2.067	2.060
Rio Rancho Schools	10.537	10.538	10.542	10.478	10.425	10.692
SSCAFCA Debt Service	0.982	0.873	0.844	0.870	0.870	0.870
SSCAFCA Operating	1.248	1.023	1.023	0.784	0.753	0.612
Contracting Hospitals	4.250	4.250	4.250	4.250	4.250	0.000
Central NM Community College	<u>3.392</u>	<u>3.344</u>	<u>3.237</u>	<u>3.158</u>	<u>3.046</u>	<u>2.990</u>
<b>Total</b>	<b>\$24.588</b>	<b>\$24.036</b>	<b>\$23.941</b>	<b>\$23.829</b>	<b>\$23.234</b>	<b>\$18.786</b>

**TOTAL LEVY**

State of New Mexico	\$1.360	\$1.360	\$1.362	\$1.530	\$1.150	\$1.250
Sandoval County	7.167	6.995	6.659	5.952	5.809	5.368
City of Rio Rancho	8.970	8.607	8.163	8.173	8.011	7.907
Rio Rancho Schools	10.791	10.785	10.772	10.694	10.635	10.899
SSCAFCA	2.230	1.896	1.867	1.654	1.623	1.482
Contracting Hospitals	4.250	4.250	4.250	4.250	4.250	
Central NM Community College	<u>3.392</u>	<u>3.344</u>	<u>3.237</u>	<u>3.158</u>	<u>3.046</u>	<u>2.990</u>
<b>Total Residential</b>	<b>\$38.160</b>	<b>\$37.237</b>	<b>\$36.310</b>	<b>\$35.411</b>	<b>\$34.524</b>	<b>\$29.896</b>
<b>Total Non-Residential</b>	<b>\$38.927</b>	<b>\$37.840</b>	<b>\$35.633</b>	<b>\$32.840</b>	<b>\$31.176</b>	<b>\$26.888</b>

Source: New Mexico Department of Finance & Administration.

**Annual Disclosure Report  
City of Rio Rancho, New Mexico  
Sandoval County  
General Obligation Bonds**

**Tax Collections**

Tax Year	Fiscal Year	Net Taxes Charged to Treasurer	Current Tax Collections <sup>(1)</sup>	Current Collections as a % of Net Levied	Current/Delinquent Tax Collections <sup>(2)</sup>	Current/Delinquent Collections as a % of Net Levied
2012	12/13	\$114,396,660	\$109,098,898	95.37%	\$109,098,898	95.37%
2011	11/12	111,924,650	107,182,149	95.76%	109,640,881	97.96%
2010	10/11	113,276,279	107,439,020	94.85%	112,285,005	99.12%
2009	09/10	110,756,928	104,094,225	93.98%	109,891,186	99.22%
2008	08/09	87,852,988	82,603,762	94.02%	87,534,928	99.64%
2007	07/08	74,495,507	70,795,219	95.03%	74,334,137	99.78%
2006	06/07	58,880,479	56,076,117	95.24%	58,804,957	99.87%
2005	05/06	50,686,393	48,414,225	95.52%	50,597,350	99.82%
2004	04/05	45,040,028	43,062,828	95.61%	44,994,206	99.90%
2003	03/04	41,163,157	39,142,022	95.09%	41,126,471	99.91%

(1) Current collections through June 30 of each year

(2) As of June 30, 2013

Source: Sandoval County Treasurer's Office



**Annual Disclosure Report  
City of Rio Rancho, New Mexico  
Gross Receipts Tax Revenue Bonds  
State Gross Receipts Tax Report**

<u>Fiscal Year</u> <u>Ended 6/30</u>	<u>State Gross Receipts</u> <u>Tax Rate</u>	<u>% Distributed</u> <u>to City</u>	<u>State Shared</u> <u>GRT Revenues <sup>(1)</sup></u>	<u>% Increase or</u> <u>Decrease</u>
2004	5.000%	1.2250%	8,314,051	26.93%
2005	5.000%	1.2250%	10,087,287	31.82%
2006	5.000%	1.2250%	13,227,301	31.13%
2007	5.000%	1.2250%	16,635,482	25.77%
2008	5.000%	1.2250%	14,795,260	-11.06%
2009	5.000%	1.2250%	13,270,170	-10.31%
2010	5.000%	1.2250%	12,404,195	-6.53%
2011	5.125%	1.2250%	13,997,138	12.84%
2012	5.125%	1.2250%	13,635,853	-2.58%
2013	5.125%	1.2250%	13,269,500	-2.69%

(1) Includes all State-Shared Gross Receipts Tax Revenues received by the City. Does not include other gross receipts taxes imposed by the City which are not part of Pledged Revenues.

**Annual Disclosure Report**  
**City of Rio Rancho, New Mexico**  
**Water & Wastewater System Revenue Bonds**  
**Historical Operating Statistics - Water System**

	CALENDAR YEAR				
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<b><u>Customer Connections:</u></b>					
Residential	29,569	30,609	30,804	30,145	30,062
Commercial	938	904	1,122	1,114	1,163
Industrial	11	11	11	11	11
City <sup>(1)</sup>	98	85	29	29	32
<b>Total</b>	<b>30,616</b>	<b>31,609</b>	<b>31,966</b>	<b>31,299</b>	<b>31,268</b>
<b><u>Meter Water Sales (000s of Gallons)</u></b>					
Residential	2,468,412	2,432,743	2,383,026	2,383,026	2,386,008
Commercial	857,744	774,565	966,920	966,920	1,038,901
Industrial	200,569	247,648	467,607	467,607	649,698
City	172,740	140,991	12,450	12,450	13,924
<b>Total</b>	<b>3,699,465</b>	<b>3,595,947</b>	<b>3,830,003</b>	<b>3,830,003</b>	<b>4,088,531</b>

(1) The number of connections reported for the City does not include City irrigation accounts as these are included in commercial connections.

Source: City of Rio Rancho

**Annual Disclosure Report**  
**City of Rio Rancho, New Mexico**  
**Water & Wastewater System Revenue Bonds**  
**Historical Operating Statistics - Wastewater System**

	CALENDAR YEAR				
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<b><u>Customer Connections:</u></b>					
Residential	25,429	26,025	24,643	24,116	24,050
Commercial	797	527	520	677	814
Industrial	-	-	-	-	-
City	<u>34</u>	<u>25</u>	<u>23</u>	<u>23</u>	<u>26</u>
Total	26,260	26,577	25,186	24,816	24,890
Total Wastewater Treated (000s of Gallons)	956,174,000	1,599,998	1,619,382	1,938,319	1,718,475

Source: City of Rio Rancho

**Annual Disclosure Report**  
**City of Rio Rancho, New Mexico**  
**Water & Wastewater System Revenue Bonds**  
**System Financial Information**

	2008	2009	2010	2011 <sup>(1)</sup>	2012
Operating Revenue:					
Water Operations Revenues	15,723,722	13,493,479	17,780,191	16,777,810	19,106,663
Other Water Revenues	1,004,152	773,669	976,350	1,048,637	964,585
<b>Wastewater Operations Revenues</b>	<b>11,795,309</b>	<b>12,481,078</b>	<b>13,034,461</b>	<b>13,633,495</b>	<b>13,990,802</b>
Other Wastewater Revenues	148,625	147,754	107,376	126,964	132,072
<b>Total Operating Revenues</b>	<b>28,671,808</b>	<b>26,895,980</b>	<b>31,898,378</b>	<b>31,586,906</b>	<b>34,194,122</b>
Operating Expenses:					
Water: Production Costs	1,516,695	1,030,071	2,424,259	3,810,296	3,774,961
Transmission & Distribution	791,065	947,931	1,688,511	2,407,768	1,821,396
Wastewater: Treatment costs	1,710,875	1,968,609	1,890,370	3,012,072	2,057,045
Collection Costs	-	-	-	-	-
Customer Service	900,961	1,210,309	1,287,700	1,209,076	1,108,552
Contractor General & Administrative	4,322,363	5,325,514	5,230,905	5,384,608	5,962,410
Utilities Department/General & Administrative	2,023,417	2,064,738	2,532,171	1,453,295	1,607,403
Uncollectible Accounts	-	-	-	774,147	6,222,969
Hookup Fees Due (Refund)	-	-	-	-	-
<b>Total Operating Expenses</b>	<b>11,265,376</b>	<b>12,547,172</b>	<b>15,053,916</b>	<b>18,051,262</b>	<b>22,554,736</b>
<b>Net Operating Revenue</b>	<b>17,406,432</b>	<b>14,348,808</b>	<b>16,844,462</b>	<b>13,535,644</b>	<b>11,639,386</b>
Non-operating Revenue(Expenses)					
Investment Income	2,551,532	1,155,263	70,687	34,672	37,064
Other Revenue	9,722,854	54,640	840,208	323,934	272,951
Water Rights Acquisition Fee	-	-	-	1,100,253	1,677,533
Water Rights Operating Expense	-	-	-	1,100,253	1,677,533
Interest Expense	7,283,143	6,097,757	6,012,630	5,461,333	5,379,175
Other Expense	56,709	199,746	208,076	-	-
Payment-in-lieu of taxes	524,960	564,125	546,926	616,229	633,862
<b>Net Income (loss) before Depreciation &amp; Amortization</b>	<b>21,816,006</b>	<b>8,697,083</b>	<b>10,987,725</b>	<b>7,816,688</b>	<b>5,936,364</b>
Depreciation & Amortization	4,105,272	4,662,829	4,476,731	5,131,838	5,348,872
<b>Net Income (Loss)</b>	<b>17,710,734</b>	<b>4,034,254</b>	<b>6,510,994</b>	<b>2,684,850</b>	<b>587,492</b>
Add Back: Depreciation and Amortization	4,105,272	4,662,829	4,476,731	5,131,838	5,348,872
Interest Expense	7,283,143	6,097,757	6,012,630	5,461,333	5,379,175
Payment-In-Lieu-Of Taxes	524,960	564,125	546,926	616,229	633,862
Uncollectible Accounts	-	-	-	774,147	6,222,969
<b>Net Revenue Available for Debt Service</b>	<b>29,624,109</b>	<b>15,358,965</b>	<b>17,547,281</b>	<b>14,668,397</b>	<b>18,172,370</b>
<b>Annual Debt Service</b>	<b>10,493,253</b>	<b>10,892,377</b>	<b>10,610,881</b>	<b>10,587,027</b>	<b>10,587,940</b>
<b>Debt Service Coverage Ratio (Parity Bonds)<sup>(2)</sup></b>	<b>282%</b>	<b>141%</b>	<b>165%</b>	<b>139%</b>	<b>172%</b>

Source: City of Rio Rancho

NOTE: (1) Results re-stated to exclude Water Rights Acquisition Fee Revenue.

(2) Does not include Debt Service for Water Rights purchases.

**Annual Disclosure Report  
City of Rio Rancho, New Mexico  
Water & Wastewater System Revenue Bonds  
Annual Debt Service Summary**

<b>FYE</b>	<b>Combined Parity</b>	<b>Subordinate Lien Debt</b>		<b>Combined Total</b>	<b>Total Debt</b>
<b><u>30-Jun</u></b>	<b><u>Debt Service</u></b>	<b><u>NMED Loan</u></b>	<b><u>NMFA Loans</u></b>	<b><u>Debt Service</u></b>	<b><u>Service Coverage</u></b>
2012	10,587,338	704,866	75,974	11,368,178	1.60
2013	10,584,558	704,866	75,976	11,365,400	1.60
2014	10,588,908	704,866	75,977	11,369,751	1.60
2015	10,624,158	704,866	75,978	11,405,002	1.59
2016	10,607,603	704,866	75,979	11,388,448	1.60
2017	10,595,847	704,866	75,980	11,376,693	1.60
2018	10,610,659	704,866	75,981	11,391,506	1.60
2019	10,588,441	704,866	75,983	11,369,290	1.60
2020	10,591,728	704,866	75,984	11,372,578	1.60
2021	10,612,508	704,866	75,986	11,393,360	1.59
2022	10,602,940	704,866	75,987	11,383,793	1.60
2023	6,229,287		75,988	6,305,275	2.88
2024	6,219,782		75,989	6,295,771	2.89
2025	4,248,732		75,989	4,324,721	4.20
2026	4,247,351		75,991	4,323,342	4.20
2027	4,247,613		75,992	4,323,605	4.20
2028	4,248,612		75,994	4,324,606	4.20
2029	4,246,512		75,995	4,322,507	4.20
2030	4,242,587		75,997	4,318,584	4.21
2031	4,246,612		55,982	4,302,594	4.22
2032	4,247,900			4,247,900	4.28
2033	868,125			868,125	20.93
2034	867,350			867,350	20.95

Source: City of Rio Rancho

**STATISTICAL SECTION**



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## STATISTICAL SECTION

This part of the City of Rio Rancho's comprehensive annual financial 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 City's overall financial health.

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<b>REVENUE CAPACITY</b>	224
These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.	
<b>DEBT CAPACITY</b>	229
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
<b>DEMOGRAPHIC AND ECONOMIC INFORMATION</b>	237
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.	
<b>OPERATING INFORMATION</b>	240
These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.	

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.





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City of Rio Rancho, New Mexico  
**Net Position By Component**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*

Schedule 1

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Governmental activities</b>										
Invested in capital assets, net of related debt	\$ 27,306,972	\$ 98,222,797	\$ 159,084,358	\$ 184,408,573	\$ 197,267,351	\$ 206,285,225	\$ 233,285,141	\$ 233,918,334	\$ 245,203,138	\$ 226,630,240
Restricted	5,203,879	30,233,533	36,157,574	19,344,282	8,797,171	8,006,271	9,465,808	10,138,631	7,128,889	6,362,543
Unrestricted	15,762,566	(1,967,967)	653,855	18,443,967	22,168,709	17,829,165	15,843,998	20,205,632	18,389,010	18,719,011
<b>Total governmental activities net position</b>	<b>\$ 48,273,517</b>	<b>\$ 126,488,563</b>	<b>\$ 195,895,787</b>	<b>\$ 222,196,822</b>	<b>\$ 228,233,231</b>	<b>\$ 232,040,661</b>	<b>\$ 258,994,947</b>	<b>\$ 264,282,997</b>	<b>\$ 270,721,037</b>	<b>\$ 251,711,794</b>
<b>Business-type activities</b>										
Invested in capital assets, net of related debt	\$ 317,688	\$ 18,092,619	\$ 45,520,647	\$ 57,733,951	\$ 72,494,053	\$ 108,895,574	\$ 122,367,287	\$ 137,363,850	\$ 123,725,543	\$ 159,709,769
Restricted	2,985,858	3,615,705	8,378,213	11,381,655	11,284,077	8,813,942	9,111,523	9,623,009	10,276,537	10,079,181
Unrestricted	19,425,371	22,040,446	20,805,858	19,686,293	26,649,899	21,069,336	21,579,698	25,110,463	43,127,249	21,850,139
<b>Total business-type activities net position</b>	<b>\$ 22,728,917</b>	<b>\$ 43,748,770</b>	<b>\$ 74,704,718</b>	<b>\$ 89,001,899</b>	<b>\$ 110,418,029</b>	<b>\$ 138,778,852</b>	<b>\$ 153,058,508</b>	<b>\$ 172,097,322</b>	<b>\$ 177,129,329</b>	<b>\$ 191,619,089</b>
<b>Primary government</b>										
Invested in capital assets, net of related debt	\$ 27,624,660	\$ 116,315,416	\$ 204,605,005	\$ 242,142,524	\$ 269,751,404	\$ 315,100,799	\$ 355,652,428	\$ 371,282,184	\$ 368,928,681	\$ 396,349,009
Restricted	8,189,737	33,849,238	44,535,787	30,925,937	20,081,248	16,820,213	18,577,331	19,781,640	17,405,426	16,441,724
Unrestricted	35,188,037	20,072,479	21,459,713	38,130,260	48,818,608	38,898,501	37,423,696	45,316,095	61,516,239	40,549,150
<b>Total primary government net position</b>	<b>\$ 71,002,434</b>	<b>\$ 170,237,133</b>	<b>\$ 270,600,505</b>	<b>\$ 311,198,721</b>	<b>\$ 338,651,260</b>	<b>\$ 370,819,513</b>	<b>\$ 411,653,455</b>	<b>\$ 436,379,919</b>	<b>\$ 447,850,346</b>	<b>\$ 443,330,883</b>

Source: The City's Financial Records, Financial Services Department

**City of Rio Rancho, New Mexico**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

Schedule 2

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Expenses</b>										
<b>Governmental Activities:</b>										
General government	\$ 4,195,285	\$ 4,274,259	\$ 4,749,168	\$ 9,446,698	\$ 10,106,998	\$ 8,726,702	\$ 8,667,435	\$ 13,287,694	\$ 10,366,776	\$ 10,771,678
Public safety	14,207,384	15,528,740	18,308,571	22,755,627	30,453,273	28,644,454	36,265,064	35,822,606	29,556,691	29,856,037
Public works	4,309,312	9,488,494	12,893,315	15,388,104	18,078,174	16,119,562	14,926,671	25,118,971	17,987,939	38,202,128
Culture and recreation	5,810,516	6,216,143	7,383,200	8,877,320	9,478,686	10,277,960	9,497,987	9,882,400	9,600,763	10,100,647
Economic development	1,440,044	2,029,354	2,626,428	2,944,345	3,507,872	3,477,853	2,672,473	2,296,117	2,631,288	2,484,220
Interest on long-term debt	660,836	659,268	1,323,496	1,943,996	1,583,622	1,918,399	2,588,532	2,484,088	2,265,490	2,194,752
<b>Total Government Activities</b>	<b>30,623,377</b>	<b>38,196,258</b>	<b>47,284,178</b>	<b>61,356,090</b>	<b>73,208,625</b>	<b>69,164,930</b>	<b>74,618,162</b>	<b>88,891,876</b>	<b>72,408,947</b>	<b>93,609,463</b>
<b>Business-type Activities:</b>										
Water	8,690,738	9,752,369	11,898,363	10,763,072	12,326,747	11,894,252	11,261,251	11,384,029	17,761,031	11,975,563
Wastewater	6,828,437	7,062,060	7,562,599	8,739,795	11,406,457	12,831,006	16,041,994	17,624,272	17,867,174	21,049,880
Event Center	-	292	1,663,068	2,682,495	2,116,636	3,430,731	130,200	2,639,138	2,574,952	5,128,579
<b>Total Business-type Activities</b>	<b>15,519,175</b>	<b>16,814,721</b>	<b>21,124,030</b>	<b>22,185,362</b>	<b>25,849,840</b>	<b>26,155,989</b>	<b>27,433,445</b>	<b>31,647,439</b>	<b>38,203,157</b>	<b>38,154,022</b>
<b>Total Expenses</b>	<b>\$ 46,142,552</b>	<b>\$ 55,010,979</b>	<b>\$ 68,408,208</b>	<b>\$ 83,541,452</b>	<b>\$ 99,058,465</b>	<b>\$ 95,320,919</b>	<b>\$ 102,051,607</b>	<b>\$ 120,539,315</b>	<b>\$ 110,612,104</b>	<b>\$ 131,763,484</b>
<b>Program Revenues</b>										
<b>Governmental Activities:</b>										
Charge for services										
General government	\$ 891,490	\$ 1,127,678	\$ 1,321,470	\$ 1,234,218	\$ 1,304,678	\$ 1,324,081	\$ 1,464,466	\$ 2,291,335	\$ 2,418,576	\$ 2,500,231
Public safety	2,933,717	3,965,378	4,934,508	4,408,392	4,388,583	4,630,047	5,024,002	5,440,125	5,737,263	5,983,192
Public works	746,455	1,163,229	1,426,493	1,163,828	1,097,003	1,014,410	1,282,527	1,421,236	1,346,006	1,373,664
Culture and recreation	1,272,197	1,632,863	1,998,717	1,661,845	1,610,322	1,756,449	1,689,523	1,801,170	1,801,534	1,872,303
Economic development	219,479	436,865	622,809	490,461	495,912	515,304	466,756	372,553	530,137	516,409
Operating grants and contributions	2,369,464	1,620,825	1,424,185	2,564,015	3,660,574	3,308,384	10,780,000	10,059,893	2,699,763	2,572,438
Capital grants and contributions	1,009,062	1,789,291	28,864,918	25,160,023	15,336,888	12,616,188	32,356,726	22,786,582	9,614,534	8,769,372
<b>Total Governmental Activities</b>	<b>9,441,864</b>	<b>11,736,029</b>	<b>40,593,100</b>	<b>36,682,784</b>	<b>27,893,960</b>	<b>25,164,863</b>	<b>53,064,000</b>	<b>44,172,894</b>	<b>24,147,813</b>	<b>23,587,609</b>
<b>Business-type Activities:</b>										
Charge for services										
Water	10,313,127	12,148,637	15,458,413	13,535,909	17,048,390	14,267,148	18,756,541	18,926,700	21,748,781	24,311,077
Wastewater	7,937,644	8,737,224	9,825,367	11,066,613	11,623,418	12,628,832	13,141,837	13,760,459	14,122,874	15,142,490
Event Center	-	14,600	159,074	1,161,574	864,634	1,249,508	581,776	463,616	447,954	473,043
Operating grants and contributions	-	-	-	150,000	1,650,000	-	-	-	-	2,500
Capital grants and contributions	352,127	4,617,957	18,313,509	7,130,740	13,320,728	9,952,147	8,316,245	12,546,387	988,436	4,783,616
<b>Total Business-type Activities</b>	<b>18,497,898</b>	<b>25,518,418</b>	<b>43,756,363</b>	<b>33,044,836</b>	<b>44,507,170</b>	<b>38,097,635</b>	<b>40,796,999</b>	<b>45,697,162</b>	<b>37,308,045</b>	<b>44,712,726</b>
<b>Total Program Revenues</b>	<b>\$ 27,939,762</b>	<b>\$ 37,254,447</b>	<b>\$ 84,349,463</b>	<b>\$ 69,727,620</b>	<b>\$ 72,401,130</b>	<b>\$ 63,262,498</b>	<b>\$ 93,860,999</b>	<b>\$ 89,870,056</b>	<b>\$ 61,455,858</b>	<b>\$ 68,300,335</b>

Source: The City's Financial Records, Financial Services Department

City of Rio Rancho, New Mexico  
**Changes in Net Position (continued)**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

Schedule 2  
 (Cont'd)

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$ (21,181,513)	\$ (26,460,229)	\$ (6,691,078)	\$ (24,673,306)	\$ (45,314,665)	\$ (44,000,067)	\$ (21,554,162)	\$ (44,718,982)	\$ (48,261,134)	\$ (70,021,854)
Business-type Activities	2,978,723	8,703,697	22,632,333	10,859,474	18,657,330	11,941,646	13,363,554	14,049,723	(895,112)	6,558,704
<b>Total Net Expense</b>	<b>\$ (18,202,790)</b>	<b>\$ (17,756,532)</b>	<b>\$ 15,941,255</b>	<b>\$ (13,813,832)</b>	<b>\$ (26,657,335)</b>	<b>\$ (32,058,421)</b>	<b>\$ (8,190,608)</b>	<b>\$ (30,669,259)</b>	<b>\$ (49,156,246)</b>	<b>\$ (63,463,150)</b>
<b>General Revenues</b>										
Governmental Activities:										
Taxes:										
Property taxes	\$ 6,804,458	\$ 7,447,467	\$ 8,394,598	\$ 9,759,949	\$ 12,857,673	\$ 14,484,127	\$ 15,969,391	\$ 16,349,117	\$ 15,650,672	\$ 16,293,568
Gross receipts taxes	9,920,581	13,120,239	19,526,233	18,858,973	18,148,103	15,720,986	15,434,222	17,201,811	19,132,261	19,154,083
Franchise taxes	2,232,546	2,301,133	2,692,885	2,800,615	2,898,700	2,988,269	2,995,701	3,219,655	3,552,461	3,615,212
Unrestricted grants, aid and state shared revenues	9,848,581	11,218,874	13,034,242	15,969,522	14,268,918	13,425,817	12,772,147	13,534,932	12,691,071	11,765,404
Investment income	241,122	485,905	2,004,373	2,881,181	1,167,530	284,896	53,817	23,408	(2,913)	2,870
Miscellaneous	73,290	70,498	15,590	704,101	2,010,150	903,402	764,358	77,709	306,977	181,474
Impact fees (A)	2,330,707	3,527,405	-	-	-	-	-	-	-	-
<b>Total Governmental Activities</b>	<b>31,451,285</b>	<b>38,171,521</b>	<b>45,667,921</b>	<b>50,974,341</b>	<b>51,351,074</b>	<b>47,807,497</b>	<b>47,989,636</b>	<b>50,406,632</b>	<b>51,330,529</b>	<b>51,012,611</b>
Business-type Activities										
Unrestricted grants, aid and state shared revenues	-	-	-	-	-	-	-	4,972,974	2,671,184	2,452,570
Investment income	301,144	418,277	2,611,880	3,437,707	2,711,197	1,191,571	75,894	42,183	37,164	47,876
Miscellaneous	-	-	-	-	47,603	531,454	840,208	323,934	272,951	310,340
Impact fees (A)	2,269,560	3,629,855	-	-	-	-	-	-	-	-
<b>Total Business-type Activities</b>	<b>2,570,704</b>	<b>4,048,132</b>	<b>2,611,880</b>	<b>3,437,707</b>	<b>2,758,800</b>	<b>1,723,025</b>	<b>916,102</b>	<b>5,339,091</b>	<b>2,981,299</b>	<b>2,810,786</b>
<b>Total primary government</b>	<b>\$ 34,021,989</b>	<b>\$ 42,219,653</b>	<b>\$ 48,279,801</b>	<b>\$ 54,412,048</b>	<b>\$ 54,109,874</b>	<b>\$ 49,530,522</b>	<b>\$ 48,905,738</b>	<b>\$ 55,745,723</b>	<b>\$ 54,311,828</b>	<b>\$ 53,823,397</b>
<b>Change in Net Position</b>										
Governmental Activities	\$ 10,269,772	\$ 11,711,292	\$ 38,976,843	\$ 26,301,035	\$ 6,036,409	\$ 3,807,430	\$ 26,435,474	\$ 5,687,650	\$ 3,069,395	\$ (19,009,243)
Business-type Activities	5,549,427	12,751,829	25,244,213	14,297,181	21,416,130	13,664,671	14,279,656	19,388,814	2,086,187	9,369,490
<b>Total Change in Net Position</b>	<b>\$ 15,819,199</b>	<b>\$ 24,463,121</b>	<b>\$ 64,221,056</b>	<b>\$ 40,598,216</b>	<b>\$ 27,452,539</b>	<b>\$ 17,472,101</b>	<b>\$ 40,715,130</b>	<b>\$ 25,076,464</b>	<b>\$ 5,155,582</b>	<b>\$ (9,639,753)</b>

Source: The City's Financial Records, Financial Services Department

(A) - Beginning in fiscal year 2006, impact fees are reclassified as Capital Grants and Contributions.



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City of Rio Rancho, New Mexico  
**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

Schedule 3

	2004	2005	2006	2007	2008	2009	2010	2011 (A)	2012	2013
<b>General Fund</b>										
Nonspendable										
Restricted								282,630	58,279	137,120
Committed										
Assigned								18,424	2	3
Unassigned								13,013,702	14,611,124	14,067,789
Unreserved	11,670,614	15,456,118	20,969,824	19,180,448	13,787,854	9,600,869	10,925,800			
<b>Total general fund</b>	<b>\$ 11,670,614</b>	<b>\$ 15,456,118</b>	<b>\$ 20,969,824</b>	<b>\$ 19,180,448</b>	<b>\$ 13,787,854</b>	<b>\$ 9,600,869</b>	<b>\$ 10,925,800</b>	<b>\$ 13,314,756</b>	<b>\$ 14,669,405</b>	<b>\$ 14,204,912</b>
<b>All other Governmental Funds</b>										
General fund										
Nonspendable										
Restricted								25,791,554	20,486,621	17,311,487
Committed								122,462	87,381	76,479
Assigned										
Unassigned									(409,895)	(1,295)
Unreserved, reported in:								(2,609,260)		
Special revenue funds	3,705,958	4,167,797	5,649,848	6,602,598	5,754,154	7,222,212	9,592,523			
Capital project funds	5,718,637	32,834,006	39,254,295	24,834,816	11,381,019	39,219,423	20,129,681			
Debt service funds	1,399,764	1,441,050	1,885,213	1,609,098	3,848,464	4,276,390	4,191,966			
<b>Total all other governmental funds</b>	<b>\$ 10,824,359</b>	<b>\$ 38,442,853</b>	<b>\$ 46,789,356</b>	<b>\$ 33,046,512</b>	<b>\$ 20,983,637</b>	<b>\$ 50,718,025</b>	<b>\$ 33,914,170</b>	<b>\$ 23,304,756</b>	<b>\$ 20,164,107</b>	<b>\$ 17,386,671</b>

Source: The City's Financial Records, Financial Services Department

(A) - Starting in FY 2011 the City is reporting Fund Balance as per GASB 54 requirements.

City of Rio Rancho, New Mexico  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
(modified accrual basis of accounting)

Schedule 4

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Revenues</b>										
Taxes	\$ 26,582,465	\$ 31,794,472	\$ 40,938,066	\$ 44,497,571	\$ 44,647,539	\$ 43,369,647	\$ 44,037,406	\$ 46,975,454	\$ 47,720,554	\$ 47,388,395
Licenses and permits	365,929	388,605	379,136	375,559	362,924	309,310	335,490	595,520	470,789	347,319
Intergovernmental	3,336,576	3,102,857	6,843,550	14,967,100	7,160,889	8,302,542	23,581,048	22,738,572	8,524,385	6,849,622
Impact fees	2,330,707	3,527,405	3,656,952	3,346,000	1,969,502	1,312,729	2,251,932	1,262,121	447,021	350,561
Charges for services	3,855,894	5,902,794	7,650,816	6,266,634	5,798,568	5,383,534	5,487,067	5,555,463	6,116,083	6,141,128
Fines and forfeits	965,513	1,051,048	1,076,497	1,158,149	1,176,750	1,222,371	1,269,327	1,168,292	1,417,946	1,510,765
Franchise fees	2,232,546	2,301,133	2,692,885	2,800,615	2,898,700	2,988,269	2,995,701	3,219,655	3,552,461	3,615,212
Contributions and donations	50,559	168,816	2,129,098	1,707,453	35,554	81,493	65,298	71,202	182,263	51,323
Investment income	241,246	485,905	2,004,373	2,881,181	1,574,356	284,896	53,817	23,408	(2,913)	2,870
Other revenues	1,029,552	1,272,014	2,458,128	1,859,006	3,089,261	3,228,478	3,397,058	5,576,243	4,115,342	4,406,885
<b>Total Revenues</b>	<b>\$ 40,990,987</b>	<b>\$ 49,995,049</b>	<b>\$ 69,829,501</b>	<b>\$ 79,859,268</b>	<b>\$ 68,714,043</b>	<b>\$ 66,483,269</b>	<b>\$ 83,474,144</b>	<b>\$ 87,185,930</b>	<b>\$ 72,543,931</b>	<b>\$ 70,664,080</b>
<b>Expenditures</b>										
<b>Current:</b>										
General government	\$ 4,132,923	\$ 4,118,240	\$ 4,620,073	\$ 9,116,075	\$ 8,741,072	\$ 8,176,267	\$ 8,364,557	\$ 12,184,946	\$ 11,016,390	\$ 11,472,338
Public safety	13,322,440	14,309,389	17,415,423	21,579,173	26,644,563	26,989,915	34,893,280	34,260,842	28,048,592	28,412,480
Public works	3,908,421	4,787,679	5,917,153	8,836,988	10,584,274	8,885,685	7,378,256	17,248,448	9,166,030	7,096,798
Cultural and recreation	5,410,416	5,776,812	7,001,339	8,286,106	8,716,377	9,290,738	8,377,039	8,377,638	8,630,207	8,808,809
Economic development	1,404,916	1,961,868	2,557,163	2,864,539	3,467,383	3,428,467	2,652,601	2,261,268	2,397,408	2,447,343
Other expenses	-	-	-	-	-	11,500	3,000	43,874	-	-
Capital outlay	5,833,961	8,734,020	20,793,304	42,447,948	23,399,838	12,878,264	30,832,461	18,438,538	9,112,802	9,557,131
<b>Debt service:</b>										
Payment to bond escrow agent	660,060	-	-	-	-	-	-	-	-	-
Principal	2,270,869	2,452,119	2,827,984	3,128,174	2,097,825	4,790,762	4,464,510	5,285,055	5,087,639	4,712,283
Interest and fiscal charges	648,944	640,372	1,338,273	1,958,773	1,601,563	1,839,743	2,595,876	2,485,545	2,344,979	2,194,752
Bond issuance costs	113,371	386,061	135,027	-	-	85,097	50,249	-	-	-
<b>Total Expenditures</b>	<b>37,706,321</b>	<b>43,166,560</b>	<b>62,605,739</b>	<b>98,217,776</b>	<b>85,252,895</b>	<b>76,376,438</b>	<b>99,611,829</b>	<b>100,586,154</b>	<b>75,804,047</b>	<b>74,701,934</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>\$ 3,284,666</b>	<b>\$ 6,828,489</b>	<b>\$ 7,223,762</b>	<b>\$ (18,358,508)</b>	<b>\$ (16,538,852)</b>	<b>\$ (9,893,169)</b>	<b>\$ (16,137,685)</b>	<b>\$ (13,400,224)</b>	<b>\$ (3,260,116)</b>	<b>\$ (4,037,854)</b>

Source: The City's Financial Records, Financial Services Department

City of Rio Rancho, New Mexico  
**Changes in Fund Balances of Governmental Funds (continued)**  
**Last Ten Fiscal Years**  
(modified accrual basis of accounting)

Schedule 4  
(Concl'd)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Other Financing Sources (Uses)</b>										
Issuance of general obligation bonds	\$ -	\$ 5,500,000	\$ 7,000,000	\$ -	\$ -	\$ 25,554,472	\$ -	\$ -	\$ -	\$ -
Issuance of revenue bonds	4,465,000	18,130,000	-	-	-	-	-	-	-	-
Loan proceeds	-	215,556	-	2,696,286	231,639	9,886,100	337,259	5,179,765	-	795,925
Premium on sale of bonds	105,708	1,014,543	310,182	-	-	-	-	-	-	-
Sale of land proceeds	-	-	-	-	-	-	202,690	-	-	-
Transfer in	1,500,814	4,151,710	7,058,925	12,410,603	7,204,181	2,987,569	4,740,124	1,485,408	922,012	1,274,104
Payment to bond escrow agent	(3,347,215)	-	-	-	-	-	-	-	-	-
Transfer out	(1,500,814)	(4,151,710)	(7,058,925)	(12,410,603)	(7,204,181)	(2,987,569)	(4,740,124)	(1,485,408)	(922,012)	(1,274,104)
<b>Total other Financing Sources (Uses)</b>	<b>1,223,493</b>	<b>24,860,099</b>	<b>7,310,182</b>	<b>2,696,286</b>	<b>231,639</b>	<b>35,440,572</b>	<b>539,949</b>	<b>5,179,765</b>	<b>-</b>	<b>795,925</b>
<b>Net Change in fund balances</b>	<b>\$ 4,508,159</b>	<b>\$ 31,688,588</b>	<b>\$ 14,533,944</b>	<b>\$(15,662,222)</b>	<b>\$(16,307,213)</b>	<b>\$ 25,547,403</b>	<b>\$(15,597,736)</b>	<b>\$ (8,220,459)</b>	<b>\$ (3,260,116)</b>	<b>\$ (3,241,929)</b>
Debt service as a percentage of noncapital expenditures	9.16%	8.98%	9.96%	9.12%	5.98%	10.44%	10.27%	9.46%	11.14%	10.60%

Source: The City's Financial Records, Financial Services Department



**City of Rio Rancho, New Mexico  
Taxable and Full Value of Property  
Last Ten Fiscal Years**

Schedule 5

Sandoval County										
Fiscal Year	Residential property		Commercial Property		Less: Tax-exempt Property	Total		Total Direct Tax Rate	Net Value Rio Rancho	Rio Rancho Share in Sandoval County Net Taxable Value
	Taxable Value	Full Value	Taxable Value	Full Value		Net Taxable Value	Full Value			
2004	N/A	N/A	N/A	N/A	N/A	N/A	N/A	8.36	N/A	N/A
2005	1,441,214,926	1,921,619,853	435,359,989	580,479,971	164,240,183	1,712,334,732	2,283,112,919	8.35	190,708,422	11%
2006	1,702,012,677	2,269,350,179	467,597,877	623,463,820	175,879,345	1,993,731,209	2,658,308,212	7.96	211,601,334	11%
2007	2,076,419,611	2,768,559,412	972,070,958	1,296,094,578	221,336,819	2,827,153,750	3,769,538,239	7.97	300,582,979	11%
2008	2,352,908,682	3,137,211,498	1,015,360,974	1,353,814,598	241,137,494	3,127,132,162	4,169,509,445	7.91	329,683,112	11%
2009	2,554,628,852	3,406,171,718	861,081,854	1,148,109,110	249,476,650	3,166,234,056	4,221,645,302	8.01	338,153,789	11%
2010	2,579,985,543	3,439,980,638	1,010,359,661	1,347,146,181	277,937,023	3,312,408,181	4,416,544,131	8.17	360,964,152	11%
2011	2,488,635,092	3,318,180,040	899,975,115	1,199,966,790	293,490,264	3,095,119,943	4,126,826,487	8.16	336,872,846	11%
2012	2,479,553,645	3,306,071,444	896,586,605	1,195,448,777	327,461,819	3,048,678,431	4,064,904,473	8.61	349,866,328	11%
2013	2,506,048,285	3,341,397,630	865,697,974	1,154,263,936	330,180,812	3,041,565,447	4,055,420,495	8.97	363,771,218	12%

Source: Sandoval County Assessor's Office Valuation Summary 2003, Sandoval County Assessor's Office Abstract 2005 through 2013.

Notes: No information is available for 2004.

**City of Rio Rancho, New Mexico**  
**Property Tax Rates - Direct and Overlapping Governments**  
**Last Ten Fiscal Years**  
**(rate per \$1,000 of assessed value)**

Schedule 6

Fiscal Year	City of Rio Rancho			Overlapping Rates					Total
	General Fund	Debt Service Fund	Total	State	County	School District	Central NM Comm. College	Pres. Hospital (A)	
2004	6.300	2.067	8.367	1.028	6.940	10.760	3.019		30.114
2005	6.286	2.067	8.353	1.234	6.384	10.756	3.038		29.765
2006	6.138	1.826	7.964	1.291	6.271	10.704	3.027		29.257
2007	5.914	2.060	7.974	1.221	5.800	10.624	2.992		28.611
2008	5.847	2.060	7.907	1.250	5.368	10.899	2.989		28.413
2009	5.944	2.067	8.011	1.150	5.809	10.635	3.046	4.250	32.901
2010	6.113	2.060	8.173	1.530	5.952	10.694	3.158	4.250	33.757
2011	6.518	1.645	8.163	1.362	6.659	10.773	3.237	4.250	34.444
2012	6.990	1.617	8.607	1.360	6.995	10.785	3.344	4.250	35.341
2013	7.181	1.789	8.970	1.360	7.167	10.791	3.392	4.250	35.930

Source: State of New Mexico Department of Finance and Administration

(A) - Starting in 2009 Presbyterian Hospital Rates are listed separately.

**City of Rio Rancho, New Mexico  
Principal Property Taxpayers  
Current Year and Seven Years Ago**

Schedule 7

Tax Payer	2012			2005 (A)		
	Taxable Assessed Value	Rank	Percent of Total Taxable Valuation	Taxable Assessed Value	Rank	Percent of Total Taxable Valuation
Presbyterian Healthcare	\$ 14,277,309.00	1	0.72%			
Wal-Mart	5,121,699.00	2	0.26%			
Sandia View LLC	4,682,814.00	3	0.24%			
De High Resort LLC Etal	4,623,141.00	4	0.23%			
Pulte Homes of New Mexico	4,287,331.00	5	0.22%			
Lowe's Home Centers	3,966,083.00	6	0.20%			
Rio Rancho I Community Inc	3,333,039.00	7	0.17%			
Meadowlark Apartments	2,854,740.00	8	0.14%			
Enchanted Vista Phase II Ltd	2,740,386.00	9	0.14%			
Rio Rancho SPV LP	2,474,431.00	10	0.12%			
PNM				\$ 19,672,866	1	1.57%
Presbyterian Healthcare				6,123,432	2	0.49%
Qwest Corp.				5,040,773	3	0.40%
G & I III Pinnacle High Resort				5,950,897	4	0.48%
Leisure Care, Inc.				3,098,353	5	0.25%
U.S. Cotton				2,826,114	6	0.23%
Meadowlark Apartments				2,536,400	7	0.20%
Fulcrum Building, Inc.				2,259,561	8	0.18%
Target				2,043,463	9	0.16%
<b>Total</b>	<b>\$ 48,360,973</b>		<b>2.44%</b>	<b>\$ 49,551,859</b>		<b>3.96%</b>

Source: Sandoval County Assessor's Office

Note: The fiscal year for collection is November through October. This schedule uses the 2013 collection year valuation.

(A) - Information is not available for nine (9) years prior.

**City of Rio Rancho, New Mexico  
Property Tax Levies and Collections  
Last Ten Fiscal Years**

**Schedule 8**

Fiscal Year	Taxes Levied for the Fiscal Year (A)	Collected within the Fiscal Year of the Levy		Delinquent Tax Collection (A)	Total Tax Collection	Ratio of Total Tax Collections to Total Tax	Outstanding Delinquent Taxes	Ratio of Outstanding Delinquent
		Amount (A)	Percentage					
2003	6,934,655	6,933,112	100%	1,154	6,934,266	100%	1,544	0.02%
2004	7,545,782	7,540,954	100%	669	7,541,622	100%	4,828	0.06%
2005	8,444,427	8,435,316	100%	1,164	8,436,480	100%	9,111	0.11%
2006	9,666,505	9,662,450	100%	1,618	9,664,068	100%	4,056	0.04%
2007	12,868,372	12,853,482	100%	2,639	12,856,122	100%	14,890	0.12%
2008	14,632,542	14,598,582	100%	25,409	14,623,991	100%	33,961	0.23%
2009	16,127,736	16,062,228	100%	57,050	16,119,278	100%	65,508	0.41%
2010	16,312,120	16,220,593	99%	181,927	16,402,520	101%	91,527	0.56%
2011	15,748,360	15,517,155	99%	310,895	15,828,051	101%	231,205	1.47%
2012	16,531,858	15,951,790	96%	-	15,951,790	96%	580,067	3.51%

Source: Sandoval County Treasurer's Office

(A) - Subject to change each day due to additions and deletions of levied and collected amounts.

**City of Rio Rancho, New Mexico**  
**Taxable Gross Receipts by Type of Trade**  
**Last Ten Fiscal Years**

Schedule 9

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Construction	\$ 165,091,463	\$ 256,139,117	\$ 393,313,384	\$ 490,940,456	\$ 375,570,976	\$ 266,089,467	\$ 160,792,616	\$ 249,844,125	\$ 176,706,959	\$ 152,623,955
Manufacturing	9,832,558	8,021,933	8,226,714	14,124,152	10,518,506	12,671,847	5,160,066	7,616,958	8,932,464	20,637,604
Transportation, Communication and Utility	85,778,516	97,765,401	109,619,203	110,037,820	98,640,371	107,587,644	97,909,454	102,451,897	122,637,955	106,060,766
Wholesale	12,215,397	11,836,622	13,745,588	11,293,040	11,301,564	9,110,123	9,326,176	8,763,818	10,740,203	9,903,257
Retail	216,675,986	226,347,806	280,255,799	402,411,448	455,834,662	380,784,663	396,763,790	399,295,852	418,644,640	412,419,647
Finance, Insurance and Real Estate	10,239,936	14,928,802	32,469,846	32,486,743	29,108,506	20,584,655	25,015,494	24,603,362	25,000,526	20,857,006
Services	158,635,704	174,467,008	161,736,299	172,096,364	199,175,032	193,070,878	226,829,005	255,388,681	278,055,736	283,096,347
Other (A)	25,648,098	21,834,798	(9,632,397)	(22,743,369)	(102,518,633)	(20,924,025)	-	1,213,942	2,650,447	2,763,517
<b>Total Taxable Gross Receipts</b>	<b>\$ 684,117,658</b>	<b>\$ 811,341,487</b>	<b>\$ 989,734,436</b>	<b>\$ 1,210,646,654</b>	<b>\$ 1,077,630,984</b>	<b>\$ 968,975,252</b>	<b>\$ 921,796,601</b>	<b>\$ 1,049,178,635</b>	<b>\$ 1,043,368,930</b>	<b>\$ 1,008,362,099</b>
City direct sales tax rate	6.1875%	6.6875%	6.6875%	6.6875%	6.6875%	6.9375%	7.0625%	7.4375%	7.4375%	7.4375%
Sandoval County direct sales tax rate	5.7500%	6.0000%	6.0000%	6.0000%	6.0000%	6.0000%	6.1250%	6.2500%	6.2500%	6.2500%

Source: State of New Mexico, Department of Taxation and Revenue

Notes: Unable to provide schedule of Principal Sales Tax Remitters, per New Mexico Taxation and Revenue Laws and Regulations 2004 Edition, section 7-1-8, Confidentiality of returns and other information.

(A) - This category is made up of "undetermined establishments" due to adjustments of monthly reportings by the state, therefore, negative amounts may be reported.

**City of Rio Rancho, New Mexico**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

Schedule 10

Fiscal Year	Governmental Activities			Business-Type Activities		Total Primary Government	Percentage of Personal Income (A)	Per Capita (B)
	General Obligation Bonds	GRT Revenue Bonds	Notes Payable	Revenue Bonds	Loan Payable			
2003	8,740,000	4,285,000	1,645,773	78,110,000	10,486,627	103,267,400	2.38%	1,842
2004	7,350,000	4,225,000	1,447,904	80,095,000	10,096,360	103,214,264	2.58%	1,754
2005	11,270,000	21,840,000	1,306,341	134,340,000	9,694,384	178,450,725	1.64%	2,858
2006	16,765,000	20,980,000	843,357	130,555,000	9,280,350	178,423,707	1.82%	2,687
2007	15,075,000	20,225,000	2,856,469	159,655,000	8,853,895	206,665,364	1.68%	2,886
2008	14,325,000	19,445,000	2,520,283	154,200,000	8,414,645	198,904,928	1.93%	2,618
2009	36,075,000	18,645,000	11,665,621	158,460,000	8,032,219	232,877,840	1.74%	2,924
2010	32,875,000	17,820,000	11,563,370	151,825,000	8,888,514	222,971,884	1.90%	2,700
2011	30,124,384	17,340,884	15,918,080	149,252,148	16,513,872	229,149,368	1.93%	2,618
2012	26,374,440	16,707,249	15,115,441	142,080,510	27,558,858	227,836,498	N/A	2,551
2013	23,739,496	16,847,314	14,769,084	137,968,590	31,564,398	224,888,882	N/A	2,476

Source: The City's Financial Records, Financial Services Department

(A) - This information uses Sandoval County Personal Income through 2011, this information is not available for 2012 and 2013.

(B) - No population information is available for Rio Rancho for 2011, therefore, the 2010 Census information is used for the 2011 per capita calculation.

**City of Rio Rancho, New Mexico**  
**Ratios of General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**

Schedule 11

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Less: Amounts Available in Debt Service Fund</b>	<b>Total</b>	<b>Percentage of Estimated Actual Taxable Value of Property</b>	<b>Per Capita (A)</b>
2004	7,350,000	1,383,965	5,966,035	0.64%	101.39
2005	11,270,000	1,296,944	9,973,056	0.95%	159.72
2006	16,765,000	1,469,470	15,295,530	1.22%	230.33
2007	15,075,000	1,506,930	13,568,070	0.74%	189.48
2008	14,325,000	3,584,693	10,740,307	0.51%	141.36
2009	36,075,000	3,893,758	32,181,242	1.48%	404.01
2010	32,875,000	4,039,681	28,835,319	1.33%	349.21
2011	30,124,384	4,180,471	25,943,913	1.27%	296.43
2012	26,374,440	3,045,519	23,328,921	1.17%	261.18
2013	23,739,496	2,878,113	20,861,383	1.05%	229.71

Source: The City's Financial Records, Financial Services Department

(A) - This information uses the Bureau of Business and Economic Research (BBER) City of Rio Rancho population estimation. No information is available for 2011, therefore, the 2010 Census population is used for the per capital calculation.

**City of Rio Rancho, New Mexico**  
**Direct and Overlapping Governmental Activities Debt**  
**As of June 30, 2013**

Schedule 12

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Applicable Percentage (A)</u>	<u>Estimated Share Applicable to City</u>
<b>Debt repaid with property taxes</b>			
State of New Mexico	\$ 372,700,000	3.67%	\$ 13,678,090
Sandoval County	16,450,000	63.26%	10,406,270
Central NM Community College	53,530,000	12.01%	6,428,953
SSCAFCA	25,770,000	79.74%	20,548,998
Rio Rancho School District	110,265,000	96.24%	106,119,036
Subtotal, overlapping debt			157,181,347
City direct debt			55,355,893
<b>Total direct &amp; overlapping debt</b>			<b>\$ 212,537,240</b>

Source: Sandoval County Assessor's Office

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Rio Rancho. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

(A) - The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the county's taxable assessed value that is within the government's boundaries and dividing it by the county's total taxable assessed value.



**City of Rio Rancho, New Mexico  
 Computation of Legal Debt Margin  
 Last Ten Fiscal Years**

Schedule 13

<u>Fiscal Year</u>	<u>Debt Limit</u>	<u>Total net debt applicable to limit</u>	<u>Total net debt applicable to limit as a % of debt limit</u>
2004	\$ 37,001,873	\$ 5,966,035	16.12%
2005	\$ 41,810,547	\$ 9,973,056	23.85%
2006	\$ 49,987,941	\$ 15,295,530	30.60%
2007	\$ 73,611,213	\$ 13,568,070	18.43%
2008	\$ 83,765,112	\$ 10,740,307	12.82%
2009	\$ 86,731,396	\$ 32,181,242	37.10%
2010	\$ 86,824,311	\$ 28,835,319	33.21%
2011	\$ 81,961,320	\$ 25,943,913	31.65%
2012	\$ 79,685,637	\$ 23,328,921	29.28%
2013	\$ 79,523,289	\$ 20,861,383	26.23%

**Legal Debt Margin Calculation for Fiscal Year 2013**

Assessed value	\$1,988,082,225
Debt limit (4% of assessed value)	79,523,289
Debt applicable to limit:	
General obligation bonds	23,739,496
Less: Amount set aside for repayment of general obligation debt	<u>2,878,113</u>
Total net debt applicable to limit	<u>20,861,383</u>
Legal debt margin	<u><u>\$58,661,906</u></u>

Sources: The City's Financial Records, Financial Services Department and the Sandoval County Assessor's Office.

City of Rio Rancho, New Mexico  
**Outstanding Long-term Debt**  
**As of June 30, 2013**

Schedule 14

	<u>Date of Issue</u>	<u>Payment Due Dates</u>		<u>Average Annual Debt Service Amount</u>	<u>Original Issued Amount</u>	<u>Principal Outstanding as of June 30, 2013</u>	<u>Maturity Date</u>	<u>Call Date (if any)</u>
<b>Governmental Activities:</b>								
<b>Bonds Payable:</b>								
<b>General Obligation Bonds</b>								
Series 2004 (Library)	17-Aug-04	1-Aug	1-Feb	\$ 500,000	\$ 5,500,000	\$ 500,000	1-Aug-16	
Series 2006 (Aquatics Center)	31-May-06	1-Aug	1-Feb	708,333	7,000,000	4,250,000	1-Aug-18	
Series 2009 (Roads)	27-May-09	1-Aug	1-Feb	1,869,444	25,000,000	16,825,000	1-Aug-21	1-Aug-19
Series 2013, Refunding	8-May-13	1-Aug	1-Feb	428,750	1,715,000	1,715,000	1-Aug-16	
<b>Sub-total</b>				<b>\$ 3,506,527</b>	<b>\$ 39,215,000</b>	<b>\$ 23,290,000</b>		
<b>Gross Receipts Tax Revenue Bonds</b>								
Series 2005	27-Jul-05	1-Dec	1-Jun	\$ 980,000	\$ 18,130,000	\$ 1,960,000	1-Jun-25	
Series 2013, Refunding	15-May-13	1-Dec	1-Jun	1,342,000	13,420,000	13,420,000	1-Jun-25	
<b>Sub-total</b>				<b>\$ 2,322,000</b>	<b>\$ 31,550,000</b>	<b>\$ 15,380,000</b>		
<b>Notes Payable:</b>								
NMFA Fire Equipment Loan	9-Mar-07	1-Nov	1-May	\$ 125,822	\$ 1,649,286	\$ 1,132,396	1-May-22	
NMFA High School Infrastructure Loan	19-Dec-08	1-Dec	1-Jun	283,600	4,669,000	4,254,000	1-Jun-28	
NMFA HP Construction Loan	19-Dec-08	1-Dec	1-Jun	288,333	5,217,000	4,325,000	1-Jun-28	
NMFA Fire Pumper & Equip. Loan	15-Jan-10	1-Nov	1-May	34,922	337,259	244,456	1-May-20	
NMFA Police Vehicle Loan	16-Jul-10	1-Nov	1-May	54,903	269,990	109,805	1-May-15	
NMFA GRT Refunding & Improv. Loan	16-Jul-10	1-Dec	1-Jun	324,896	967,515	649,791	1-Jun-15	
NMFA Sewer Infrastructure Improv. Loan	12-Aug-10	1-Nov	1-May	271,476	3,942,260	3,257,711	1-May-25	
NMFA Fire Admin. Building & IT Equip. Loan	17-May-13	1-Nov	1-May	39,796	795,925	795,925	1-May-33	
<b>Sub-total</b>				<b>\$ 1,423,748</b>	<b>\$ 17,848,235</b>	<b>\$ 14,769,084</b>		
<b>Governmental Activities Grand Total</b>				<b>\$ 7,252,275</b>	<b>\$ 88,613,235</b>	<b>\$ 53,439,084</b>		

City of Rio Rancho, New Mexico  
 Outstanding Long-term Debt (continued)  
 As of June 30, 2013

Schedule 14  
 (Cont'd)

	Date of Issue	Payment Due Dates	Average Annual Debt Service Amount	Original Issued Amount	Principal Outstanding as of June 30, 2013	Maturity Date	Call Date (if any)
<b>Business-type Activities:</b>							
<b>Bonds Payable:</b>							
<b>Water &amp; Wastewater Revenue Bonds</b>							
Series 2007	28-Feb-07	15-Nov 15-May	\$ 1,625,526	\$ 32,930,000	\$ 30,885,000	15-May-32	
Series 2008	16-Jul-08	15-Nov 15-May	555,238	13,240,000	11,660,000	15-May-34	
Series 2009, Refunding	17-Jun-09	15-Nov 15-May	4,770,000	57,990,000	42,930,000	15-May-22	
Series 2013, Refunding	30-May-13	15-Nov 15-May	1,383,333	16,600,000	16,600,000	15-May-25	
<b>Sub-total</b>			<b>\$ 8,334,097</b>	<b>\$ 120,760,000</b>	<b>\$ 102,075,000</b>		
<b>Event Center Revenue Bonds</b>							
Series 2005	29-Jun-05	1-Dec 1-Jun	\$ 1,482,500	\$ 35,750,000	\$ 2,965,000	6/1/2027	
Series 2013, Refunding	30-May-13	1-Dec 1-Jun	1,652,941	28,100,000	28,100,000	6/1/2032	
<b>Sub-total</b>			<b>\$ 3,135,441</b>	<b>\$ 63,850,000</b>	<b>\$ 31,065,000</b>		
<b>Notes Payable:</b>							
NMFA Drinking Water Revolving Loan	8-Jan-10	1-Dec 1-Jun	\$ 50,989	\$ 1,010,000	\$ 917,803	1-Jun-31	
NMFA Phase II Water Reuse Project Loan	19-Nov-10	1-Jun	19,573	390,000	332,734	1-Jun-30	
NMFA Water Rights Acquisition Loan	21-Jan-11	1-Nov 1-May	363,014	7,000,000	6,171,232	1-May-30	
NMFA Water Rights Acquisition Loan	23-Dec-11	1-Nov 1-May	488,056	9,335,000	8,785,000	1-May-31	
NMED Clean Water State Revolving Loan	29-Apr-03	2-Dec	601,265	10,486,627	6,012,651	2-Dec-22	
NMED Clean Water State Revolving Loan	4-Sep-09		1,190,476	25,000,000	9,344,978	*	
<b>Sub-total</b>			<b>\$ 2,713,373</b>	<b>\$ 53,221,627</b>	<b>\$ 31,564,398</b>		
<b>Business-type Activities Grand Total</b>			<b>\$ 14,182,911</b>	<b>\$ 237,831,627</b>	<b>\$ 164,704,398</b>		

\*Payment is made 1 year after completion of construction, therefore, there is no set payment schedule.

City of Rio Rancho, New Mexico  
**Outstanding Long-term Debt (continued)**  
 As of June 30, 2013

Schedule 14  
 (Concl'd)

	<u>Date of issue</u>	<u>Payment Due Dates</u>	<u>Average Annual Debt Service Amount</u>	<u>Original issued Amount</u>	<u>Principal Outstanding as of June 30, 2013</u>	<u>Maturity Date</u>	<u>Call Date (if any)</u>
<b>Fiduciary-type Activities:</b>							
<i>Notes Payable:</i>							
NMFA Special Assessment District #6 Loan	21-Jun-13	1-Nov 1-May	\$ 561,840	\$ 4,494,724	\$ 4,494,724	1-May-21	
NMFA Special Assessment District #7 Loan A	16-Jul-09	1-Aug 1-Feb	425,925	6,388,873	5,864,070	1-Aug-25	
NMFA Special Assessment District #7 Loan B	16-Jul-09	1-Aug 1-Feb	36,093	541,402	490,966	1-Aug-25	
NMFA Special Assessment District #8 Loan A	11-Sep-09	1-Aug 1-Feb	101,232	1,518,477	1,365,380	1-Aug-25	
NMFA Special Assessment District #8 Loan B	11-Sep-09	1-Aug 1-Feb	3,348	50,222	45,459	1-Aug-25	
<b>Fiduciary-type Activities Grand Total</b>			<b>\$ 1,128,438</b>	<b>\$ 12,993,698</b>	<b>\$ 12,260,599</b>		

Note: As trustee for Improvement districts, the City is solely responsible for collection of assessments levied against the owners of the property within the Improvement districts and for disbursement of these amounts for retirement of the respective bonds issued to finance the improvements. The City is not obligated in any manner to pay the debt service payments on the Special Assessment Bonds with any general or other funds of the City.

**City of Rio Rancho, New Mexico  
Pledged Revenue Bond Coverage  
Last Ten Fiscal Years**

Schedule 15

Gross Receipts Tax Bonds						Business-Type Bonds						
Fiscal Year	Gross Receipts Tax Increment	Debt Service Requirements				Gross Revenues	Expenditures (A)	Net Revenue Available for Debt Service	Debt Service Requirements			
		Principal	Interest	Total	Coverage				Principal	Interest	Total	Coverage
2004	1,608,954	683,000	179,113	862,113	1.87	18,145,771	11,286,038	6,859,733	2,410,000	4,042,563	6,452,563	1.06
2005	762,300	515,000	137,581	652,581	1.17	20,900,461	19,513,838	1,386,623	2,730,000	4,047,077	6,777,077	0.21
2006	1,892,470	860,000	837,724	1,697,724	1.12	32,117,610	21,875,800	10,241,810	3,785,000	6,550,574	10,335,574	0.99
2007	1,704,815	755,000	938,480	1,693,480	1.01	31,911,403	24,744,962	7,166,441	3,830,000	6,342,361	10,172,361	0.71
2008	1,605,009	780,000	917,193	1,697,193	0.95	44,854,329	25,849,840	19,004,489	5,455,000	7,915,038	13,370,038	1.43
2009	1,753,444	800,000	904,774	1,704,774	1.03	38,515,780	27,985,218	10,530,562	5,950,000	7,817,123	13,767,123	0.77
2010	1,479,217	825,000	868,496	1,693,496	0.88	39,397,283	30,617,272	8,780,011	6,635,000	6,850,531	13,485,531	0.66
2011	1,266,581	1,160,000	823,860	1,983,860	0.64	40,179,767	33,338,420	6,841,347	6,620,000	6,843,524	13,463,524	0.51
2012	1,566,834	585,000	812,034	1,397,034	1.13	41,281,733	43,298,260	(2,016,527)	6,835,000	6,627,954	13,462,954	-0.15
2013	1,988,943	1,237,724	793,589	2,031,313	0.98	46,315,524	38,564,376	7,751,148	16,930,000	3,852,971	20,782,971	0.38

Source: The City's Financial Records, Financial Services Department

(A) - Expenditures are calculated by adding the Operating and Nonoperating Expenses from the Statement of Revenues, Expenses, and Changes in Fund Net Position for the Proprietary Funds.

**City of Rio Rancho, New Mexico**  
**Demographics and Economic Statistics**  
**Last Ten Fiscal Years**

Schedule 16

Year	City	County	Personal Income	Per Capita Personal Income			Unemployment Rate		
	Population	Population		U.S.	New Mexico	Sandoval County	U.S.	New Mexico	Sandoval County
2004	58,845	98,335	2,716,659	33,157	26,366	26,293	5.50%	5.80%	5.50%
2005	62,440	101,206	2,991,155	35,424	28,876	28,293	5.10%	5.20%	5.10%
2006	66,407	105,625	3,319,080	37,698	30,513	29,620	4.60%	4.20%	4.40%
2007	71,607	111,855	3,632,911	39,392	32,018	30,833	4.60%	3.50%	4.00%
2008	75,978	117,583	3,986,250	40,166	33,609	31,907	5.80%	4.20%	4.90%
2009	79,655	122,298	3,992,904	39,635	33,267	32,172	9.30%	7.20%	8.20%
2010	87,521	131,561	4,187,920	39,945	33,368	32,021	9.60%	8.40%	9.30%
2011	89,320	134,259	4,421,270	41,560	34,133	32,931	8.90%	7.40%	7.80%
2012	90,818	135,588	N/A	42,693	35,079	N/A	8.10%	6.90%	7.90%
2013	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Source: Bureau of Business and Economic Research (BBER).

Notes: Personal income, per capita income and unemployment rates are only available for the county, not for the city.

Personal income and per capita personal income for Sandoval County is unavailable for 2012.

No information is available for 2013.

**City of Rio Rancho, New Mexico  
Principal Employers  
Current Year and Eleven Years Ago**

Schedule 17

<b>Employer (B)</b>	<b>2012 (A)</b>			<b>2001</b>		
	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total County Employment</b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total County Employment</b>
Intel Corporation		1	0%	5,800	1	21%
Hewlett-Packard		2	0%	-		0%
Sprint PCS		3	0%	1,200	3	4%
Stream Global		4	0%	-		0%
Bank of America Banking Services		5	0%	400	8	1%
Alliance Data		6	0%	-		0%
US Cotton Inc.		7	0%	-		0%
Intersections Inc.		8	0%	-		0%
Lectrosonics Inc.		9	0%	-		0%
Don Chalmers Ford		10	0%	170	10	1%
Victoria's Secret Catalogue				681	5	3%
Gateway Computers				455	7	2%
U.S. National Guard Hawk Facility				300	9	1%
Intel Corporation Subcontractors				2,000	2	7%
Rio Rancho Public Schools				1,042	4	4%
City of Rio Rancho				470	6	2%
Total Major Employers-Sandoval County *	<u>-</u>			<u>12,518</u>		
Total Sandoval County Employment **	<u>51,859</u>			<u>27,116</u>		

Sources: (\*) Rio Rancho Chamber of Commerce April 2009

(\*\*) New Mexico Department of Labor, Economic Research and Analysis, 2009

(A) -Most current data available is from the 2012 Rio Rancho Economic Development Corporation Annual Survey.

(B) -Companies, within the top ten ranking, that do not have an employee count listed were not available.

**City of Rio Rancho, New Mexico**  
**Full-time-Equivalent City Government Employees by Function/Program**  
**Last Ten Fiscal Years**

Schedule 18

<b>Function/Program</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b>General Government</b>										
City Administration	11	12	3	4	5	6	5	5	5	5
Human Resources	13	13	11	10	10	9	8	6	6	6
City Clerk	4	4	4	4	4	4	4	4	3	3
City Attorney	5	5	5	6	7	7	6	6	6	6
Municipal Court	12	12	12	13	13	13	12	12	11	11
Finance/IT	18	19	30	30	35	29	34	34	34	34
<b>Public Safety</b>										
Police	101	106	118	123	124	127	127	127	129	129
Firefighters	46	50	56	99	100	101	100	99	100	100
Civilians	70	66	72	90	88	86	87	88	90	90
<b>Public Works</b>										
Engineering	8	9	13	21	25	27	25	21	17	17
Others	50	53	65	77	75	74	71	68	68	68
<b>Parks and Recreation</b>	75	75	78	110	132	139	115	92	91	91
<b>Senior Services</b>	15	15	18	17	17	8	15	8	8	8
<b>Library and Information Services</b>	22	25	30	36	36	38	35	36	36	36
<b>City Development</b>	20	20	32	40	42	36	32	29	30	30
<b>Special Funds</b>	8	8	11	14	14	20	5	15	18	18
<b>Water and Wastewater</b>	29	32	36	41	42	38	35	35	33	33
<b>Total</b>	<b>507</b>	<b>524</b>	<b>594</b>	<b>735</b>	<b>769</b>	<b>762</b>	<b>716</b>	<b>685</b>	<b>685</b>	<b>685</b>

Source: City of Rio Rancho Annual Budget

Note: A full-time employee is scheduled to work 2,080 hours per year (including vacation and sick leave). Full-time-equivalent employment is calculated by dividing total labor hours by 2,080.



City of Rio Rancho, New Mexico  
 Operating Indicators by Function/Program  
 Last Eight Fiscal Years

Schedule 19

Function/Program	Fiscal Year							
	2006	2007	2008	2009	2010	2011	2012	2013
<b>Police</b>								
Total Violent Crimes (A)	776	927	886	920	946	935	717	546
Total Property Crimes (B)	1,399	1,775	1,961	1,709	1,686	1,426	1,816	1,465
Total Warnings & Citations (C)	24,305	23,840	27,250	21,082	19,898	15,777	19,055	18,096
Total Arrests (D)	3,008	3,337	3,620	3,613	3,477	3,269	4,073	3,895
Total Traffic Crashes	1,791	2,008	1,856	1,576	1,593	1,844	1,591	1,127
Total Incident Reports (E)	3,586	8,881	9,045	9,485	8,716	8,099	9,113	6,715
Total Calls for Service	39,165	36,271	49,842	44,651	43,618	45,928	45,598	32,950
<b>Fire</b>								
Total Structural Fires	25	29	46	54	59	62	51	68
Total Fire Inspections	999	901	1,049	736	1,087	1,148	1,650	1,564
Total Calls for Service	1,582	1,372	1,693	1,508	9,505	10,261	8,116	8,113
<b>EMS</b>								
Total EMS Patients	4,345	5,141	-	-	-	-	-	-
Total Patient Transports	3,056	3,407	4,129	4,122	4,089	-	-	4,644
Total Calls for Service	4,764	5,243	6,330	7,481	5,896	5,956	5,971	7,797
<b>Animal Control (F)</b>								
Total Impounds	2,330	2,417	2,543	2,584	2,308	2,201	2,128	1,459
Total Claims	617	754	830	914	856	736	758	519
Total Adoptions	851	724	988	854	830	781	741	498
Total Euthanasia	674	732	663	758	574	684	579	460
Total Complaints	4,755	4,740	5,193	5,821	5,666	5,658	4,580	3,356
<b>Code Enforcement (G)</b>								
Total Inspections	8,043	10,010	7,055	6,989	9,430	8,884	8,259	5,360
Total Citations	280	260	479	369	489	511	524	323
<b>Public Works</b>								
Total Utility Cuts	390	-	-	-	-	-	-	-
Total Potholes Repaired	971	423	1,385	592	590	1,041	1,926	708
<b>Parks &amp; Recreation (H)</b>								
Total Program Participation-Youth	20,961	19,632	22,620	9,149	8,311	13,221	-	-
Total Program Participation-Adult	18,638	6,556	6,621	3,969	8,581	1,672	-	-
Total Program Participation-Aquatics	7,050	2,897	2,935	4,321	3,966	3,865	-	-

City of Rio Rancho, New Mexico  
 Operating Indicators by Function/Program  
 Last Eight Fiscal Years

Schedule 19  
 (Cont'd)

Function/Program	Fiscal Year							
	2006	2007	2008	2009	2010	2011	2012	2013
<b>Parks &amp; Recreation (cont)</b>								
Total Summer Camp Participants	-	-	-	-	-	-	2,370	2,972
Total KidsZone Participants	-	-	-	-	-	-	93	145
Total Youth Sports League Participants	-	-	-	-	-	-	748	1,288
Total Adult Sports League Participants	-	-	-	-	-	-	280	271
Total Indoor/Outdoor Aquatics Participants	-	-	-	-	-	-	3,397	3,975
Total Free Summer Meals Served	-	-	-	-	-	-	42,901	35,616
Total Student Attendance of Keep Rio Rancho Beautiful Program	-	-	-	-	-	-	4,227	5,072
<b>Meadowlark Senior Center</b>								
Average # of Daily Participants per Employee	-	-	-	-	-	-	126	170
Total Volunteer Hours	-	-	-	-	-	-	23,439	24,658
<b>Library</b>								
Total Collection	146,626	154,258	166,857	174,388	183,554	188,065	195,688	192,493
New Items Added	23,233	17,288	23,501	23,800	24,351	23,490	26,453	24,705
Items Withdrawn	7,252	9,656	10,902	16,269	15,185	18,979	18,830	27,900
Collection Growth/Decrease	15,981	7,632	12,599	7,531	9,166	4,511	7,623	(3,195)
<b>Circulation Stats:</b>								
Visitors	224,977	216,106	256,734	354,985	354,411	340,070	336,647	335,018
Circulation	171,156	296,142	426,653	543,528	605,737	654,031	674,227	680,672
Computer Usage	31,711	32,931	61,358	85,938	95,998	84,480	81,089	76,904
Program Attendance	5,578	15,597	24,074	26,016	25,489	25,297	30,403	20,396
<b>Transit (I)</b>								
Total Clients Registered	3,172	3,356	3,665	3,955	4,229	-	-	-
New Clients Registered	184	309	290	274	88	-	-	-
Total Fare Cards Sold (J)	1,905	1,809	1,999	2,052	929	1,764	1,760	1,837
Total Trips in Rio Rancho	26,804	25,262	13,633	16,037	7,609	-	-	-
Total Trips to Albuquerque	6,212	6,115	2,983	2,310	692	-	-	-
<b>Purpose of Trips:</b>								
Medical	9,906	7,220	4,538	4,442	2,060	-	-	-
Personal Errands	3,307	5,645	2,830	4,936	2,118	-	-	-
Work	13,153	9,624	6,067	6,359	3,199	-	-	-
City Facilities	2,846	4,252	1,725	1,769	843	-	-	-
Education	4,004	4,636	1,456	944	76	-	-	-
Total Miles Traveled	133,672	142,273	127,576	132,971	N/A	-	-	-

**City of Rio Rancho, New Mexico**  
**Operating Indicators by Function/Program**  
**Last Eight Fiscal Years**

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**Schedule 19**  
**(Concl'd)**

Note: The City chose to use the prospective method of reporting for this schedule as the data was not tracked prior to GASB 44 implementation.

- (A) Data was restated to include May through June information for 2012. Data not available for April through June 2013.
- (B) Data was restated to include May through June information for 2012. Data not available for April through June 2013.
- (C) Data was restated to include February through June information for 2012. Data not available for April through June 2013.
- (D) Data was restated to include April through June information for 2012. Data not available for April through June 2013.
- (E) Data was restated to include May through June information for 2012. Data not available for April through June 2013.
- (F) Data not available for April through June 2013 on animal control categories.
- (G) Data not available for April through June 2013 on both code enforcement categories.
- (H) Parks & Recreation changed all operating indicators beginning fiscal year 2012.
- (I) Beginning in January 2010, the City of Rio Rancho no longer operates the transit system.
- (J) Selling fare cards for the Rio Metro Transit system is the only function that the City currently continues to do with regards to transit.

Sources: Various City Departments



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City of Rio Rancho, New Mexico  
 Capital Asset Statistics by Function/Program  
 Last Eight Fiscal Years

Schedule 20

Function/Program	Fiscal Year							
	2006	2007	2008	2009	2010 <sup>1</sup>	2011	2012	2013
<b>Police</b>								
Main Stations	1	1	1	1	1	1	1	1
Substations (E)	4	4						
Law Enforcement Units (H)	152	178	181	180	126	139	160	160
<b>Fire</b>								
Main Stations	2	5	6	5	5	5	6	6
Substations	4	1	1	1	1	1	1	1
Firetrucks	11	15	15	15	17	19	17	17
<b>EMS</b>								
Ambulances	7	8	9	9	11	11	11	12
<b>Animal Control</b>								
Patrol Units	7	7	7	7	7	7	7	7
<b>Public Works</b>								
Streets (centerline miles) (I)	831	831	837	846	428	449	454	455
Streetlights	1,156	2,544	2,604	2,710	2,770	2,859	2,930	2,941
Traffic Signals (Signalized Intersections)	35	42	45	45	49	49	53	53
Sidewalks & Paths (J)	121	121	123	134				
<b>Parks &amp; Recreation</b>								
New/Revovated Park Facilities	2	3	2	1	10	1	5	7
Developed Parkland (acres) ( R)	242	285	304	311	298	300	300	306
Constructed Trailways (linear feet) (A)	53,873	57,516	64,380	64,380	64,380	65,150	65,150	65,150
<b>Transit</b>								
Mini buses (K)	7	7	8	8	0	0	0	0
<b>Water</b>								
Water mains (miles)	385	388	395	403	552	563	565	567
Fire hydrants	24,950	25,822	25,866	25,939	3,768	3,870	3,871	3,890
New Connections (F)		1,381	1,040	668	472	348	375	506
Water main breaks (G)		32	39	37	43	49	32	36
Storage capacity (thousands of gallons) (B)	31.0	31.0			34,500	34,500	34,500	41,300
Average daily consumption (thousands of gallons) (C)		10,409	11,745	11,814	10,616	11,621	12,610	13,134
Booster Stations (L)					8	8	9	10
Wells (in production) (M)					19	17	17	17
Storage Tanks (N)					18	18	18	18
Arsenic Treatment Facilities (O)					8	10	10	10
<b>Wastewater</b>								
Sanitary sewers (miles)	335	337	343	351	355	368	371	377
Average daily treatment (thousands of gallons) (D)	4,176	4,565	4,954	4,863	4,875	4,324	4,626	4,112
Wastewater Treatment Plants (P)					6	5	5	5
Lift Stations (Q)					28	28	28	28

Sources: Various City Departments

City of Rio Rancho, New Mexico  
Capital Asset Statistics by Function/Program  
Last Eight Fiscal Years

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Schedule 20

Note: The City chose to use the prospective method of reporting for this schedule as the data was not tracked prior to GASB 44 implementation.

I. The City established a baseline for restatement of capital asset statistics for fiscal year ending June 30, 2010. Baseline figures were primarily obtained from the City's Geographic Information System (GIS). Amended the number of developed parkland, water line, sewer line, and street for fiscal year years 2010 to present in fiscal year 2012 CAFR for previous incorrect figures.

(A) Amended the linear feet of constructed trailways for fiscal year 2006 to correctly state the starting point.

(B) The City chose to no longer track the water storage capacity beginning in fiscal year 2008, however began tracking again in fiscal year 2010.

(C) The City chose to begin tracking the average daily water consumption beginning in fiscal year 2007.

(D) Amended the wastewater treatment capacity beginning with fiscal year 2006 to be an average daily treatment capacity in thousands of gallons.

(E) Police and Fire no longer under the same department. Substation numbers for police reported to Finance in error. Restatement of substations for police for fiscal year 2008.

(F) Utility department began tracking new connections. Addition of data for fiscal year 2007 and 2008.

(G) Utility department began tracking water main breaks. Addition of data for fiscal year 2007 and 2008.

(H) Amended the number of patrol units to correctly state the baseline point beginning FY2010. Law Enforcement Units include Marked, Unmarked, Administrative, Pool, and Special Use vehicles.

(I) Amended the centerline miles of paved roadway for fiscal year 2010 to correctly state the baseline point. Previous year's reporting was presumably based on a lane mile unit of measure.

(J) Public Works department discontinued tracking sidewalks beginning in fiscal year 2010. Sidewalks are considered part of the roadway/street infrastructure.

(K) On Dec. 16, 2009, the Rio Rancho City Council adopted a Resolution No. 134, ENACT 09-134 to transfer the city's Rio Transit Program to the Mid-Region Council of Governments and their Rio Metro Regional Transit District, effective Jan. 1, 2010.

(L) Public Works department began tracking number of booster stations beginning in fiscal year 2010.

(M) Public Works department began tracking number of wells beginning in fiscal year 2010.

(N) Public Works department began tracking number of water storage tanks beginning in fiscal year 2010.

(O) Public Works department began tracking number of arsenic treatment facilities beginning in fiscal year 2010.

(P) Public Works department began tracking number of wastewater treatment plants beginning in fiscal year 2010.

(Q) Public Works department began tracking number of lift stations beginning in fiscal year 2010.

(R) Amended the number of developed parkland for fiscal year 2010 to correctly state the baseline point. Amended the number of developed parkland for fiscal year years 2010 to present in fiscal year 2012 CAFR for previous incorrect figures.



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**SINGLE AUDIT SECTION**





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**INDEPENDENT AUDITORS' 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**

Honorable Mayor and Members of the City Council  
and Citizens of the City of Rio Rancho  
City of Rio Rancho, New Mexico

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, fiduciary funds, and the budgetary comparisons of the general fund of City of Rio Rancho, New Mexico (the City), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and the combining and individual funds and related budgetary comparisons of the City, presented as supplementary information and have issued our report thereon dated November 27, 2013 .

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City'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 City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City'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 and, therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free from 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 one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2013-001.

**The City's Response to Finding**

The City's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

**Purpose of this Report**

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

**CliftonLarsonAllen LLP**

Albuquerque, New Mexico  
November 27, 2013



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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT  
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR FEDERAL  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH  
OMB CIRCULAR A-133**

Honorable Mayor and Members of the City Council  
and Citizens of the City of Rio Rancho  
Rio Rancho, New Mexico

**Report on Compliance for Each Major Federal Program**

We have audited the City of Rio Rancho, New Mexico's (the City) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2013. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

***Opinion on Each Major Federal Program***

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

### **Report on Internal Control over Compliance**

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the result of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

**CliftonLarsonAllen LLP**



Albuquerque, New Mexico  
November 27, 2013



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**CITY OF RIO RANCHO, NEW MEXICO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2013**

<u>Federal Grantor/Pass-Through Grantor/ Program Title</u>	<u>CFDA Number</u>	<u>Grantor or Pass-Through Number</u>	<u>Expenditures</u>
<b><u>U.S. Department of Labor Employment Training Administration</u></b>			
Passed through New Mexico Department of Workforce Solutions: WIA Adult Program	17.258	CT-12-00	11,325
<b>Total U.S. Department of Labor</b>			<u>11,325</u>
<b><u>U.S. Department of Homeland Security</u></b>			
Passed through New Mexico Department of Homeland Security: Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074	MOA 13/665.0300.15702	4,592
Emergency Management Performance Grants	97.042	EMW-2011-EP-00051	45,372
Homeland Security Grant Program	97.067	EMW-2012-SS-00097-S01	532
Homeland Security Grant Program	97.067	EMW-2011-SS-00094-S01	24,484
<b>Total U.S. Department of Homeland Security</b>			<u>74,980</u>
<b><u>U.S. Department of Justice</u></b>			
Direct Program:			
Crime Victims Assistance	16.575	2013-VA-910	47,647
Federal Surplus Property Transfer Program	16.578	N/A	2,952
Edward Byrne Memorial Justice Assistance Grant Program	16.738	Memo	12,385
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2012-DJ-BX-0609	19,157
Passed through New Mexico Department of Public Safety Grant Management Bureau:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	11-PSN-NMGTF-SFY12	1,609
Edward Byrne Memorial Justice Assistance Grant Program	16.738	12-JAG-NMGTF-SFY13-1	200,641
Edward Byrne Memorial Justice Assistance Grant Program	16.738	12-JAG-NMGTF-FY13	3,162
<b>Total U.S. Department of Justice</b>			<u>287,553</u>
<b><u>U.S. Department of Agriculture Food and Nutrition Service</u></b>			
Passed through New Mexico Department of Children Youth and Family: National School Lunch Program	10.555	3185	149,878
<b>Total U.S. Department of Agriculture Food and Nutrition Service</b>			<u>149,878</u>
<b><u>U.S. Department of Energy</u></b>			
Direct Program:			
ARRA Energy Efficiency and Conservation Block Grant Program (EECBG)	81.128	09SC004700	10,000
<b>Total U.S. Department of Energy</b>			<u>10,000</u>
<b><u>U.S. Department of Housing and Urban Development</u></b>			
Direct Program:			
Community Development Block Grant/Entitlement Grants	14.218	B-09-MC-35-0004	4,186
Community Development Block Grant/Entitlement Grants	14.218	B-10-MC-35-0004	31,211
Community Development Block Grant/Entitlement Grants	14.218	B-11-MC-35-0004	86,915
Community Development Block Grant/Entitlement Grants	14.218	B-12-MC-35-0004	227,347
Community Development Block Grant/Entitlement Grants	14.218	B-13-MC-35-0004	1,324
<b>Total U.S. Department of Housing and Urban Development</b>			<u>350,983</u>
<b><u>U.S. Environmental Protection Agency Office of the Chief Financial Officer</u></b>			
Direct Program:			
Congressionally Mandated Projects	66.202	00F30601	48,464
<b>Total U.S. Environmental Protection Agency</b>			<u>48,464</u>
<b><u>U.S. Department of Interior Bureau of Reclamation</u></b>			
Direct Program:			
Water Conservation Field Services Program (WCFSP)	15.530	R12AP40020	8,171
<b>Total U.S. Department of Interior Bureau of Reclamation</b>			<u>8,171</u>

**CITY OF RIO RANCHO, NEW MEXICO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2013**

<u>Federal Grantor/Pass-Through Grantor/ Program Title</u>	<u>CFDA Number</u>	<u>Grantor or Pass-Through Number</u>	<u>Expenditures</u>
<b><u>U.S. Department of Transportation Federal Highway Administration (FHWA)</u></b>			
Passed through New Mexico Department of Transportation:			
Highway Planning and Construction	20.205	CN#L3020	45,140
Highway Planning and Construction	20.205	CN#A300471	239,472
Highway Planning and Construction	20.205	CN#L3111	2,650,334
Highway Planning and Construction	20.205	CN #A301140	174,106
Highway Planning and Construction	20.205	CN #A301150	67,359
Highway Planning and Construction	20.205	CN #A300153	207,416
<b>Total U.S. Department of Transportation FHWA</b>			<b><u>3,383,827</u></b>
<b><u>U.S. Department of Transportation National Highway Traffic Safety Administration (NHTSA)</u></b>			
Passed through New Mexico Department of Transportation:			
State and Community Highway Safety	20.600	12-PT-02-P01	22,500
State and Community Highway Safety	20.600	13-PT-02-P01	67,500
State and Community Highway Safety	20.600	13-HE-64-TE-081	51,732
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	12-AL-64-081	22,167
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	12-AL-64-P25	67,500
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	13-AL-64-081	57,451
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	13-AL-64-P25	91,957
<b>Total U.S. Department of Transportation NHTSA</b>			<b><u>380,807</u></b>
<b><u>Executive Office of the President</u></b>			
Passed through City of Albuquerque, New Mexico:			
High Intensity Drug Trafficking Areas Program	95.001	MOU dated 07/15/11	1,237
High Intensity Drug Trafficking Areas Program	95.001	MOU dated 07/01/12	21,284
<b>Total Executive Office of the President</b>			<b><u>22,521</u></b>
<b>Total expenditures of federal awards</b>			<b><u>4,728,509</u></b>



**CITY OF RIO RANCHO, NEW MEXICO**  
**NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**JUNE 30, 2013**

**NOTE 1 – BASIS OF PRESENTATION**

The Schedule of Expenditures of Federal Awards includes the federal grant activity of City of Rio Rancho, New Mexico and is presented on the modified accrual basis of accounting for governmental funds and on the accrual basis of accounting for proprietary funds. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

**NOTE 2 – CATALOG OF FEDERAL DOMESTIC ASSISTANCE (CFDA) NUMBERS**

The program titles and CFDA numbers were obtained from the federal or pass-through grantor or the 2013 *Catalog of Federal Domestic Assistance*.

**NOTE 3 – NON-CASH ASSISTANCE, LOANS, AND LOAN GUARANTEES**

In accordance with OMB Circular A-133, the City had no non-cash assistance, loans, and loan agreements outstanding at year-end.

**NOTE 4 – SUBRECIPIENTS OF GRANT AWARDS**

<u>Grantor Agency / Grant Title and Subrecipients</u>	<u>Grant Number- Federal or State</u>	<u>Federal CFDA Number</u>	<u>Pass-through Grant Amount</u>
U.S. Department of Housing and Urban Development			
Community Development Block Grant/Entitlement Grants			
2009 calendar year grant			
Rebuilding Together Sandoval Co.	B-09-MC-35-0004	14.218	\$ 4,183
Total			<u>4,183</u>
2011 calendar year grant			
Administration	B-11-MC-35-0004	14.218	19,216
Big Brothers Big Sisters	B-11-MC-35-0004	14.218	3,886
Emergency Home Repair Program	B-11-MC-35-0004	14.218	7,866
Haven House	B-11-MC-35-0004	14.218	11,807
St Felix Pantry Inc.	B-11-MC-35-0004	14.218	11,351
Valencia Counseling Services	B-11-MC-35-0004	14.218	1,669
Youth Development Inc.	B-11-MC-35-0004	14.218	4,269
Total			<u>60,064</u>

**CITY OF RIO RANCHO, NEW MEXICO  
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
JUNE 30, 2013**

**NOTE 4 – SUBRECIPIENTS OF GRANT AWARDS (Concl'd)**

<u>Grantor Agency / Grant Title and Subrecipients</u>	<u>Grant Number- Federal or State</u>	<u>Federal CFDA Number</u>	<u>Pass-through Grant Amount</u>
2012 calendar year grant			
Administration	B-12-MC-35-0004	14.218	30,876
Big Brothers Big Sisters	B-12-MC-35-0004	14.218	4,163
Down Payment Assistance Program	B-12-MC-35-0004	14.218	9,195
Emergency Home Repair Program	B-12-MC-35-0004	14.218	35,523
Haven House Inc.	B-12-MC-35-0004	14.218	19,980
Valencia Counseling Services	B-12-MC-35-0004	14.218	3,307
Parks & Recreation	B-12-MC-35-0004	14.218	13,411
People Helping People	B-12-MC-35-0004	14.218	8,718
Rebuilding Together Sandoval Co.	B-12-MC-35-0004	14.218	30,328
St Felix Pantry Inc.	B-12-MC-35-0004	14.218	10,775
Total			<u>166,276</u>
2013 calendar year grant			
Administration	B-13-MC-35-0004	14.218	446
Down Payment Assistance Program	B-13-MC-35-0004	14.218	26,677
Emergency Home Repair Program	B-13-MC-35-0004	14.218	36,915
Total			<u>64,038</u>



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**CITY OF RIO RANCHO, NEW MEXICO  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2013**

**SECTION I - SUMMARY OF AUDITORS' RESULTS**

**Financial Statements**

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?       yes   X  no
- Significant deficiencies identified that are not considered to be a material weakness(es)?       yes   X  no

Noncompliance material to financial statements noted?       yes   X  no

**Federal Awards**

Internal control over major programs:

- Material weakness(es) identified?       yes   X  no
- Significant deficiency identified that are not considered to be a material weakness(es)?       yes   X  no

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?       yes   X  no

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program</u>
20.205	Highway Planning and Construction
14.218	Community Development Block Grant/Entitlement Grants

Dollar threshold used to distinguish between Type A and Type B programs:       \$300,000

Auditee qualified as low-risk auditee?       yes   X  no

**CITY OF RIO RANCHO, NEW MEXICO  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2013**

**SECTION II - FINANCIAL STATEMENT FINDINGS**

**2013-001 PER DIEM REIMBURSEMENTS (DEFICIENCY)**

STATEMENT OF CONDITION

During test-work over per diem disbursements, the following was noted:

- 1 disbursement out of 22 tested included the incorrect calculation of hours for the “return from overnight travel” which resulted in the employee getting reimbursed \$6.50 less than allowed.
- 7 disbursements out of 22 tested included reimbursement of mileage at a rate that did not agree with the City’s internal policy. This resulted in a cumulative underpayment of \$5.40.

CRITERIA

City’s internal travel and mileage act: Chapter 2, Article 14 of the City’s Administrative Policies and Procedures surrounding travel and mileage advances and reimbursements.

CAUSE

The City has no process to disseminate the updated per diem policy.

EFFECT

Travel reimbursements were understated by approximately \$11.90 amongst various employees.

RECOMMENDATION

We recommend the City ensure their internal policy is reviewed for applicable updates on a regular basis and a review process to ensure the correct amount is reimbursed. This will help provide guidance to employees about the specific rates that are to be used during a specific period in time.

AGENCY RESPONSE

The City will ensure that all employees submitting travel and/or mileage reimbursement are properly trained on the City’s Administrative Policies and Procedures and the policy is updated on a regular basis. Also, employee approving such requests verifies the accuracy before approval is granted.

**CITY OF RIO RANCHO, NEW MEXICO  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2013**

**SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None

**CITY OF RIO RANCHO, NEW MEXICO  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
JUNE 30, 2013**

**STATUS OF PRIOR YEAR FINDINGS**

Finding No. 2012-01 DEVELOPER CONTRIBUTIONS (MATERIAL WEAK-  
GOVERNMENTAL AUDITING STANDARDS)

Status: Resolved

Finding No. 2012-02 FEDERAL REVENUE RESTATEMENT (MATERIAL WEAKNESS --  
GOVERNMENT AUDITING STANDARDS AND OMB FINDING)

Status: Resolved

Finding No. 2012-03 NON-COMPLIANCE WITH FEDERAL GRANT REQUIREMENTS --  
SUBRECIPIENT MONITORING (SIGNIFICANT DEFICIENCY --  
OMB FINDING)

Status: Resolved

Finding No. 2012-04 NON-COMPLIANCE WITH FEDERAL GRANT REQUIREMENTS --  
LEVEL OF EFFORT (SIGNIFICANT DEFICIENCY -- OMB FINDING)

Status: Resolved

**CITY OF RIO RANCHO, NEW MEXICO  
EXIT CONFERENCE  
JUNE 30, 2013**

An exit conference was held at a closed meeting on November 19, 2013, to discuss the preceding findings. Attending were the following persons.

**For the City of Rio Rancho:**

**Mark Scott, Councilor, District 4  
Keith J. Riesberg, City Manager  
Laura Fitzpatrick, Assistant City Manager  
Marta Ortiz, Acting Financial Services Director**

**For the Independent Auditor:**

**Georgie Ortiz, CPA, CGFM, Assurance Principal  
Raul Anaya, CPA, CFE, CGFM, Assurance Senior Manager  
Laura Beltran-Schmitz, CPA, CFE, CGFM, CICA, Assurance Manager**





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