

CITY OF RIO RANCHO NEW MEXICO

Comprehensive Annual Financial Report For the Year Ended June 30, 2017



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CITY OF RIO RANCHO, NEW MEXICO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2017

MAYOR AND CITY COUNCIL

Greggory D. Hull.....Mayor
Jim Owen..... Councilor – District 1
Dawnn Robinson..... Councilor – District 2
Cheryl Everett..... Councilor – District 3
Marlene Feuer..... Councilor – District 4
Jennifer Flor Councilor – District 5
David Bency Councilor – District 6

CITY ADMINISTRATION

Keith J. Riesberg City Manager
Stephen Ruger City Clerk

ACKNOWLEDGMENTS

This report is prepared by the Department of Financial Services:
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Kerri Larkin
Michele Finley
Don Martinez

We express our appreciation to all of the departmental staff throughout the City whose extra time and effort made this report possible.



CITY OF RIO RANCHO, NEW MEXICO
COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2017

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December 15, 2017

To the Honorable Mayor, Members of the City Council,
and Citizens of Rio Rancho:

In accordance with New Mexico statutes, we are pleased to present the Comprehensive Annual Financial Report of the City of Rio Rancho (the City) for the fiscal year ended June 30, 2017. Responsibility for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City's management.

We believe the enclosed information accurately presents the City's financial position and results of operations, in all material respects, in accordance with generally accepted accounting principles. We also believe we have included all disclosures necessary to enable the reader to gain an understanding of the City's financial activities. These assertions are made on the basis of the City's system of internal control over assets and liabilities recorded in the accounting system. These controls have been designed to provide reasonable, but not absolute, assurance of safeguarding assets against loss from unauthorized use or disposition, and to ensure the reliability of financial records for preparing financial statements. The concept of reasonable assurance recognizes that the cost of a control should not exceed the expected benefits, and that the evaluation of costs and benefits requires estimates and judgments by management.

The Report. The Comprehensive Annual Financial Report includes all funds of the City, and includes all departments, agencies, and other organizational units under the control of the Governing Body. The report is presented in four sections: Introductory, Financial, Statistical, and Single Audit. The Introductory Section contains a list of principal officials, this transmittal letter, and the City's organization chart. The Financial Section contains the independent auditors' report, Management's Discussion and Analysis (MD&A), the Basic Financial Statements, Required Supplementary Information, and Supplementary Information. The Statistical Section provides a history of selected financial, economic, and demographic information. The Single Audit Section includes the City's schedule of expenditures of federal awards along with the auditors' reports on internal controls and compliance with applicable laws and regulations.

Independent Auditors. CliftonLarsonAllen, a certified public accounting firm, has audited the City's financial statements. The firm conducted the audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. The firm has issued an unmodified ("clean") opinion on the City's financial statements, as explained in the independent auditors' report at the front of the Financial Section beginning on page 13.

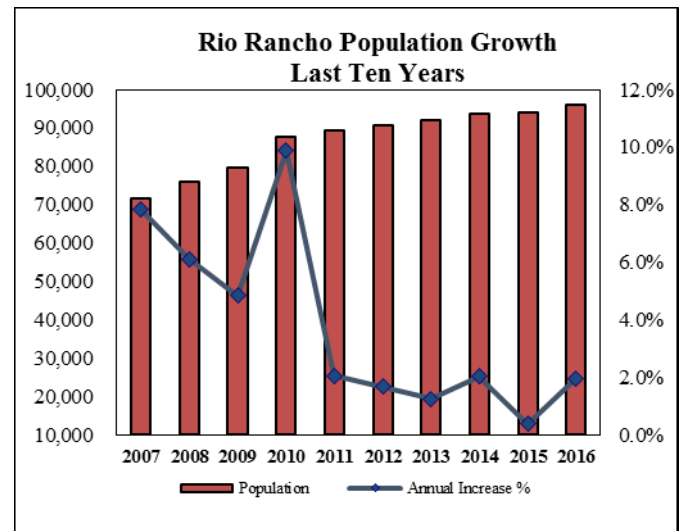
Federal and state regulations also require the City to undergo an annual "single audit" in conformance with the Federal Single Audit Act of 1984, as amended, and the U.S. Office of Management and Budget 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Information related to the Single Audit, including the schedule of expenditures of federal awards, audit findings and recommendations, summary of prior audit findings, and the auditors' report, is included in the Single Audit Section that starts on page 197.

Management's Discussion and Analysis (MD&A). The discussion and analysis beginning on page 16 provides an overview and analysis of the City's recent financial performance. This letter of transmittal is intended to complement the MD&A and should be read in conjunction with it.

PROFILE OF THE CITY

Geography and Demographics. The City of Rio Rancho is located in Sandoval County 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 Sunport, that provide service to the metropolitan area.

Rio Rancho is the third largest city in New Mexico. Between 2000 and 2010, the City's population increased from 51,765 to 87,521 (69%). As of 2016, the City's population was 96,028, according to the most recent estimates by the U.S. Census Bureau.

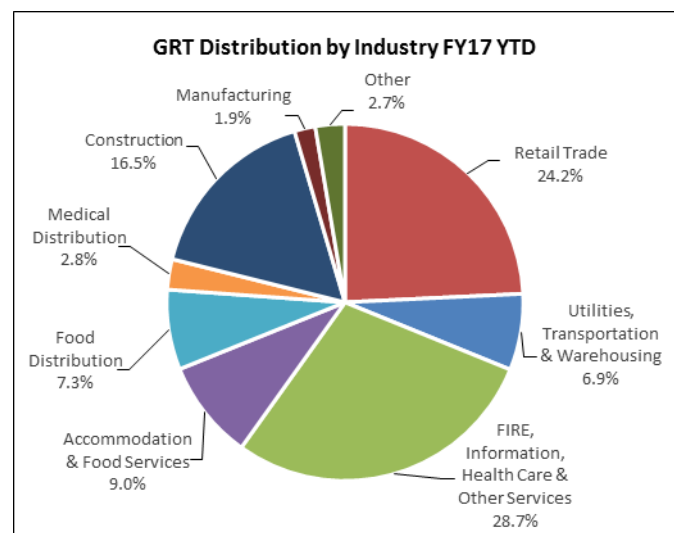


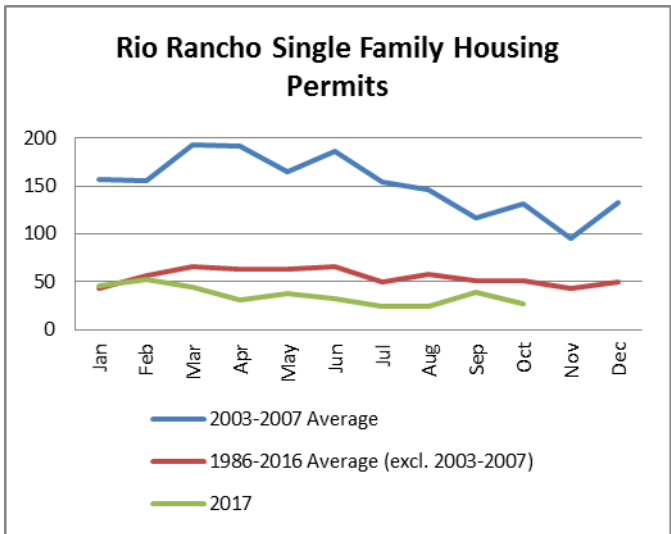
Government Structure. The City was incorporated in 1981 and adopted a municipal charter as a “home rule” city in 1991. The City has a hybrid Council/Manager form of government in which the Mayor is a member of the Governing Body. The City Manager is the Chief Administrative Officer, appointed by the Mayor subject to approval of the Governing Body.

The 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 include police and fire protection, emergency ambulance service, roads, water and wastewater services, parks and recreational activities, libraries, senior services, and general administrative services.

ECONOMIC CONDITION AND OUTLOOK

Local Economy. 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 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 2005. As economic growth slowed in 2008 and the economy entered a recession, Rio Rancho housing market activity declined sharply. Since the peak in 2005, the number of housing permits issued fell 90 percent to 301 in 2011. This weakness in housing construction translated into a significant drop in the City's gross receipts tax revenues and slowed the growth rate of City property tax revenues. Since 2012, tax revenues have somewhat stabilized, boosted by the construction of two hospitals and several new retail establishments in 2016. The City's elected officials and management continue to seek opportunities to diversify the City's economic base. Having a diverse mix of construction, retail, and service industries will help buffer the City's budget against future downturns in any one sector.

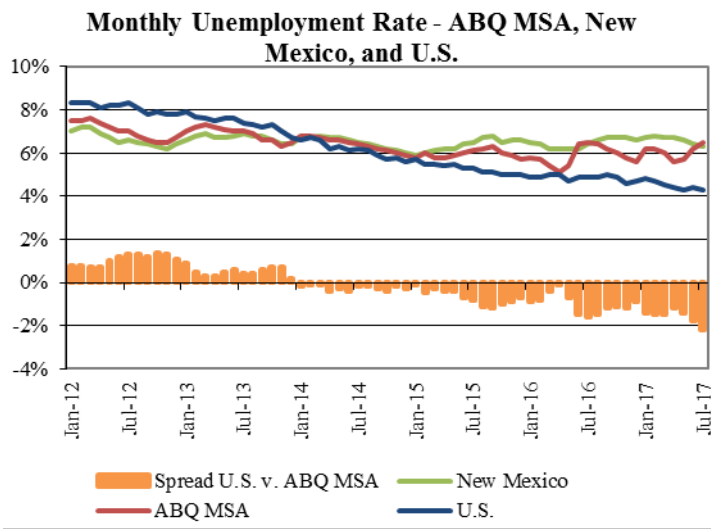




The City’s current financial condition reflects a local economy that has improved. However, the local economy is showing signs of slowing. Single-family building permits are declining in calendar year 2017 compared to 2016; gross receipts taxes are expected to decline 4.5% in fiscal year 2018. The reduction in GRT is due to a sluggish construction sector and declines in projections in the retail sector. Personal income growth is expected to average 3.0% in 2018, increase to 4.5 % in 2019 and then average 4.6% through 2022

The unemployment rate in the metro area has remained fairly steady for the past two years,

averaging 6.0% since 2015 going as low as 5.1% in April 2016 and as high as 6.5% in July of 2016 and again in July of 2017. The Bureau of Business and Economic Research expects employment growth to be positive but slow in the Albuquerque MSA. In the longer term, through 2022 (using 2018 as the base year), the Albuquerque MSA economy is forecasted to add 17,059 jobs at an average annual growth (AAG) rate of 1.1%. Sectors leading the job growth include the healthcare and social assistance sector (2.6% AAG) and the construction sector is forecasted to finally begin to add jobs at a consistent pace (2.7% AAG) as it continues to recover from the Great Recession. The accommodation and food services sector is forecast to performer well over the period. The retail trade sector is forecasted to add jobs and the professional and technical services sector should also contribute nicely.



Local Economic Growth Highlights. The local housing market is stable with an average of 478 housing permits being issued each calendar year (5-year average 2012-2016). During the past fiscal year, 485 new single-family home permits were issued. However, several housing projects are underway in the City, and it is expected that homebuilders will begin bringing new lots online in fiscal year 2018.

Several commercial and retail projects invested in Rio Rancho and opened their doors this past year in the Phase 3 section of the Plaza at Enchanted Hills. These include the following:

- PetSmart
- Ross
- Burkes Outlet
- Verizon

In FY 2017, Safelite Auto Glass opened their new contact center and began filling approximately 900 jobs that were located in Rio Rancho. A number of projects are anticipated in FY 2018 including a new multi-million dollar medical office space and assisted living facility. Also, significant public and private investments are being made to revitalize business corridors, remodel and make use of existing or vacant retail and commercial space. Finally, CNM Rio Rancho and UNM West Campus continue to expand their course and program offerings which attract approximately 2,700 students to the City Center area each semester.

The City continues to partner with Sandoval County to help fund the Sandoval Economic Alliance to help spur economic development in Rio Rancho and the surrounding areas, and funded a Retail Attraction Study to enable a more intensive and focused approach to bring retailers into the community.

Long-term Financial Planning and Policies. The General Fund ended fiscal year 2017 with an unassigned fund balance of \$16.5 million, which equals 31.1% of the fund's annual expenditures under the modified-accrual basis of accounting. On a budgetary basis, the General Fund's reserves ended the year at 28.2% of expenditures (including transfers out), which exceeds the State of New Mexico requirement of 1/12th (8.3%) of expenditures and is well above the City's stated policy target of 15%.

The City continues to budget and spend within its means. The fiscal year 2018 budget for the General Fund compared to actual fiscal year 2017 includes a \$1.1 million (1.9%) increase in expenditures and other uses. This includes a 2.4% cost of living increase for employees and 10% increase in health insurance premiums. For all other governmental funds, 2018 budgeted operating expenditures as compared to actual expenditures in fiscal 2017 are decreasing \$775,000 (3.2). The City's five-year infrastructure and capital improvement plan (ICIP) includes funding for critical transportation, utility, and equipment projects. The ICIP is a rolling five-year plan that identifies the City's most important capital needs and the funding sources that will be used to pay for the various projects. Finally, the budget includes sufficient resources to cover annual debt service requirements, and the City is in compliance with all of its debt covenants and obligations.

CERTIFICATE OF ACHIEVEMENT

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, 2016. This was the 12th consecutive year the City has received 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 both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. 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 GFOA to determine its eligibility for another certificate.

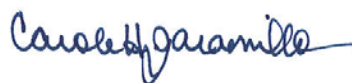
CONCLUSION

We believe this report provides useful information in evaluating the financial condition of the City. The preparation of this report is a team effort by the Department of Financial Services and other departments. We extend our appreciation for their ongoing commitment to excellence in financial reporting and for their continuing effort in providing pleasant and efficient service to the citizens of Rio Rancho.

Respectfully submitted,



Keith J. Riesberg
City Manager



Carole H. Jaramillo
Director of Financial Services



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

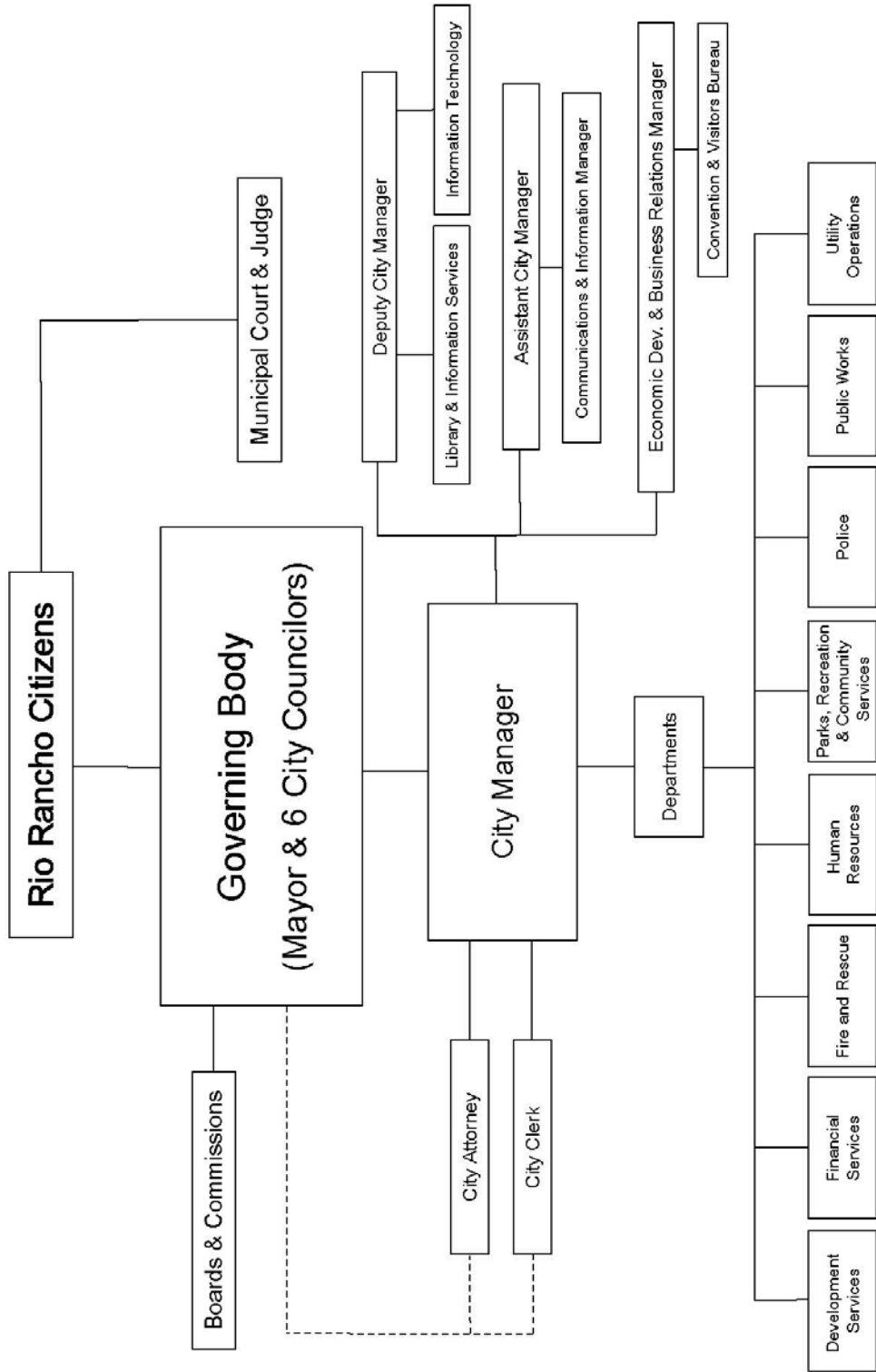
City of Rio Rancho
New Mexico

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

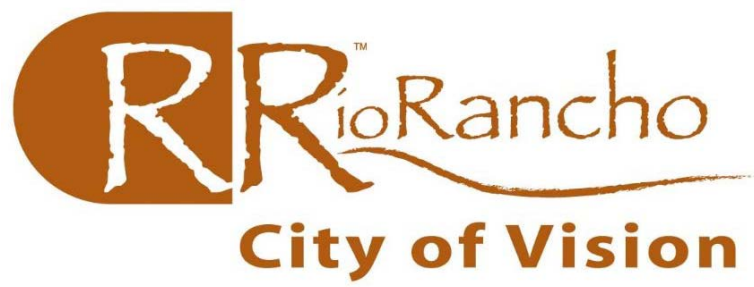
June 30, 2016

Executive Director/CEO

City of Rio Rancho Organizational Structure



Financial Section



INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members of the City Council
City of Rio Rancho, New Mexico
and Mr. Wayne A. Johnson, 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, and the aggregate remaining fund information and the budgetary comparison for the general fund of the City of Rio Rancho, New Mexico, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Board of Directors and Stockholders
City of Rio Rancho, New Mexico
and Mr. Wayne A. Johnson, New Mexico State Auditor

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 of Rio Rancho, New Mexico as of June 30, 2017, and the respective changes in financial position, the respective budgetary comparison for the general fund and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As discussed in Note 16 to the financial statements, during the year ended June 30, 2017, the City restated its government-wide net position to more appropriately present federal accounts receivable and construction in process balances. Our opinion is not modified with respect to these matters.

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 16 through 23 and the schedule of the City's proportionate share of the net pension liability and the schedule of the City's contributions on page 83 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 financial statements that collectively comprise the City of Rio Rancho, New Mexico's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The introductory and statistical sections, and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and other schedules required by 2.2.2 NMAC is also presented for purposes of additional analysis and is not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, the schedule of expenditures of federal awards, and other schedules required by 2.2.2 NMAC listed under Other Supplemental Information Required by the New Mexico State Auditor on the Table Of Contents 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

Board of Directors and Stockholders
City of Rio Rancho, New Mexico
and Mr. Wayne A. Johnson, New Mexico State Auditor

themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2017, on our consideration of the City of Rio Rancho, New Mexico's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the City of Rio Rancho, New Mexico's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Rio Rancho, New Mexico's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Albuquerque, New Mexico
December 15, 2017

CITY OF RIO RANCHO, NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2017

INTRODUCTION

The following is a discussion and analysis of the City of Rio Rancho's financial performance and activities for the year ended June 30, 2017. Please read it in conjunction with the transmittal letter in the Introductory Section of this report and with the financial statements that follow.

HIGHLIGHTS

Government-wide Level

- Combined net position increased \$9.8 million (2.2%) from the prior year due to increasing revenues in business-type activities and control of recurring expenditures.

Capital Assets and Long-term Liabilities

- The City added \$33.6 million in new capital assets including \$3.4 million in water rights purchases, major road improvements including Broadmoor Boulevard, Idalia Road, High Resort Boulevard, Sara Road and Southern Boulevard (design), water projects including the State's first aquifer reinjection facility, contributed capital totaling \$5.5 million, heavy equipment for road repairs, and replacement vehicles for the police department.
- In July, 2016 within the Utilities Enterprise Fund, the City advance refunded its outstanding Series 2008 Joint Utility Revenue Bonds and its outstanding 2003 New Mexico Environment Department (NMED) Clean Water State Revolving Fund (CWSRF) Loan as well as refunding and restructuring its outstanding 2009 NMED CWSRF Loan. This transaction, resulted in a total net present value savings of 2,546,887 on the three refunded/refinanced borrowings and a total average annual debt service savings of \$833,298. In addition to refunding, restructuring and refinancing the three previous borrowings, the City also borrowed an additional loan \$22.9 million to finance improvements to wastewater treatment infrastructure.
- As of June 30, 2017, the City's share of the New Mexico Public Employees Retirement Association (PERA) net pension liability, was \$82.1 million, which is 2.74% of PERA's total net pension liability.

Fund Level

- The General Fund ended the year with an unassigned fund balance of \$16.5 million, which equals 31% of the fund's annual expenditures and is well above the industry's recommended level of 15%.
- On a budgetary basis, General Fund revenues were \$1 million (1.7%) above budget and General Fund expenditures were \$2.4 million (4.2%) below the final budget.
- The Utility Fund net position increased \$11.8 million (5.7%) over the prior year and ended the year at \$217.5 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is an introduction to the City's Basic Financial Statements. The Basic Financial Statements include three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. In addition to the Basic Financial Statements, this report contains other required information, including combining statements, budget schedules, reports on federal grants, and a statistical section.

Government-wide Statements – Reporting the City as a Whole

The Statement of Net Position and the Statement of Activities comprise the government-wide financial statements. These statements provide a broad overview with a long-term focus of the City's finances as a whole and are prepared using the full-accrual basis of accounting, similar to private-sector companies. This means all revenues and expenses are recognized regardless of when cash is received or spent, and all assets and liabilities, including capital assets and long-term debt, are reported at the entity level. The government-wide statements report the City's net position and how it has changed from the prior year. Over time, increases and decreases in net position measure whether the City's overall financial condition is getting better or worse. In evaluating the government's overall condition, however, additional non-financial factors should be considered, such as the City's economic outlook, changes in its demographics, and the condition of its capital assets and infrastructure.

CITY OF RIO RANCHO, NEW MEXICO
MANAGEMENT’S DISCUSSION AND ANALYSIS
Year Ended June 30, 2017

The government-wide statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or most of their costs through user fees and charges (*business-type activities*). Rio Rancho’s governmental activities include general government, public safety, public works, parks and recreation, library services, community development, and economic development programs. The City has two business-type activities that include a water/waste water utility and a multi-purpose events center.

Fund Financial Statements – Reporting the City’s Most Significant Funds

The fund financial statements provide detailed information about individual major funds, not the City as a whole. A fund is a group of related accounts that the City uses to keep track of specific resources that are segregated for a specific purpose. Some funds are required by law to exist, while others are established internally to maintain control over a particular activity. The City’s funds are divided into three types:

Governmental Funds – Most of the City’s basic services are accounted for in governmental funds and are essentially the same functions reported as governmental activities in the government-wide statements. Governmental funds use the modified-accrual basis of accounting, which measures the flow of current financial resources that can be converted to cash and the balances left at year-end that are available for future spending. This short-term view of the City’s financial position helps determine whether the City has sufficient resources to cover expenditures in the near future.

Under New Mexico Administrative Code Section 2.2.2, governments in New Mexico must include the budgetary comparison statement for the General Fund and major special revenue funds as a component of the fund financial statements within the Basic Financial Statements.

Proprietary Funds – Rio Rancho uses two different types of proprietary funds. *Enterprise funds* are used to report the same activities presented as *business-type activities* in the government-wide financial statements. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City’s various functions. The City maintains two internal service funds to account for its self-funded employee health and dental insurance activities. Because these services predominantly benefit governmental rather than business-type activities, they are included with *governmental activities* in the government-wide statements.

Fiduciary Funds – Fiduciary funds account for resources held for the benefit of parties outside the government. Fiduciary funds use full-accrual accounting, but they are not included in the government-wide statements because the assets in these funds are not available to finance the City’s own programs.

Reconciliation Between Government-wide and Fund Statements

The financial statements include schedules that reconcile the amounts reported for governmental activities on the government-wide statements with amounts reported on the governmental fund statements. Following are some of the major differences between the two statements:

- Capital assets, long-term debt, and pension liabilities are included on the government-wide statements but are not included on the governmental fund statements.
- Capital spending produces assets on the government-wide statements but is considered an expenditure on the governmental fund statements.
- Delinquent property tax revenues that are owed to the City but not yet collected are reported as revenue on the government-wide statements but are deferred inflows on the governmental fund statements.

Notes to the Financial Statements

The notes provide additional information that is essential to a complete understanding of the financial statements, and they apply to both the government-wide and fund financial statements.

Required Supplementary Information

This section includes required information related to the City’s pension plans.

Supplementary Information

This section includes combining statements for the City’s nonmajor governmental funds, budgetary comparison schedules for all funds other than the General Fund, and statutorily required schedules related to the City’s cash and investment balances, state appropriations, vendors, and interlocal agreements between the City and other governmental entities.

CITY OF RIO RANCHO, NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2017

Statistical Information

This section provides up to ten years of financial, economic, and demographic information about the City.

Single Audit Section

This section reports on the City's expenditures of federal awards and is required by federal and state statutes.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Net Position

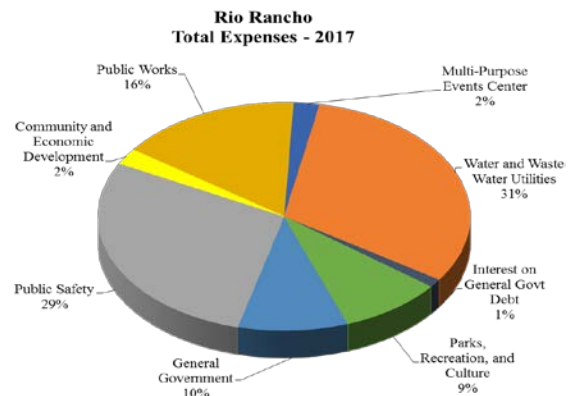
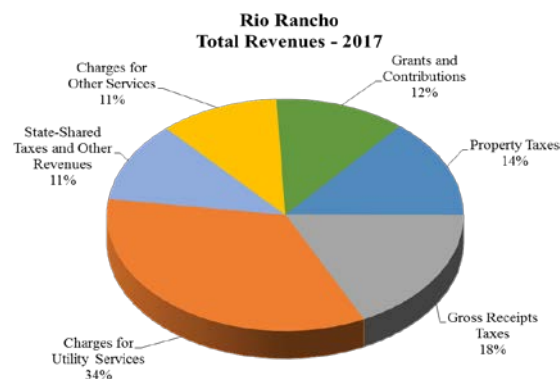
The largest component of the City's net position is composed of *capital assets* (land, buildings, equipment, roads, and other infrastructure), net of all outstanding debt that was issued to buy or build those assets. As capital assets, these resources are not available for future spending, nor can they be readily liquidated to pay off the related liabilities. Resources needed to repay capital-related debt must be provided from other sources.

Restricted net position comprises 6.7% of total net position and is subject to external restrictions on how the resources may be used. The remaining balance of net position is *unrestricted* and may be used at the City's discretion to meet its ongoing obligations to citizens and creditors. The following table compares the current year's net position to the prior year.

	City of Rio Rancho Net Position as of June 30					
	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Current and Other Assets.....	\$ 46,042,818	\$ 52,747,781	\$ 63,845,013	\$ 39,822,503	\$ 109,887,831	\$ 92,570,284
Capital Assets.....	275,732,497	274,731,509	335,808,729	333,274,860	611,541,226	608,006,369
Total Assets.....	321,775,315	327,479,290	399,653,742	373,097,363	721,429,057	700,576,653
Total Deferred Outflows of Resources.....	25,548,174	7,809,401	9,773,437	8,898,549	35,321,611	16,707,950
Current and Other Liabilities.....	12,533,512	15,123,105	13,203,520	12,550,513	25,737,032	27,673,618
Long-term Liabilities.....	119,818,175	102,281,928	164,000,472	146,854,919	283,818,647	249,136,847
Total Liabilities.....	132,351,687	117,405,033	177,203,992	159,405,432	309,555,679	276,810,465
Total Deferred Inflows of Resources.....	1,214,425	1,169,562	41,664	40,973	1,256,089	1,210,535
Net Position:						
Net Investment in Capital Assets.....	236,219,807	234,227,258	196,738,317	184,486,885	432,958,124	418,714,143
Restricted.....	24,423,773	18,491,028	5,488,791	7,087,740	29,912,564	25,578,768
Unrestricted.....	(46,886,203)	(36,004,190)	29,954,415	30,974,882	(16,931,788)	(5,029,308)
Total Net Position.....	\$ 213,757,377	\$ 216,714,096	\$ 232,181,523	\$ 222,549,507	\$ 445,938,900	\$ 439,263,603
Percent change from prior year	(1.4)%	0.3%	4.3%	6.0%	1.5%	2.0%

Changes in Net Position

The City's combined net position increased by \$9.6 million (2.2%) from the prior year. Net position of governmental activities decreased \$2.1 million (1%) while net position of business-type activities increased \$11.7 million (5.3%). The following charts and schedules summarize the City's revenues and expenses relative to each other and to the prior year.



CITY OF RIO RANCHO, NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2017

City of Rio Rancho Changes in Net Position For the Year Ended June 30							
	Governmental Activities		Business-type Activities		Total		Total Percent Change 2016 to 2017
	2017	2016	2017	2016	2017	2016	
Revenues							
General Revenues:							
Taxes.....	\$ 44,968,868	\$ 44,019,259	\$ —	\$ —	\$ 44,968,868	\$ 44,019,259	2.2 %
Other General Revenues.....	14,709,543	13,523,924	215,419	45,744	14,924,962	13,569,668	10.0
Program Revenues:							
Charges for Services.....	14,718,226	12,825,188	48,451,522	43,514,451	63,169,748	56,339,639	12.1
Operating Grants.....	2,617,284	6,078,377	4,293,003	2,956,864	6,910,287	9,035,241	(23.5)
Capital Grants.....	8,461,804	10,335,132	1,312,903	3,685,168	9,774,707	14,020,300	(30.3)
Total Revenues	85,475,725	86,781,880	54,272,847	50,202,227	139,748,572	136,984,107	2.0
Expenses							
General Government.....	12,432,806	12,223,084	—	—	12,432,806	12,223,084	1.7
Public Safety.....	37,240,153	33,857,302	—	—	37,240,153	33,857,302	10.0
Public Works.....	20,649,955	16,201,872	—	—	20,649,955	16,201,872	27.5
Parks, Recreation, and Culture.....	11,564,343	10,132,443	—	—	11,564,343	10,132,443	14.1
Community and Econ. Development...	2,934,292	2,710,890	—	—	2,934,292	2,710,890	8.2
Interest on General Govt Debt.....	1,587,696	1,595,512	—	—	1,587,696	1,595,512	(0.5)
Water and Waste Water Utilities.....	—	—	40,596,342	34,703,938	40,596,342	34,703,938	17.0
Multi-Purpose Events Center.....	—	—	2,923,681	2,955,425	2,923,681	2,955,425	(1.1)
Total Expenses	86,409,245	76,721,103	43,520,023	37,659,363	129,929,268	114,380,466	13.6
Transfers.....	(968,315)	(988,745)	968,315	988,745	—	—	
Change in Net Position.....	(1,901,835)	9,072,032	11,721,139	13,531,609	9,819,304	22,603,641	
Net Position - Beginning.....	216,714,096	207,642,064	222,549,507	209,017,898	439,263,603	416,659,962	
Restatement.....	(1,054,884)	—	(2,089,123)	—	(3,144,007)	—	
Net Position - Beginning, as restated.....	215,659,212	207,642,064	220,460,384	209,017,898	436,119,596	416,659,962	
Net Position - Ending.....	\$ 213,757,377	\$ 216,714,096	\$ 232,181,523	\$ 222,549,507	\$ 445,938,900	\$ 439,263,603	1.5 %

Governmental Activities

In total, actual revenues for all governmental activities decreased \$1.3 million (1.5%) from the prior year. The overall decrease is the net result of increases and decreases in the various sources of funding. Operating and capital grants decreased \$5.5 million (33.7%) primarily because large grant funded projects were completed or largely completed in the prior year. Total property tax revenue increased \$885,000 due to a combination of new properties and improvements added to the tax rolls, a modest 1.0 percent inflationary factor applied under New Mexico's "yield control" formula, and changes for debt service. Gross receipts taxes and state shared taxes remained consistent with fiscal year 2016. Other general revenues increased in the areas of investment income and fines and forfeitures. Charges for services increased in the areas of ambulance billing and recreation activity fees as well as a modification to the presentation of internal service funds activity.

Total governmental expenses increased \$9.7 million (12.6%) over the prior year. All categories of activity increased with the exception of Interest on Long-Term Debt which remained flat. A 1.5 percent wage increase was given to City personnel. In addition, changes to bargaining unit contracts within Public Safety function resulted in an increase to personnel costs of \$1.8 million. Public Works increased \$4.4 million (27.5%) over the prior year primarily due to large road improvement projects and increases to road repair and maintenance activities. Parks, Recreation and Culture increased \$1.4 million (14.1%) due to increases to park maintenance activities, utilities expenses and library materials.

The following table shows to what extent the City's governmental activities relied on self-generated revenues to cover program costs. For 2017, these activities covered \$25.6 million (29.6%) of their total expenses through grants and charges for services. Taxes and other general revenues covered the remaining 70.4% of expenses.

City of Rio Rancho Net Cost of Governmental Activities For the Year Ended June 30						
Activities:	Program Expenses 2017	Less Program Revenues 2017	Net Program Costs		Program Revenues as a Percentage of Program Expenses	
			2017	2016	2017	2016
General Government.....	\$ 12,432,806	\$ (6,582,552)	\$ 5,850,254	\$ 6,347,655	52.9 %	48.1 %
Public Safety.....	37,240,153	(6,334,874)	30,905,279	25,663,009	17.0	24.2
Public Works.....	20,649,955	(6,603,621)	14,046,334	7,748,589	32.0	52.2
Parks, Recreation, and Culture.....	11,564,343	(3,839,844)	7,724,499	5,539,805	33.2	45.3
Community and Economic Development....	2,934,292	(2,436,423)	497,869	587,836	83.0	78.3
Interest on Long-term Debt.....	1,587,696	—	1,587,696	1,595,512	—	—
Total Governmental Activities.....	\$ 86,409,245	\$ (25,797,314)	\$ 60,611,931	\$ 47,482,406	29.9 %	38.1 %

CITY OF RIO RANCHO, NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2017

Business-type Activities

Overall, net position for business-type activities increased \$11.7 million (5.3%) and ended the year at \$232.2 million. Following is a summary of activities within the Utility and Multi-Purpose Events Center functions.

Water and Waste Water Utility. Early in 2013, the Governing Body implemented of a series of annual water and wastewater rate increases over five years to provide sufficient funds for rising operating and maintenance costs, and to support non-growth related capital projects. Fiscal year 2017 was the fifth and final year of these rate increases. Utility operating revenues grew \$4.8 million (11.3%) in fiscal year 2017 due in part to rate increases, but also because of modest account growth (1.4%) and an uptick in consumption (7.6%).

Total Utility production cost expenses decreased \$1 million (5.4%) for various reasons including: the contract services for Supervisory Control and Data Acquisition (SCADA) support and a system upgrade study was completed in the prior year and those expenses did not recur in fiscal year 2017, there were lower utilities costs, lower costs for water production consumable supplies, lower repair and maintenance costs for transmission and distribution compared to the prior year. Net position increased \$11.8 million (5.7%) and ended the year at \$217.5 million.

Multi-Purpose Events Center (MPEC). Operating revenues for the MPEC increased by \$65,200 (26.6%) due to an increase in events held at the facility and better concession sales. Operating expenses increased \$3,100 (0.2%) compared to the prior year. Net position of the MPEC Fund decreased \$32,306 (0.2%) to end the year at \$14.7 million.

CAPITAL ASSETS, LONG-TERM DEBT, AND PENSIONS

Capital Assets

The City added \$33.6 million in new capital assets including \$3.4 million in water rights purchases, major road improvements including Broadmoor Boulevard, Idalia Road, High Resort Boulevard, Sara and Southern Boulevard (design), water projects including the State's first aquifer reinjection facility, contributed capital totaling \$5.5 million, heavy equipment for road repairs, and replacement vehicles for the police department.

The City ended the year with \$34.7 million of projects still under various phases of design or construction including a booster station at tank #8, the Los Montoyas Arroyo sewer line project, a storage tank for recycled water, Broadmoor Boulevard extension, reconstruction of Idalia Road from NM528 to Iris Road, High Resort Boulevard reconstruction and water line improvements, and the "A Park Above" project in the Cabezon Area.

The City's total capital assets ended the year at \$611.5 million, an increase of \$3.5 million (0.6%) over the prior year due mostly to right of way and water rights acquisitions, purchase of equipment and machinery, and depreciation of existing assets. Note 8 provides more information about the City's capital assets.

At the end of fiscal year 2017, the City undertook a review of assets classified as construction in progress. This review resulted in identification of 18 construction projects in process, in the aggregate amount of \$26,400,000, which should have been placed in service or written off in prior years. A restatement entry was prepared to reduce the FY17 beginning governmental activities net position by \$1,965,634, and utilities fund net position by \$2,089,123, for an aggregate adjustment of \$4,054,757.

Long-term Debt

In July, 2016 within the Utilities Enterprise Fund, the City advance refunded its outstanding Series 2008 Joint Utility Revenue Bonds and its outstanding 2003 New Mexico Environment Department (NMED) Clean Water State Revolving Fund (CWSRF) Loan as well as refunding and restructuring its outstanding 2009 NMED CWSRF Loan. This transaction, resulted in a total net present value savings of \$2,546,887 on the three refunded/refinanced borrowings and a total average annual debt service savings of \$833,298. In addition to refunding, restructuring and refinancing the three previous borrowings, the City also borrowed an additional loan \$22.9 million to finance improvements to wastewater treatment infrastructure.

No new governmental debt was issued during fiscal year 2017.

CITY OF RIO RANCHO, NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2017

Pensions

In FY15, the City implemented new accounting standards related to pensions. The new standards require the City to report its proportionate share of the New Mexico Public Employees Retirement Association (PERA) net pension liability. For fiscal year 2017, the City's share was \$79.4 million for governmental activities and \$2.7 million for business-type activities. Adding these liabilities to the Statement of Net Position resulted in a deficit unrestricted net position for governmental activities of \$47.1 million and \$36.0 million in fiscal year 2017 and 2016 respectively, while the business-type activities / Utility Enterprise Fund had sufficient unrestricted net position to absorb its share of the liability. The City's net pension liability was calculated based on information provided by PERA, state statutes governing benefit levels and contribution rates, as well as several assumptions adopted by the PERA Board of Directors, in conformance with GASB standards. The City does not control or influence any of the factors that determine the City's net pension liability except to the extent the City hires employees who are covered by one of PERA's pension plans.

The following table presents changes in the City's long-term obligations relative to the prior year. Note 9 provides more details on the City's long-term debt.

City of Rio Rancho							
Long-term Liabilities							
as of June 30							
	Governmental		Business-type		Total		Total Percent Change
	Activities		Activities		Total		
	2017	2016	2017	2016	2017	2016	2016 to 2017
General Obligation Bonds, net....	\$ 21,152,337	\$ 24,594,126	\$ —	\$ —	\$ 21,152,337	\$ 24,594,126	(14.0) %
GRT Revenue Bonds, net.....	11,850,311	13,124,725	25,385,000	26,750,000	37,235,311	39,874,725	(6.6)
Utility Revenue Bonds, net.....	—	—	129,151,112	86,768,055	129,151,112	86,768,055	48.8
Notes Payable.....	11,425,125	12,775,719	16,423,197	41,050,115	27,848,322	53,825,834	(48.3)
Compensated Absences.....	4,760,806	4,562,123	105,460	85,509	4,866,266	4,647,632	4.7
Net Pension Liability.....	79,407,226	55,732,750	2,724,298	1,594,062	82,131,524	57,326,812	43.3
Total.....	\$ 128,595,805	\$ 110,789,443	\$ 173,789,067	\$ 156,247,741	\$ 302,384,872	\$ 267,037,184	13.2 %

FINANCIAL ANALYSIS OF THE CITY'S GOVERNMENTAL FUNDS

Fund Balances

At June 30, the City's governmental funds reported combined fund balances of \$40.5 million, a decrease of \$2.4 million (5.7%) from 2016. Of the total fund balances, \$24.4 million (60.3%) is restricted for various purposes, such as debt service and future capital projects, and is therefore unavailable for discretionary spending. The remaining \$16.1 million (39.7%) is unassigned and available for new spending. The following table presents the City's 2017 ending governmental fund balances.

City of Rio Rancho					
Governmental Fund Balances					
June 30, 2017					
	General	Special	Debt	Capital	Total
	Fund	Revenue	Service	Projects	
	Funds	Funds	Funds	Funds	Total
Restricted.....	\$ —	\$ 12,585,165	\$ 4,660,019	\$ 7,178,589	\$ 24,423,773
Unassigned.....	16,464,883	(153,563)	—	(15,310)	16,296,010
Total.....	\$ 16,464,883	\$ 12,431,602	\$ 4,660,019	\$ 7,163,279	\$ 40,719,783
Percent change from prior year....	2.8%	10.6%	5.2%	(36.5)%	(5.2)%

CITY OF RIO RANCHO, NEW MEXICO
MANAGEMENT’S DISCUSSION AND ANALYSIS
Year Ended June 30, 2017

General Fund

During 2017, fund balance in the General Fund increased \$453,000 (2.8%) mostly due to higher than expected tax revenues and as well as higher than expected charges for services in the areas of ambulance billing and parks and recreation activities fees. **This increase is 34.0 percent smaller than the \$686,000 fund balance increase in fiscal year 2016.**

Revenues. Municipal and state-shared gross receipts taxes remained consistent with the prior year. Property tax revenues grew \$457,000 (3.0%) due to a combination of new properties and improvements added to the tax rolls by the county assessor and a modest 1.0 percent inflationary factor applied under New Mexico’s “yield control” formula. In total, General Fund revenues increased \$ 360,000 (0.6%) over the prior year.

Expenditures and Transfers. Total expenditures increased \$2.2 million (4.3%) and transfers made to other funds decreased by 1.6 million (27.2%) in fiscal year 17. Personnel expenditures increased because of a variety of factors. The City gave a 1.5% wage increase to staff, and public safety personnel saw a larger increase due to changes negotiated in their bargaining unit contracts. Transfers were significantly less than in the prior fiscal year because the match for a grant to reconstruct Southern Boulevard was transferred in fiscal year 2016 and did not recur in fiscal year 2017.

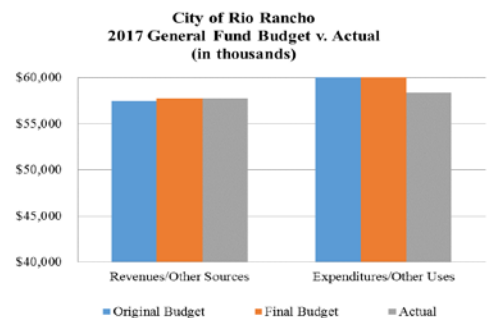
Budgetary Highlights. On a budgetary (cash) basis, the original 2017 General Fund budget estimated a \$2.7 million decrease in fund balance; however, fund balance increased \$600,000 due to higher than expected gross receipts tax revenues, franchise fees, property taxes and higher than expected charges for services. The City continues to carefully manage expenditures which also contributes to the increase in fund balance. Following are major amendments to the General Fund budget and comparisons of actual results to the budget for the fiscal year:

- General Fund revenues were \$1 million (1.7%) higher than the final budget projected mostly due to gross receipts tax revenue in main trades such as construction and retail which surpassed projections. Commercial construction of new retail space is the primary factor. Franchise fees and charges for services in the areas of ambulance services and parks and recreation activities fees also contributed to the positive variance.
- Actual franchise tax revenues were \$100,000 (3.1%) more than projected.
- Fines and forfeitures revenue estimates were lowered \$58,500 (6%) during the year after analysis of collections indicated revenues would be less than originally expected. Actual fines and forfeitures revenues were \$16,000 (1.7%) below the revised estimate. Ongoing collection efforts have not resulted in a significant increase in delinquent fines.
- Actual Property tax revenues were \$92,000 (.6%) more than projected.
- Construction related revenues other than GRT were less than estimated by \$42,000 (2.3%).

On a budgetary basis, total General Fund revenues were \$1.2 million (2.2%) above the original budget and \$1 million (1.7%) above the final budget. Total expenditures were \$921,000 (1.7%) and \$2.4 million (4.2%) below the original and final budgets, respectively. The budgetary comparison statement on page 32 presents budget-to-actual results for all major revenue sources in, and each function of, the General Fund. The statement also reconciles the City’s budgetary-basis revenues and expenditures to amounts reported in the financial statements on a modified-accrual basis.

Nonmajor Governmental Funds

The City’s nonmajor governmental fund balances decreased a total of \$2.9 million (10.7%), mostly in the capital project funds due to moving forward with a number of significant road projects. Following are the most significant activities within the City’s nonmajor governmental funds.



CITY OF RIO RANCHO, NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2017

Special Revenue Funds. Special Revenue expenses decreased \$1.1 million (8.0%) from prior year due to reductions in public safety grants for operating and capital compared to the prior fiscal year as well as the phase out of the DWI Seized Vehicle Program. In fiscal year 2016 the City received one-time funding for its E-911 emergency communications center to upgrade equipment and make improvements to the communications system.

Fund balances of all special revenue funds ended the year at \$12.4 million, most of which is restricted for the specific purposes of the funds in which the balances reside.

Debt Service Funds. Debt service expenditures increased \$201,000 (3.2%) primarily due to the issuance of new general obligation debt in fiscal year 2016 the debt service of which did not begin until fiscal year 2017. Fund balances ended the year at \$4.7 million, all of which is restricted for future debt service payments.

Capital Projects Funds. Total capital projects funds expenditures decreased 1.5 million (12.2%) from the prior year due to receipts of one-time federal and state funds in the Infrastructure and Enhanced 9-11 funds in the prior year. Major projects included road construction or improvement projects including Broadmoor Boulevard, Idalia Road, High Resort Boulevard, Sara Road and Southern Boulevard design. In addition, final construction activities at "A Park Above" was undertaken. Fund balances ended the year at \$7.0 million, all of which is restricted for specific projects.

During review of Federal grant expenditures to prepare the City's fiscal year 2017 Schedule of Expenditure of Federal Awards (SEFA) City staff determined that accruals for amounts due from federal grants were not recorded in fiscal year 2016.

FINANCIAL ANALYSIS OF THE CITY'S PROPRIETARY FUNDS

Results of operations for the City's two enterprise funds were explained above under the heading "Business-type Activities." Internal service fund activities for 2017 were as follows.

Health Self-Insurance Fund

Expenses for claims and administration expenses increased \$567,000 (10%) over the prior year due to unusually high claims activity during the year. Revenues increased \$96,000 (1.7%) due to changes in enrollment. Net position of the health insurance fund ended the year at \$638,000. The City implemented a 10% increase in health insurance premiums for both the City and employees for fiscal year 2018 in an effort to bolster the health insurance funds reserves.

Dental Self-Insurance Fund

Charges to departments and employees for dental insurance increased 6,500 (1.2%) due to changes in enrollment. Expenses for claims and administration expenses decreased \$3,100 (0.7%) due to reduced claims activity, and net position increased 77,000 (83%) to end the year at \$169,563.

OTHER MATTERS

The following issues may impact Rio Rancho's future financial position:

On October 6, 2017 the City closed on the advance refunding and refinancing of two New Mexico Finance Authority (NMFA) loans: the HP Infrastructure Project Loan and the High School Infrastructure Project Loan. These loans were initially entered into with NMFA in December of 2008. The refunded HP Infrastructure Loan which pledges revenue from the Municipal Gross Receipts Tax has a par amount of \$3,515,000 and resulted in a net present value savings of \$393,736 with an average annual debt service savings of \$39,083. The refunded High School Infrastructure Loan which pledges revenue from the State Shared Gross Receipts Tax has a par amount of \$3,370,000 and resulted in a net present value savings of \$385,992 with an average annual debt service savings of \$38,375. Each of these loans is governmental debt and will result in a savings to the City's general fund.

REQUESTS FOR INFORMATION

This financial report is designed to provide citizens, taxpayers, and creditors with a general overview of Rio Rancho's finances and to demonstrate the City's accountability for the money it receives. Questions concerning any of the information in this report, or any other matters related to the City's budget and finances, should be addressed to the Rio Rancho Department of Financial Services, 3200 Civic Center Circle SE, Rio Rancho, New Mexico 87144.



Basic Financial Statements

CITY OF RIO RANCHO, NEW MEXICO

Statement of Net Position June 30, 2017

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Investments.....	\$ 31,472,585	\$ 25,754,083	\$ 57,226,668
Receivables:			
Accounts, net.....	1,179,040	6,675,781	7,854,821
Property Taxes.....	602,095	—	602,095
Gross Receipt Taxes.....	3,728,946	—	3,728,946
Due From Other Governments.....	4,154,918	376,196	4,531,114
Prepaid Bond Insurance.....	36,462	369,559	406,021
Restricted Cash.....	4,868,772	30,669,394	35,538,166
Capital Assets:			
Land.....	65,273,819	53,801,796	119,075,615
Construction-in-Progress.....	22,400,225	12,334,259	34,734,484
Infrastructure.....	309,234,618	192,637,443	501,872,061
Buildings and Improvements.....	54,646,923	100,033,439	154,680,362
Land Improvements.....	17,587,267	15,148,153	32,735,420
Machinery and Equipment.....	30,079,190	55,925,629	86,004,819
Less: Accumulated Depreciation.....	(223,489,545)	(94,071,990)	(317,561,535)
Total Capital Assets.....	<u>275,732,497</u>	<u>335,808,729</u>	<u>611,541,226</u>
Total Assets.....	<u>321,775,315</u>	<u>399,653,742</u>	<u>721,429,057</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amount on Bond Refundings.....	699,639	5,708,294	6,407,933
Deferred Pension Plan Items.....	24,848,535	852,502	25,701,037
Excess Consideration Provided for Acquisition.....	—	3,212,641	3,212,641
Total Deferred Outflows of Resources.....	<u>25,548,174</u>	<u>9,773,437</u>	<u>35,321,611</u>
LIABILITIES			
Accounts Payable	2,172,014	1,611,053	3,783,067
Accrued Liabilities.....	1,560,922	820,189	2,381,111
Unearned Revenue.....	22,946	—	22,946
Deposits.....	—	983,683	983,683
Long-term Liabilities:			
Due Within One Year.....	8,777,630	9,788,595	18,566,225
Due in More Than One Year.....	40,410,949	161,276,174	201,687,123
Net Pension Liability.....	79,407,226	2,724,298	82,131,524
Total Liabilities.....	<u>132,351,687</u>	<u>177,203,992</u>	<u>309,555,679</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Pension Plan Items.....	1,214,425	41,664	1,256,089
Total Deferred Inflows of Resources.....	<u>1,214,425</u>	<u>41,664</u>	<u>1,256,089</u>
NET POSITION			
Net Investment in Capital Assets.....	236,219,807	196,738,317	432,958,124
Restricted for:			
Debt Service.....	5,313,347	5,488,791	10,802,138
Capital Improvements.....	15,025,473	—	15,025,473
Other.....	4,084,953	—	4,084,953
Unrestricted.....	(46,886,203)	29,954,415	(16,931,788)
Total Net Position.....	<u>\$ 213,757,377</u>	<u>\$ 232,181,523</u>	<u>\$ 445,938,900</u>

See accompanying Notes to the Schedule.

CITY OF RIO RANCHO, NEW MEXICO

Statement of Activities Year Ended June 30, 2017

Activities:	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services and Court Fines	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary Government:							
Governmental Activities:							
General Government.....	\$ 12,432,806	\$ 6,399,036	\$ 68,378	\$ 115,138	\$ (5,850,254)	\$ —	\$ (5,850,254)
Public Safety.....	37,240,153	4,033,054	1,697,123	604,697	(30,905,279)	—	(30,905,279)
Public Works.....	20,649,955	196,666	414,659	5,992,296	(14,046,334)	—	(14,046,334)
Parks, Recreation, and Culture.....	11,564,343	1,653,047	437,124	1,749,673	(7,724,499)	—	(7,724,499)
Community and Economic Development.....	2,934,292	2,436,423	—	—	(497,869)	—	(497,869)
Interest on Long-Term Debt.....	1,587,696	—	—	—	(1,587,696)	—	(1,587,696)
Total Governmental Activities..	<u>86,409,245</u>	<u>14,718,226</u>	<u>2,617,284</u>	<u>8,461,804</u>	<u>(60,611,931)</u>	<u>—</u>	<u>(60,611,931)</u>
Business-type Activities:							
Water and Waste Water Utilities..	40,596,342	48,111,159	2,714,710	1,312,903	—	11,542,430	11,542,430
Multi-Purpose Events Center.....	2,923,681	340,363	1,578,293	—	—	(1,005,025)	(1,005,025)
Total Business-type Activities..	<u>43,520,023</u>	<u>48,451,522</u>	<u>4,293,003</u>	<u>1,312,903</u>	<u>—</u>	<u>10,537,405</u>	<u>10,537,405</u>
Total Primary Government.....	<u>\$ 129,929,268</u>	<u>\$ 63,169,748</u>	<u>\$ 6,910,287</u>	<u>\$ 9,774,707</u>	<u>(60,611,931)</u>	<u>10,537,405</u>	<u>(50,074,526)</u>
General Revenues and Transfers:							
Taxes:							
Property Taxes, General Purpose.....					15,347,659	—	15,347,659
Property Taxes, Debt Service.....					4,136,205	—	4,136,205
Gross Receipt Taxes.....					22,003,220	—	22,003,220
Franchise Taxes.....					3,481,784	—	3,481,784
Total Taxes.....					<u>44,968,868</u>	<u>—</u>	<u>44,968,868</u>
Unrestricted Grants, Aid, and State-Shared Revenue.....					14,205,985	—	14,205,985
Unrestricted Investment Income.....					50,791	215,419	266,210
Miscellaneous.....					452,767	—	452,767
Transfers.....					(968,315)	968,315	—
Total General Revenues and Transfers.....					<u>58,710,096</u>	<u>1,183,734</u>	<u>59,893,830</u>
Change in Net Position.....					(1,901,835)	11,721,139	9,819,304
Net Position - Beginning.....					216,714,096	222,549,507	439,263,603
Restatement (see Note 16).....					(1,054,884)	(2,089,123)	(3,144,007)
Net Position - Beginning, as restated.....					<u>215,659,212</u>	<u>220,460,384</u>	<u>436,119,596</u>
Net Position - Ending.....					<u>\$ 213,757,377</u>	<u>\$ 232,181,523</u>	<u>\$ 445,938,900</u>

See accompanying Notes to the Schedule.

CITY OF RIO RANCHO, NEW MEXICO

Balance Sheet Governmental Funds June 30, 2017

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and Cash Equivalents.....	\$ 11,410,307	\$ 18,258,825	\$ 29,669,132
Receivables:			
Accounts, net.....	1,052,854	126,186	1,179,040
Property Taxes.....	474,958	127,137	602,095
Gross Receipt Taxes.....	3,112,614	616,332	3,728,946
Due From Federal Government.....	1,825,436	1,454,229	3,279,665
Due From State Government.....	45,136	830,117	875,253
Due From Other Funds.....	582,181	—	582,181
Restricted Investments.....	—	4,868,772	4,868,772
Total Assets.....	<u>\$ 18,503,486</u>	<u>\$ 26,281,598</u>	<u>\$ 44,785,084</u>
LIABILITIES			
Accounts Payable.....	\$ 571,776	\$ 603,854	\$ 1,175,630
Accrued Liabilities.....	1,132,657	75,024	1,207,681
Due To Other Funds.....	—	582,181	582,181
Unearned Revenue.....	—	22,946	22,946
Total Liabilities.....	<u>1,704,433</u>	<u>1,284,005</u>	<u>2,988,438</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue - Property Taxes.....	334,170	89,097	423,267
Unavailable Revenue - Intergovernmental.....	—	653,596	653,596
Total Deferred Inflows of Resources.....	<u>334,170</u>	<u>742,693</u>	<u>1,076,863</u>
FUND BALANCES			
Restricted.....	—	24,423,773	24,423,773
Unassigned.....	16,464,883	(168,873)	16,296,010
Total Fund Balances.....	<u>16,464,883</u>	<u>24,254,900</u>	<u>40,719,783</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances.....	<u>\$ 18,503,486</u>	<u>\$ 26,281,598</u>	<u>\$ 44,785,084</u>

See accompanying Notes to the Schedule.

CITY OF RIO RANCHO, NEW MEXICO

Reconciliation of the Balance Sheet — Governmental Funds to the Statement of Net Position June 30, 2017

Total Fund Balances – Governmental Funds..... \$ 40,719,783

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds, but they are reported in the Statement of Net Position. Capital assets consist of the following:

Land.....	\$ 65,273,819	
Infrastructure.....	309,234,618	
Other capital assets.....	124,713,605	
Accumulated depreciation.....	(223,489,545)	275,732,497
		<hr/>

Some of the City's revenues will be collected after year-end but are not available soon enough to pay for the current year's expenditures and therefore are reported as unavailable revenue in governmental funds.....

Property Taxes.....	423,267	
Intergovernmental.....	653,596	1,076,863
		<hr/>

A liability for accrued interest on long-term debt is not reported in governmental funds because interest payments are not due at June 30, but the liability is reported for governmental activities on the Statement of Net Position.....

(353,241)

The City uses internal service funds to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are reported with governmental activities in the Statement of Net Position.....

807,069

Some liabilities and deferred outflows/inflows of resources are not reported in governmental funds, but they are reported in the Statement of Net Position. These amounts consist of the following:

Bonds and notes payable.....	(42,820,125)	
Unamortized premiums and discounts on bonds.....	(1,607,648)	
Deferred amount on bond refundings.....	699,639	
Prepaid bond insurance costs.....	36,462	
Net pension liability.....	(79,407,226)	
Deferred pension plan items, net.....	23,634,110	
Compensated absences.....	(4,760,806)	(104,225,594)
		<hr/>

Net Position of Governmental Activities..... \$ 213,757,377

CITY OF RIO RANCHO, NEW MEXICO

Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds Year Ended June 30, 2017

	General	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES			
Property Taxes.....	\$ 15,368,332	\$ 4,136,205	\$ 19,504,537
Municipal Taxes.....	18,151,101	3,852,119	22,003,220
Franchise Taxes.....	3,423,653	58,131	3,481,784
Licenses and Permits.....	348,097	—	348,097
Intergovernmental - Federal.....	155,469	5,671,427	5,826,896
Intergovernmental - State.....	11,202,117	5,047,050	16,249,167
Intergovernmental - Local.....	106,660	696,011	802,671
Impact Fees.....	—	716,638	716,638
Charges for Services.....	5,962,428	750,764	6,713,192
Fines and Forfeitures.....	898,981	391,511	1,290,492
Miscellaneous.....	1,981,780	2,708,136	4,689,916
Total Revenues.....	<u>57,598,618</u>	<u>24,027,992</u>	<u>81,626,610</u>
EXPENDITURES			
Current:			
General Government.....	8,360,040	1,310,650	9,670,690
Public Safety.....	26,540,673	4,742,212	31,282,885
Public Works.....	7,267,354	1,394,390	8,661,744
Parks, Recreation, and Culture.....	8,026,958	1,366,593	9,393,551
Community and Economic Development.....	2,166,351	607,529	2,773,880
Capital Outlay.....	564,720	13,123,690	13,688,410
Debt Service:			
Principal.....	—	5,835,594	5,835,594
Interest and Other Charges.....	—	1,596,087	1,596,087
Total Expenditures.....	<u>52,926,096</u>	<u>29,976,745</u>	<u>82,902,841</u>
Revenues Over (Under) Expenditures.....	4,672,522	(5,948,753)	(1,276,231)
OTHER FINANCING SOURCES (USES)			
Transfers In.....	—	3,251,201	3,251,201
Transfers Out.....	(4,219,516)	—	(4,219,516)
Total Other Financing Sources (Uses).....	<u>(4,219,516)</u>	<u>3,251,201</u>	<u>(968,315)</u>
Net Change in Fund Balances.....	453,006	(2,697,552)	(2,244,546)
Fund Balances - Beginning.....	16,011,877	26,952,452	42,964,329
Fund Balances - Ending.....	<u>\$ 16,464,883</u>	<u>\$ 24,254,900</u>	<u>\$ 40,719,783</u>

See accompanying Notes to the Schedule.

CITY OF RIO RANCHO, NEW MEXICO

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances — Governmental Funds to the Statement of Activities Year Ended June 30, 2017

Net Change in Fund Balances – Total Governmental Funds..... \$ (2,244,546)

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

Capital purchases are reported as expenditures in governmental funds. However, in the Statement of Activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current year, these amounts were as follows:

Capital purchases.....	\$ 13,688,410	
Assets received from developers and others.....	4,277,378	
Depreciation expense.....	(13,945,654)	4,020,134

Governmental funds report pension contributions as expenditures. However, they are reported as deferred outflows of resources in the Statement of Net Position. The change in net pension liability, adjusted for deferred pension items, is reported as pension expense in the Statement of Activities.....

Net effect of pension entries on the statement of activities..... (5,874,642)

Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. In the current year, these amounts were as follows:

Bond and note principal payments..... 5,835,594

Management uses internal service funds to charge the costs of certain activities to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.....

(407,923)

Certain revenues will not be collected for some time after the end of the year, and therefore they do not provide current financial resources in governmental funds.

Property Taxes.....	(20,673)	
Intergovernmental.....	(1,965,975)	(1,986,648)

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. These activities consist of the following:

Amortization of bond premiums, discounts, and deferred amounts.....	117,986	
Change in accrued interest on long-term debt.....	(109,595)	
Change in compensated absences.....	(198,683)	
Loss on disposal of assets.....	(1,053,512)	(1,243,804)

Change in Net Position of Governmental Activities..... \$ (1,901,835)

CITY OF RIO RANCHO, NEW MEXICO

Statement of Revenues, Expenditures, and Changes in Fund Balances — Budget and Actual —General Fund Year Ended June 30, 2017

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
REVENUES				
Property Taxes.....	\$ 15,290,742	\$ 15,290,742	\$ 15,382,347	\$ 91,605
Municipal and State-Shared Taxes.....	29,053,906	28,978,512	29,582,550	604,038
Franchise Taxes.....	3,264,641	3,264,641	3,364,856	100,215
Licenses and Permits.....	313,865	328,865	348,096	19,231
Intergovernmental - Federal.....	69,336	108,157	133,551	25,394
Intergovernmental - Local.....	101,500	105,625	101,750	(3,875)
Charges for Services.....	5,403,551	5,746,701	5,937,391	190,690
Fines and Forfeitures.....	973,298	914,798	898,981	(15,817)
Miscellaneous.....	2,065,723	2,075,758	2,030,525	(45,233)
Total Revenues.....	<u>56,536,562</u>	<u>56,813,799</u>	<u>57,780,047</u>	<u>966,248</u>
EXPENDITURES				
Current:				
General Government.....	8,051,133	8,562,891	8,434,180	128,711
Public Safety.....	27,642,143	27,795,164	27,229,638	565,526
Public Works.....	7,964,560	7,973,912	7,348,328	625,584
Parks, Recreation, and Culture.....	8,705,936	8,973,778	8,272,087	701,691
Community and Economic Development.....	2,312,101	2,396,245	2,220,333	175,912
Capital Outlay.....	406,262	837,475	656,162	181,313
Total Expenditures.....	<u>55,082,135</u>	<u>56,539,465</u>	<u>54,160,728</u>	<u>2,378,737</u>
Revenues Over (Under) Expenditures.....	1,454,427	274,334	3,619,319	3,344,985
OTHER FINANCING SOURCES (USES)				
Transfers In.....	937,571	958,571	—	(958,571)
Transfers Out.....	(5,106,110)	(5,196,672)	(4,219,516)	977,156
Total Other Financing Sources (Uses).....	<u>(4,168,539)</u>	<u>(4,238,101)</u>	<u>(4,219,516)</u>	<u>18,585</u>
Net Change in Fund Balances.....	(2,714,112)	(3,963,767)	(600,197)	3,363,570
Fund Balances - Beginning, Budgetary Basis.....	8,990,403	7,656,029	12,415,608	4,759,579
Fund Balances - Ending, Budgetary Basis.....	<u>\$ 6,276,291</u>	<u>\$ 3,692,262</u>	<u>\$ 11,815,411</u>	<u>\$ 8,123,149</u>

Budget to GAAP Reconciliation

Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 57,780,047
Certain amounts collected after year-end are considered revenue of the current period for financial reporting but not for budgetary reporting:	
Current year accrued revenue.....	6,548,689
Prior year accrued revenue.....	(6,730,118)
Total Actual Revenues - GAAP Basis.....	<u>\$ 57,598,618</u>

Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 54,160,728
Certain payments made after year-end are considered expenditures of the current period for financial reporting but not for budgetary reporting:	
Current year accrued expenditures.....	1,517,015
Prior year accrued expenditures.....	(2,835,484)
Allowances for doubtful accounts are considered expenditures for financial reporting but not for budgetary reporting.....	83,837
Total Actual Expenditures - GAAP Basis.....	<u>\$ 52,926,096</u>

See accompanying Notes to the Schedule.

CITY OF RIO RANCHO, NEW MEXICO

Statement of Net Position — Proprietary Funds June 30, 2017

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Utilities Fund	Multi-Purpose Events Center Fund	Total	
ASSETS				
Current Assets:				
Cash and Investments	\$ 25,467,650	\$ 286,433	\$ 25,754,083	\$ 1,803,453
Receivables:				
Accounts, net.....	6,665,330	10,451	6,675,781	—
Due From Federal Government.....	15,712	—	15,712	—
Due From State Government.....	—	360,484	360,484	—
Total Current Assets.....	<u>32,148,692</u>	<u>657,368</u>	<u>32,806,060</u>	<u>1,803,453</u>
Noncurrent Assets:				
Restricted Cash.....	28,432,614	2,236,780	30,669,394	—
Prepaid Bond Insurance.....	369,559	—	369,559	—
Capital Assets:				
Land.....	53,469,296	332,500	53,801,796	—
Construction in Progress.....	12,321,259	13,000	12,334,259	—
Infrastructure.....	192,637,443	—	192,637,443	—
Buildings and Improvements.....	59,047,632	40,985,807	100,033,439	—
Land Improvements.....	14,714,912	433,241	15,148,153	—
Machinery and Equipment.....	54,584,975	1,340,654	55,925,629	—
Less: Accumulated Depreciation.....	(85,925,610)	(8,146,380)	(94,071,990)	—
Total Noncurrent Assets.....	<u>329,652,080</u>	<u>37,195,602</u>	<u>366,847,682</u>	<u>—</u>
Total Assets.....	<u>361,800,772</u>	<u>37,852,970</u>	<u>399,653,742</u>	<u>1,803,453</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Amount on Bond Refundings.....	3,379,414	2,328,880	5,708,294	—
Deferred Pension Plan Items.....	852,502	—	852,502	—
Excess Consideration Provided for Acquisition.....	3,212,641	—	3,212,641	—
Total Deferred Outflows of Resources.....	<u>7,444,557</u>	<u>2,328,880</u>	<u>9,773,437</u>	<u>—</u>
LIABILITIES				
Current Liabilities:				
Accounts Payable.....	1,603,584	7,469	1,611,053	—
Accrued Liabilities.....	752,717	67,472	820,189	—
Claims Payable.....	—	—	—	996,384
Deposits.....	983,683	—	983,683	—
Compensated Absences.....	96,926	—	96,926	—
Current Portion of Long-term Debt.....	8,306,669	1,385,000	9,691,669	—
Total Current Liabilities.....	<u>11,743,579</u>	<u>1,459,941</u>	<u>13,203,520</u>	<u>996,384</u>
Noncurrent Liabilities:				
Notes Payable.....	15,484,861	—	15,484,861	—
Bonds Payable, net.....	121,782,779	24,000,000	145,782,779	—
Net Pension Liability.....	2,724,298	—	2,724,298	—
Compensated Absences.....	8,534	—	8,534	—
Total Noncurrent Liabilities.....	<u>140,000,472</u>	<u>24,000,000</u>	<u>164,000,472</u>	<u>—</u>
Total Liabilities.....	<u>151,744,051</u>	<u>25,459,941</u>	<u>177,203,992</u>	<u>996,384</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Pension Plan Items.....	41,664	—	41,664	—
NET POSITION				
Net Investment in Capital Assets.....	183,835,615	12,902,702	196,738,317	—
Restricted for Debt Service.....	3,252,011	2,236,780	5,488,791	—
Unrestricted.....	30,371,988	(417,573)	29,954,415	807,069
Total Net Position.....	<u>\$ 217,459,614</u>	<u>\$ 14,721,909</u>	<u>\$ 232,181,523</u>	<u>\$ 807,069</u>

See accompanying Notes to the Schedule.

CITY OF RIO RANCHO, NEW MEXICO

Statement of Revenues, Expenses, and Changes in Net Position — Proprietary Funds Year Ended June 30, 2017

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Utilities Fund	Multi-Purpose Events Center Fund	Total	
OPERATING REVENUES				
Charges for Services.....	\$ 47,817,801	\$ 310,548	\$ 48,128,349	\$ 6,273,270
Total Revenues.....	<u>47,817,801</u>	<u>310,548</u>	<u>48,128,349</u>	<u>6,273,270</u>
OPERATING EXPENSES				
General and Administrative.....	6,220,463	916,551	7,137,014	509,221
Production Costs.....	18,855,013	—	18,855,013	—
Depreciation.....	8,823,532	906,564	9,730,096	—
Claims and Premiums.....	—	—	—	6,174,420
Total Expenses.....	<u>33,899,008</u>	<u>1,823,115</u>	<u>35,722,123</u>	<u>6,683,641</u>
Operating Income (Loss).....	<u>13,918,793</u>	<u>(1,512,567)</u>	<u>12,406,226</u>	<u>(410,371)</u>
NON-OPERATING REVENUES (EXPENSES)				
Intergovernmental Revenue - Federal.....	27,559	—	27,559	—
Intergovernmental Revenue - State.....	2,014,041	1,578,293	3,592,334	—
Intergovernmental Revenue - Local.....	3,000	—	3,000	—
Impact Fees.....	670,110	—	670,110	—
Other Revenues.....	293,358	29,815	323,173	—
Interest Expense.....	(8,104,350)	(1,100,325)	(9,204,675)	—
Amortization of Deferred Bond Items.....	1,602,879	—	1,602,879	—
Amortization of Excess Consideration.....	(178,895)	—	(178,895)	—
Investment Income.....	211,015	4,404	215,419	2,448
Other Expenses.....	(16,968)	(241)	(17,209)	—
Total Non-Operating Revenues (Expenses).....	<u>(3,478,251)</u>	<u>511,946</u>	<u>(2,966,305)</u>	<u>2,448</u>
Income (Loss) Before				
Capital Contributions and Transfers.....	10,440,542	(1,000,621)	9,439,921	(407,923)
Capital Grants and Contributions.....	1,312,903	—	1,312,903	—
Transfers In.....	—	968,315	968,315	—
Transfers Out.....	—	—	—	—
Change in Net Position.....	<u>11,753,445</u>	<u>(32,306)</u>	<u>11,721,139</u>	<u>(407,923)</u>
Net Position - Beginning.....	207,795,292	14,754,215	222,549,507	1,214,992
Restatement (see Note 17).....	(2,089,123)	—	(2,089,123)	—
Net Position - Beginning, as restated.....	<u>205,706,169</u>	<u>14,754,215</u>	<u>220,460,384</u>	<u>1,214,992</u>
Net Position - Ending.....	<u>\$ 217,459,614</u>	<u>\$ 14,721,909</u>	<u>\$ 232,181,523</u>	<u>\$ 807,069</u>

See accompanying Notes to the Schedule.

CITY OF RIO RANCHO, NEW MEXICO

Statement of Cash Flows — Proprietary Funds Year Ended June 30, 2017

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Utilities Fund	Multi-Purpose Events Center Fund	Total	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Customers and Users.....	\$ 47,700,879	\$ 190,846	\$ 47,891,725	\$ 6,273,270
Payments to Suppliers and Contractors.....	(22,127,682)	(932,879)	(23,060,561)	(6,602,913)
Payments to Employees.....	(2,230,313)	—	(2,230,313)	—
Net Cash Provided (Used) by Operating Activities.....	<u>23,342,884</u>	<u>(742,033)</u>	<u>22,600,851</u>	<u>(329,643)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Transfers (To) From Other Funds.....	—	968,315	968,315	—
Intergovernmental Revenues.....	2,044,600	1,578,293	3,622,893	—
Net Cash Provided (Used) by Non-Capital Financing Activities.....	<u>2,044,600</u>	<u>2,546,608</u>	<u>4,591,208</u>	<u>—</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Development Impact Fees.....	670,110	—	670,110	—
Capital Grants.....	1,312,903	—	1,312,903	—
Acquisition of Capital Assets.....	(17,533,704)	(152,234)	(17,685,938)	—
Proceeds from Bonds and Notes.....	61,338,262	—	61,338,262	—
Principal Paid on Bonds and Notes.....	(42,690,499)	(1,365,000)	(44,055,499)	—
Interest and Other Charges Paid on Bonds and Notes.....	(4,314,581)	(837,863)	(5,152,444)	—
Net Cash Provided (Used) by Capital and Related Financing Activities.....	<u>(1,217,509)</u>	<u>(2,355,097)</u>	<u>(3,572,606)</u>	<u>—</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on Investments.....	211,015	4,404	215,419	2,448
Net Cash Provided (Used) by Investing Activities.....	<u>211,015</u>	<u>4,404</u>	<u>215,419</u>	<u>2,448</u>
Net Cash Provided (Used) - All Activities.....	24,380,990	(546,118)	23,834,872	(327,195)
Cash and Cash Equivalents - Beginning.....	29,519,274	3,069,331	32,588,605	2,130,648
Cash and Cash Equivalents - Ending.....	<u>\$ 53,900,264</u>	<u>\$ 2,523,213</u>	<u>\$ 56,423,477</u>	<u>\$ 1,803,453</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Income (Loss).....	\$ 13,918,793	\$ (1,512,567)	\$ 12,406,226	\$ (410,371)
Adjustments to Reconcile Operating Income (Loss):				
Depreciation Expense.....	8,823,532	906,564	9,730,096	—
(Increase) Decrease in Accounts Receivable.....	(116,922)	(119,702)	(236,624)	—
(Increase) Decrease in Prepaid Expense.....	—	—	—	—
(Increase) Decrease in Due from Other Governments.....	—	—	—	—
Increase (Decrease) in Accounts Payable.....	290,725	(14,755)	275,970	—
Increase (Decrease) in Accrued Liabilities.....	40,909	(1,573)	39,336	80,728
Increase (Decrease) in Deposits.....	(58,072)	—	(58,072)	—
Increase (Decrease) in Compensated Absences.....	19,951	—	19,951	—
Increase (Decrease) in Net Pension Items.....	423,968	—	423,968	—
Net Cash Provided (Used) by Operating Activities.....	<u>\$ 23,342,884</u>	<u>\$ (742,033)</u>	<u>\$ 22,600,851</u>	<u>\$ (329,643)</u>
NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES				
Capital Contributions from Developers and Others.....	\$ 1,262,369	\$ 152,234	\$ 1,414,603	\$ —
Total Non-Cash Investing, Capital and Financing Activities.....	<u>\$ 1,262,369</u>	<u>\$ 152,234</u>	<u>\$ 1,414,603</u>	<u>\$ —</u>

See accompanying Notes to the Schedule.

CITY OF RIO RANCHO, NEW MEXICO

Statement of Fiduciary Assets and Liabilities — Proprietary Funds June 30, 2017

	<u>Agency Funds</u>
ASSETS	
Cash	\$ 5,390,489
Total Assets.....	<u>\$ 5,390,489</u>
LIABILITIES	
Deposits Held for Others.....	\$ 5,390,489
Total Liabilities.....	<u>\$ 5,390,489</u>

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2017

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CITY OF RIO RANCHO, NEW MEXICO
NOTES TO THE FINANCIAL STATEMENTS

Year Ended June 30, 2017

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Rio Rancho (the City) conform in all material respects to generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). Preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. The following is a summary of the City's significant accounting policies.

A. Reporting Entity

The City of Rio Rancho was incorporated in 1981, and voters approved a home rule amendment to the charter in 1991. The City operates under a council-manager form of government with six council members who, along with an elected mayor, constitute the City's Governing Body. The Governing Body has budgetary authority over all City departments and is accountable for all fiscal matters. The City's major operations include police and fire protection, library, parks and recreation, community and social services, and general administrative services. In addition, the City owns and operates two enterprise funds, which include a utilities fund for water and wastewater operations and a multi-purpose event center.

The Comprehensive Annual Financial Report (CAFR) of Rio Rancho includes the financial statements for all departments and agencies of the City based on the criteria set forth in GASB Statement 14. The City is a primary government that has a separately elected Governing Body, is legally separate, and is fiscally independent of other state and local governments. Furthermore, no component units are combined with the City for financial statement presentation purposes, and the City is not included in the financial statements of any other governmental reporting entity. Consequently, the City's financial statements include only the financial activity of those organizational entities for which the elected Governing Body is financially accountable.

B. Government-wide and Fund Financial Statements

The City's basic financial statements consist of both government-wide statements and fund statements. The government-wide statements focus on the City as a whole, while the fund statements focus on individual funds.

Government-wide Financial Statements. The government-wide statements present information on all non-fiduciary activities of the primary government. Primary government activities are distinguished between *governmental* and *business-type* activities. Governmental activities generally are financed through taxes, grants, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The *Statement of Net Position* presents the City's non-fiduciary assets, liabilities, and deferred outflows/inflows, with the difference reported as net position. Net position is restricted when constraints are either externally imposed or are imposed by constitutional provisions or enabling legislation.

The *Statement of Activities* demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable within a specific function. The City does not allocate general government (indirect) expenses to other functions. 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; 2) court fines; and 3) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other revenues not meeting the definition of program revenues are reported as general revenues.

Fund Financial Statements. A fund is a separate accounting entity with a self-balancing set of accounts. Fund accounting is used to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. Separate statements are provided for *governmental*, *proprietary*, and *fiduciary funds*. For governmental and proprietary funds, the emphasis is on *major funds*, with each displayed in a separate column.

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO THE FINANCIAL STATEMENTS

Year Ended June 30, 2017

The City reports only one major governmental fund:

- **General Fund.** This fund is the principal operating fund of the City. It is used to account for all financial resources not accounted for in another fund.

The City's nonmajor governmental funds account for specific revenue sources that are restricted, committed, or assigned for specific purposes. Fund types reported as nonmajor funds are special revenue, debt service, and capital project funds.

The City reports the following proprietary funds:

- **Utilities Enterprise Fund.** This fund accounts for the operations of the City's water and wastewater systems that are operated for residents and businesses of the City. This fund is reported as a major enterprise fund.
- **Multi-Purpose Events Center (MPEC) Enterprise Fund.** This fund accounts for the operations of the City's Santa Ana Star Center. This fund is reported as a major enterprise fund.
- **Internal Service Funds.** These funds account for the financing of health and dental services provided to City employees on a cost-recovery basis. Internal service funds are combined with governmental activities on the government-wide statements.

The City reports the following fiduciary funds:

- **Agency Funds.** These funds account for assets held by the City as a custodian for other governments or organizations and include the Special Assessment District Operations Fund; Special Assessment District VI, VII, and VIII Bond Funds; the Municipal Court Fund; the S&P Reimbursement Fund; the Rio Metro Fund; and the Rio Rancho Economic Development Fund. These funds account for monies temporarily held by the City as an agent.

C. Measurement Focus and Basis of Accounting

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when the related liability is incurred, regardless of the timing of the cash flows. Property taxes are recognized as revenues in the year for which they are levied. Other revenues are recognized in the year in which the related sales or other activity has occurred. Grants and similar items are recognized as revenue when all eligibility requirements have been met.

The proprietary statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues generally result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating items, such as interest expense and investment earnings, result from nonexchange transactions or ancillary activities. The fiduciary funds are prepared using the accrual basis of accounting.

The governmental fund financial statements are prepared using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Expenditures are generally recorded when the related liability is incurred, except for debt service expenditures as explained below.

D. Assets, Liabilities, Deferred Outflows / Inflows of Resources, and Equity

Following are the City's significant policies regarding recognition and reporting of certain assets, liabilities, deferred outflows/inflows, and equity.

Cash and Investments. Cash and cash equivalents consist primarily of demand deposits with financial institutions and short-term investments with original maturities of three months or less from the purchase date. Investments may include pooled and non-pooled investments with original maturities greater than three months. All cash and

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO THE FINANCIAL STATEMENTS

Year Ended June 30, 2017

investments are stated at fair value. Restricted cash and investments include amounts held by the City or the City's trustees that are reserved for future debt service requirements or future project costs.

Receivables. Taxes receivable include accrued amounts for municipal taxes and delinquent property taxes. Receivables from other governments are reasonably assured. Accordingly, no allowance for uncollectible accounts has been established for taxes and intergovernmental revenues. Accounts receivable from customers in excess of 187 days comprise an allowance for uncollectibles in the Utilities Enterprise Fund.

Property Taxes. Property taxes are recognized net of estimated refunds and uncollectible amounts. 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. 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.

Property taxes are payable in two equal installments due on November 10th of the current year and April 10th of the following year and become delinquent after 30 days. The City records a receivable and deferred inflow for delinquent taxes in governmental funds, but no allowance for doubtful accounts is made as uncollected property taxes are deemed to be substantially collectible through foreclosure.

Inventories and Prepaid Items. In all funds, inventories are recorded as expenditures or expenses when purchased, and amounts paid to vendors for goods and services applicable to future accounting periods are recorded as prepaid items.

Capital Assets. The City defines a capital asset as an asset with an initial 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. Donated capital assets are recorded at acquisition value on the date of donation.

Buildings, equipment, infrastructure, and other depreciable assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Years</u>
Public Domain Infrastructure	15-65
System Infrastructure.....	30
Buildings	50
Building and Other Improvements	20
Vehicles	8
Furniture and Other Equipment.....	5

The account Excess Consideration Provided for Acquisition 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.

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 the asset's life are not capitalized.

Capital assets purchased in governmental funds are recorded as expenditures in the governmental fund statements. Interest expense for capital asset construction related to governmental activities is not capitalized, while interest expense incurred during construction of capital assets related to business-type activities is capitalized.

Capital assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements.

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2017

Deferred Outflows of Resources. A deferred outflow of resources is a consumption of net position that applies to a future reporting period and therefore will be reported as an outflow/expense in future years. All deferred amounts on bond refundings are reported as deferred outflows of resources and amortized over the life of the bonds in the government-wide and proprietary fund statements.

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 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, or retirements. Resources from the General Fund are used to pay for compensated absences.

Long-term Obligations. In the government-wide statements and proprietary fund statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts, as well as the difference between the reacquisition price and the net carrying amount of old debt in refunding transactions, are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Bonds payable are reported net of unamortized premiums and discounts.

In the governmental fund statements, bond premiums, discounts, and issuance costs are recognized in the current period. 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, are reported as debt service expenditures. The face amount of debt issued is reported as other financing sources.

Deferred Inflows of Resources. A deferred inflow of resources is an acquisition of net position by the government that applies to a future reporting period and therefore will be recognized as an inflow/revenue in future years. Delinquent property taxes owed to the City but not yet collected are reported as deferred inflows of resources in the governmental fund statements and recognized as revenue as the taxes are collected in future years.

Net Position and Fund Balances. The difference between assets/deferred outflows and liabilities/deferred inflows is *net position* on the government-wide, proprietary fund, and fiduciary fund statements, and *fund balance* on the governmental fund statements. Note 10 provides more information on the City's policies and classifications related to net position and fund balances.

E. Revenues and Expenditures / Expenses

Revenue Availability. Under the modified accrual basis of accounting, revenues are recognized in governmental funds when they are both "measurable and available." Revenues are considered to be available when they are collected within the current period or expected to be collected soon enough thereafter to pay liabilities of the current period. The City considers property tax revenues to be "available" if they are collected within 30 days after year-end. Grants and similar items are recognized as revenue when all eligibility requirements have been met. All other revenues, including gross receipts taxes, are considered to be available if they are collected within 60 days after year-end. Proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

Expenditure/Expense Recognition. In governmental funds, expenditures are generally recorded when the related liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Capital asset acquisition and construction are reported as expenditures in the period they are acquired or built. In proprietary funds and government-wide statements, expenses are recorded when the related liability is incurred.

When an expenditure or expense is incurred for purposes for which both restricted and unrestricted resources are available, the City's policy is to use restricted resources first, then unrestricted resources in order of committed then assigned as needed.

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO THE FINANCIAL STATEMENTS

Year Ended June 30, 2017

F. Pensions

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

G. Interfund Activity and Balances

Government-wide Statements. In general, eliminations have been made to minimize the double-counting of internal activity, including internal service fund activity. However, interfund services provided and used between different functional categories have not been eliminated when to do so would distort the direct costs and program revenues of the applicable functions. Interfund receivables and payables have been eliminated from the Statement of Net Position, except for the residual amounts due between governmental and business-type activities, if any, which are shown as "internal balances."

Governmental Fund Statements. Interfund transactions for goods and services provided and used are reported as revenues and expenditures in the funds involved. Cash transfers between funds of the City are reported as other financing sources and uses in the governmental fund statements.

H. Budgets

Budgets for the General Fund, special revenue funds, debt service funds, capital projects funds, and proprietary funds 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 on the budget. Prior to June 1, the City submits to DFA a proposed operating budget for the fiscal year commencing July 1. The budget is prepared by fund and function and includes proposed expenditures, including 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 prohibits municipalities from making expenditures in excess of the approved budget. Statute defines the legal level of budgetary control as a fund's total budgeted expenditures.

The adopted budget of the City is prepared on a cash basis, and reconciliations of cash budget-basis amounts to GAAP-based amounts are provided on the face of the budgetary statements and schedules.

NOTE 2. DEPOSITS AND INVESTMENTS

At June 30, the carrying amount of the City's deposits was \$66,646,881 and the bank balance was \$67,480,865. The difference represents outstanding checks, deposits, and other reconciling items. The City also had \$5,810 of cash on hand at June 30. Following are discussions of the City's exposure to various risks related to its cash management activities.

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2017

A. Custodial Credit Risk

Deposits. Custodial credit risk for deposits is the risk that in the event of a bank failure, the City’s deposits may not be recovered. New Mexico law requires all deposits with financial institutions to be collateralized in an amount not less than 50% of the uninsured balance. Furthermore, the City’s Investment Policy requires all deposits with financial institutions to be collateralized in an amount not less than 102% of the uninsured balance 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, \$67,480,865 of the City’s bank balance was exposed to custodial credit risk as uninsured but collateralized with securities held by the pledging financial institution’s trust department. Pledged collateral at June 30 consisted of the following:

Total amount on deposit.....	\$ 67,480,865
less FDIC insured amount.....	(250,000)
Total uninsured deposits.....	<u>67,230,865</u>
50% collateral requirement.....	33,615,433
Pledged securities, fair value.....	<u>72,872,874</u>
Pledged in excess of requirement.....	<u>\$ 39,257,441</u>

Fair Value Measurements. The City categorizes its fair value measurement within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset.

- Level 1 inputs are quoted prices in active markets for identical assets
- Level 2 inputs are significant other observable inputs
- Level 3 inputs are significant unobservable inputs

Investments. Custodial credit risk for investments is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments that are in the possession of an outside party. The City’s Investment Policy requires all collateral to be held in the City’s name by an independent party approved by the City. The custodian is required to provide original safekeeping receipts.

All investments in which the fair value hierarchy is applicable are measured at fair value on a recurring basis. Following are the City’s investment balances at June 30:

Investment Type	Fair Value	Weighted Average Maturity	Category
State Treasurer's Investment Pool.....	\$ 6,594	.01 days	N/A
Bank of New York Mellon Money Market....	2,073,218	N/A	Level 1
US Treasuries held by NMFA.....	25,207,376	.707 days	Level 1
BAQ Short-Term Cash Investments.....	4,215,444	N/A	Level 1
Total.....	<u>\$ 31,502,632</u>		

As a participant in the New Mexico State Treasurer’s Local Government Investment Pool (LGIP), the City is not required to categorize the value of shares in accordance with the fair value hierarchy. The City’s investment in the LGIP 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 LGIP disclose the collateral pledged to secure the State Treasurer’s cash and investments. The most recent report may be obtained by contacting the New Mexico State Treasurer’s Office, P.O. Box 5135, Santa Fe, NM 87502-5135.

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO THE FINANCIAL STATEMENTS

Year Ended June 30, 2017

B. Credit Risk

Credit risk is the risk that the counterparty to an investment transaction will not fulfill its obligations. The City's adopted Investment Policy manages credit risk by requiring investment in only the following security types, consistent with state law:

- U.S. Treasury obligations
- Federal Agency securities
- Repurchase agreements with institutions
- Demand deposits of New Mexico banks
- Savings and loan association deposits
- Investment grade obligations of state and local governments
- Money market mutual funds
- State Treasurer's LGIP

The City's Investment Policy and state law restrict certificates of deposit to only fully collateralized or insured CDs that are issued by eligible depositories in New Mexico. Such CDs are further collateralized to 102% with pledged US obligations held by an independent custodian. Securities of state and municipal entities within the United States must have a taxable valuation of real property for the preceding year of at least \$1 million and must have not defaulted on bond obligations within the preceding five years.

Money market mutual funds must be registered with the SEC, comply with diversification, quality and maturity requirements of SEC Rule 2a-7, assess no fees pursuant to SEC Rule 12b-1, be invested only in United States Government and Agency Obligations and repurchase agreements secured by such obligations; and be rated AAAM or equivalent by a nationally recognized rating agency.

The State of New Mexico Local Government Investment Pool is authorized by state statute and is rated AAAM by Standard & Poors. The LGIP 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 for 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 LGIP 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 pool is voluntary. The City's investment in the LGIP approximates the value of the City's pool share.

C. Concentration of Credit Risk

The City's Investment Policy manages concentration of credit risk by stressing diversification on all deposits and investments. Following are the ratio of the City's holdings at June 30:

State Treasurer LGIP	0.01%
Money market mutual funds	14.82%
US Treasuries	0.79%
Collateralized demand deposits	84.38%

D. Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City's Investment Policy manages interest rate risk by setting a maximum maturity of five years on any single investment and a maximum weighted average of two 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, the City's portfolio had no investment that matured beyond 24 months, and the weighted average maturity of the total portfolio was 0.58 days.

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO THE FINANCIAL STATEMENTS

Year Ended June 30, 2017

NOTE 3. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

For fiscal year 2017, no funds had expenditures that exceeded budgeted appropriations.

NOTE 4. INTERFUND BALANCES

Interfund balances result from time lags between the dates of payment for goods and services and collection of revenues. Interfund balances at June 30 consisted of the following amounts:

	Due From Other Funds - General Fund
Due To Other Funds reported in:	
Nonmajor Special Revenue Funds:	
Keep Rio Rancho Beautiful Fund.....	\$ 41,042
Library Fund.....	144,163
NM Gang Task Force Grant Fund.....	10,936
Public Safety and Other Grants Fund.....	75,253
Promotion and Marketing Fund.....	30,000
HUD CDBG Grant Fund.....	38,937
Crime Victim Assistance Fund.....	7,162
Nonmajor Capital Project Funds:	
State Appropriation Capital Projects Fund.....	234,688
Total.....	\$ 582,181

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO THE FINANCIAL STATEMENTS

Year Ended June 30, 2017

NOTE 5. INTERFUND TRANSFERS

Transfers between funds occur primarily to finance programs accounted for in one fund with resources collected in other funds in accordance with budgetary authorizations. Interfund transfers among governmental and enterprise funds for the year ended June 30 are as follows:

Transfers Out reported in:

	General Fund	Total Transfers In
Transfers In reported in:		
Nonmajor Special Revenue Funds:		
Promotion and Marketing Fund.....	\$ 174,641	\$ 174,641
RioVision Cable Fund.....	67,479	67,479
Regional Emergency Comm Center.....	1,794,956	1,794,956
Local Govt Corrections Fund.....	196,000	196,000
Local Economic Development Act.....	55,000	55,000
Public Safety and Other Grants Fund.....	6,080	6,080
DWI Seized Vehicle Fund.....	47,391	47,391
Crime Victim Assistance Fund.....	17,785	17,785
Nonmajor Capital Project Funds:		
Infrastructure Fund.....	891,869	891,869
Total Transfers Out - Governmental Funds.....	3,251,201	3,251,201
Enterprise Funds:		
MPEC Fund.....	968,315	968,315
Total.....	\$ 4,219,516	\$ 4,219,516

During the year ended June 30, 2017, transfers from the General Fund were primarily used for the following:

- CVB special events including the City's annual Pork and Brew.
- The City's share of costs related to the Regional Emergency Communication Center
- The City's cost of prisoners at Sandoval County Detention Center that are not covered by correctional fees levied through the Municipal Court.
- To set aside resources to fund future economic development projects.
- To advocate for victims of crimes.
- Improvements to City infrastructure and the City's required match to access federal funds.
- Operating and capital subsidies to operate the Multi-Purpose Event Center.

NOTE 6. ACCOUNTS RECEIVABLE

Accounts Receivable are aggregated into a single line, net of allowance for uncollectible accounts, on the face of the financial statements. Following is the detail of receivables by fund as of June 30:

	Governmental Activities / Funds					Total	Business-type Activities / Enterprise Funds		
	General Fund	Local Economic Development Act Fund	Rio Vision Cable Fund	Public Safety Enforcement Aid Fund	Regional Emergency Comm Center		Utility Fund	MPEC Fund	Total
Accounts Receivable.....	\$ 1,435,056	\$ 2,000	\$ 14,513	\$ 11,766	\$ 97,907	\$ 1,561,242	\$ 9,871,125	\$ 10,451	\$ 9,881,576
Allowance for uncollectible accounts.....	(382,202)	—	—	—	—	(382,202)	(3,205,795)	—	(3,205,795)
Net Accounts Receivable....	\$ 1,052,854	\$ 2,000	\$ 14,513	\$ 11,766	\$ 97,907	\$ 1,179,040	\$ 6,665,330	\$ 10,451	\$ 6,675,781

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO THE FINANCIAL STATEMENTS

Year Ended June 30, 2017

NOTE 7. LEASE COMMITMENTS

The City has entered into non-cancelable operating leases for various office equipment and software. Operating leases are leases for which the City will not gain title to the property being leased; therefore, the related assets and liabilities are not recorded on the City's books. Operating lease payments are recorded as expenditures or expenses when paid or incurred. Upon expiration, it is common for the City to extend operating leases to a cancelable month-to-month basis. Total lease payments for 2017 were \$636,430. Future minimum lease commitments for non-cancelable operating leases as of June 30 are as follows:

Future Commitments for Operating Leases			
Fiscal Year	Governmental Activities	Business-type Activities	Total
2018.....	\$ 265,651	\$ 17,637	\$ 283,288
2019.....	235,713	17,637	253,350
2020.....	34,285	7,967	42,252
2021.....	7,041	—	7,041
Total.....	\$ 542,690	\$ 43,241	\$ 585,931

NOTE 8. CAPITAL ASSETS

A. Depreciation – Governmental Activities

Depreciation expense was charged to the functions of governmental activities as follows:

General Government.....	\$ 412,188
Public Safety.....	1,331,107
Public Works.....	11,047,297
Parks, Recreation, and Culture	1,151,469
Community and Economic Development.....	3,593
Total.....	\$ 13,945,654

B. Construction Commitments

The City has active construction projects as of June 30, including parks and recreation improvements, transportation improvements, and water and wastewater improvements. At year-end, the amount of outstanding construction commitments with contractors was \$24,512,350.

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2017

C. Changes in Capital Assets

Capital asset activity for the year ended June 30 was as follows:

Capital Assets - Governmental Activities						
	Beginning Balance	Restatement See Note 17	Beginning Balance Restated	Additions	Deletions	Ending Balance
Governmental Activities:						
<i>Capital assets not being depreciated:</i>						
Land and Related Assets.....	\$ 64,824,825	\$ —	\$ 64,824,825	\$ 448,994	\$ —	\$ 65,273,819
Construction-In-Progress.....	31,456,708	(11,173,597)	20,283,111	11,823,614	(9,706,500)	22,400,225
Total.....	96,281,533	(11,173,597)	85,107,936	12,272,608	(9,706,500)	87,674,044
<i>Capital assets being depreciated:</i>						
Infrastructure.....	285,987,441	11,173,597	297,161,038	12,073,580	—	309,234,618
Buildings and Improvements.....	54,646,923	—	54,646,923	—	—	54,646,923
Land Improvements.....	17,462,537	—	17,462,537	124,730	—	17,587,267
Equipment.....	28,535,063	—	28,535,063	2,271,496	(727,369)	30,079,190
Total.....	386,631,964	11,173,597	397,805,561	14,469,806	(727,369)	411,547,998
Less Accumulated Depreciation for:						
Infrastructure.....	(168,618,103)	(1,965,634)	(170,583,737)	(10,765,942)	—	(181,349,679)
Buildings and Improvements.....	(11,061,758)	—	(11,061,758)	(1,090,725)	—	(12,152,483)
Land Improvements.....	(7,123,611)	—	(7,123,611)	(687,030)	—	(7,810,641)
Equipment.....	(21,378,516)	—	(21,378,516)	(1,401,957)	603,731	(22,176,742)
Total.....	(208,181,988)	(1,965,634)	(210,147,622)	(13,945,654)	603,731	(223,489,545)
Capital assets being depreciated, net.....	178,449,976	9,207,963	187,657,939	524,152	(123,638)	188,058,453
Governmental Activities Capital Assets, Net.....	\$ 274,731,509	\$ (1,965,634)	\$ 272,765,875	\$ 12,796,760	\$ (9,830,138)	\$ 275,732,497

Capital Assets - Business-type Activities						
	Beginning Balance	Restatement See Note 17	Beginning Balance Restated	Additions	Deletions	Ending Balance
Business-type Activities:						
<i>Capital assets not being depreciated:</i>						
Land and Related Assets.....	\$ 50,388,229	\$ —	\$ 50,388,229	\$ 3,426,983	\$ (13,416)	\$ 53,801,796
Construction-In-Progress.....	35,930,632	(12,664,947)	23,265,685	11,219,525	(22,163,951)	12,321,259
Total.....	86,318,861	(12,664,947)	73,653,914	14,646,508	(22,177,367)	66,123,055
<i>Capital assets being depreciated:</i>						
Infrastructure.....	159,518,335	11,189,063	170,707,398	21,930,045	—	192,637,443
Buildings and Improvements.....	100,033,439	—	100,033,439	13,000	—	100,046,439
Land Improvements.....	15,148,153	—	15,148,153	—	—	15,148,153
Equipment.....	56,040,936	—	56,040,936	219,730	(335,037)	55,925,629
Total.....	330,740,863	11,189,063	341,929,926	22,162,775	(335,037)	363,757,664
Less Accumulated Depreciation for:						
Infrastructure.....	(28,057,911)	(613,239)	(28,671,150)	(4,237,177)	—	(32,908,327)
Buildings and Improvements.....	(21,042,443)	—	(21,042,443)	(1,998,962)	—	(23,041,405)
Land Improvements.....	(3,541,894)	—	(3,541,894)	(630,833)	—	(4,172,727)
Equipment.....	(31,142,616)	—	(31,142,616)	(2,935,389)	128,474	(33,949,531)
Total.....	(83,784,864)	(613,239)	(84,398,103)	(9,802,361)	128,474	(94,071,990)
Capital assets being depreciated, net.....	246,955,999	10,575,824	257,531,823	12,360,414	(206,563)	269,685,674
Business-type Activities Capital Assets, Net.....	\$ 333,274,860	\$ (2,089,123)	\$ 331,185,737	\$ 27,006,922	\$ (22,383,930)	\$ 335,808,729

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2017

NOTE 9. LONG-TERM LIABILITIES

A. Changes in Long-term Liabilities

Changes in long-term liabilities for the year ended June 30 were as follows:

Long-term Liabilities					
	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Governmental Activities:					
General Obligation Bonds.....	\$ 23,605,000	\$ —	(3,305,000)	\$ 20,300,000	\$ 3,345,000
Gross Receipts Tax Revenue Bonds.....	12,275,000	—	(1,180,000)	11,095,000	1,215,000
Unamortized Premiums.....	1,838,851	—	(231,203)	1,607,648	—
Notes Payable.....	12,775,719	—	(1,350,594)	11,425,125	1,397,480
Compensated Absences.....	4,562,123	2,958,080	(2,759,397)	4,760,806	2,820,150
Total Governmental Long-term Liabilities.....	\$ 55,056,693	\$ 2,958,080	\$ (8,826,194)	\$ 49,188,579	\$ 8,777,630
Business-type Activities:					
Utility Revenue Bonds.....	\$ 80,545,000	\$ 53,805,000	(16,656,667)	\$ 117,693,333	\$ 7,368,333
MPEC Revenue Bonds.....	26,750,000	—	(1,365,000)	25,385,000	1,385,000
Unamortized Premiums.....	6,276,155	6,126,348	(944,724)	11,457,779	—
Unamortized Discounts.....	(53,100)	—	53,100	—	—
Notes Payable.....	41,050,115	1,406,914	(26,033,832)	16,423,197	938,336
Compensated Absences.....	85,509	120,801	(100,850)	105,460	96,926
Total Business-type Long-term Liabilities.....	\$ 154,653,679	\$ 61,459,063	\$ (45,047,973)	\$ 171,064,769	\$ 9,788,595

B. Debt Service Requirements to Maturity – Summary

The following tables summarize the City's debt service requirements to maturity for all bonds and loans:

Fiscal Year	Governmental Activities						Total Governmental Activities
	General Obligation Bonds		Gross Receipts Tax Revenue Bonds		Notes Payable		
	Principal	Interest	Principal	Interest	Principal	Interest	
2018.....	\$ 3,345,000	\$ 636,875	\$ 1,215,000	\$ 364,838	\$ 1,397,480	\$ 488,329	\$ 7,447,522
2019.....	3,705,000	500,625	1,260,000	316,238	1,081,788	445,515	7,309,166
2020.....	2,745,000	376,825	1,310,000	265,838	1,127,409	404,294	6,229,366
2021.....	2,745,000	274,475	1,365,000	213,438	1,125,386	359,679	6,082,978
2022.....	2,570,000	175,625	1,425,000	213,438	1,117,709	313,248	5,815,020
2023 - 2027..	3,725,000	375,275	4,520,000	212,450	4,588,569	862,444	14,283,738
2028 - 2032..	1,465,000	31,750	—	—	935,588	69,596	2,501,934
2033 - 2037..	—	—	—	—	51,196	1,843	53,039
Total.....	\$ 20,300,000	\$ 2,371,450	\$ 11,095,000	\$ 1,586,240	\$ 11,425,125	\$ 2,944,947	\$ 49,722,762

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO THE FINANCIAL STATEMENTS

Year Ended June 30, 2017

Fiscal Year	Business-type Activities						Total Business-type Activities
	Utility Revenue Bonds		Multi-Purpose Events Center Revenue Bonds		Notes Payable		
	Principal	Interest	Principal	Interest	Principal	Interest	
2018.....	\$ 7,368,333	\$ 4,974,567	\$ 1,385,000	\$ 849,217	\$ 938,336	\$ 524,473	\$ 16,039,926
2019.....	8,500,000	4,636,150	1,410,000	824,980	958,841	506,615	16,836,586
2020.....	8,912,500	4,231,100	1,440,000	796,780	980,869	485,975	16,847,223
2021.....	9,356,667	3,802,925	1,470,000	764,812	1,004,483	462,482	16,861,368
2022.....	9,798,333	3,353,192	1,505,000	727,768	1,029,449	436,459	16,850,200
2023 - 2027..	26,241,667	11,738,558	8,265,000	2,904,813	5,631,669	1,687,877	56,469,584
2028 - 2032..	25,747,500	6,756,017	9,910,000	1,258,068	5,032,037	616,452	49,320,074
2033 - 2037..	12,200,833	2,631,109	—	—	847,513	56,362	15,735,816
2035 - 2039..	9,567,500	708,575	—	—	—	—	10,276,075
Total.....	\$ 117,693,333	\$ 42,832,192	\$ 25,385,000	\$ 8,126,435	\$ 16,423,197	\$ 4,776,695	\$ 215,236,852

C. General Obligation Bonds

During 2017, the City did not issue any new general obligation bonds. General Obligation Bonds Payable at June 30 consisted of the following:

General Obligation Bonds Payable					
	Issue Date	Maturity Date	Interest Rate	Original Amount	Balance June 30, 2017
Series 2009 Project Bonds.....	5/27/2009	8/1/2021	2.50% to 4.00%	25,000,000	\$ 9,825,000
Series 2016 Imprv/Refund Bonds....	5/25/2016	8/1/2028	2.00% to 5.00%	11,310,000	10,475,000
Total General Obligation Bonds Outstanding.....					20,300,000
Add Unamortized Premium.....					852,337
Total General Obligation Bonds Payable.....					\$ 21,152,337

Debt Service Requirements to Maturity - General Obligation Bonds

Fiscal Year	Series 2009			Series 2016 Improvement & Refunding		
	Principal	Interest	Total	Principal	Interest	Total
2018.....	2,000,000	323,000	2,323,000	1,345,000	313,875	1,658,875
2019.....	2,000,000	263,000	2,263,000	1,705,000	237,625	1,942,625
2020.....	2,000,000	193,000	2,193,000	745,000	183,825	928,825
2021.....	2,000,000	113,000	2,113,000	745,000	161,475	906,475
2022.....	1,825,000	36,500	1,861,500	745,000	139,125	884,125
2023 - 2027..	—	—	—	3,725,000	375,275	4,100,275
2028 - 2032..	—	—	—	1,465,000	31,750	1,496,750
Total.....	\$ 9,825,000	\$ 928,500	\$ 10,753,500	\$ 10,475,000	\$ 1,442,950	\$ 11,917,950

Total General Obligation Bonds

Fiscal Year	Principal	Interest	Total
2018.....	3,345,000	636,875	3,981,875
2019.....	3,705,000	500,625	4,205,625
2020.....	2,745,000	376,825	3,121,825
2021.....	2,745,000	274,475	3,019,475
2022.....	2,570,000	175,625	2,745,625
2023 - 2027..	3,725,000	375,275	4,100,275
2028 - 2032..	1,465,000	31,750	1,496,750
Total.....	\$ 20,300,000	\$ 2,371,450	\$ 22,671,450

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO THE FINANCIAL STATEMENTS

Year Ended June 30, 2017

D. Gross Receipts Tax Revenue Bonds – Governmental Activities

During 2017, the City did not issue any new Gross Receipts Tax (GRT) Revenue Bonds. GRT Revenue Bonds Payable at June 30 consisted of the following:

Gross Receipts Tax Revenues Bonds Payable - Governmental Activities					
	Issue Date	Maturity Date	Interest Rate	Original Amount	Balance June 30, 2017
Series 2013 Refunding Bonds.....	5/15/2013	6/1/2025	2.00% to 4.00%	13,420,000	\$ 11,095,000
Total Gross Receipts Tax Revenue Bonds Outstanding, Governmental Activities.....					11,095,000
Add Unamortized Premium.....					755,311
Total Gross Receipts Tax Revenue Bonds Payable, Governmental Activities.....					\$ 11,850,311

Debt Service Requirements to Maturity
Gross Receipts Tax Revenue Bonds, Governmental Activities

Fiscal Year	Series 2013 Refunding			Total Gross Receipts Tax Revenue Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2018.....	\$ 1,215,000	\$ 364,838	\$ 1,579,838	\$ 1,215,000	\$ 364,838	\$ 1,579,838
2019.....	1,260,000	316,238	1,576,238	1,260,000	316,238	1,576,238
2020.....	1,310,000	265,838	1,575,838	1,310,000	265,838	1,575,838
2021.....	1,365,000	213,438	1,578,438	1,365,000	213,438	1,578,438
2022.....	1,425,000	213,438	1,638,438	1,425,000	213,438	1,638,438
2023 - 2027..	4,520,000	212,450	4,732,450	4,520,000	212,450	4,732,450
Total.....	\$ 11,095,000	\$ 1,586,240	\$ 12,681,240	\$ 11,095,000	\$ 1,586,240	\$ 12,681,240

E. Notes Payable – Governmental Activities

During 2017, the City did not obtain any new loans. Notes Payable for governmental activities at June 30 consisted of the following:

Notes Payable - Governmental Activities					
	Issue Date	Maturity Date	Interest Rate	Original Amount	Balance June 30, 2017
2007 NMFA Fire Apparatus.....	3/9/2007	5/1/2022	3.32% to 3.91%	\$ 1,649,286	\$ 677,540
2008 NMFA HP Project.....	12/19/2008	6/1/2028	4.00% to 5.15%	5,217,100	3,465,000
2008 NMFA High School Project.....	12/19/2008	6/1/2028	1.58% to 5.30%	4,669,000	3,334,000
2010 NMFA Fire Pumper & Equipment.....	1/15/2010	5/1/2020	0.98% to 3.22%	337,259	110,036
2010 NMFA Infrastructure Improvements....	8/12/2010	5/1/2025	3.460%	3,942,260	2,296,682
2013 NMFA Fire Admin Building.....	5/17/2013	5/1/2033	0.32% to 3.50%	795,925	660,898
2013 NMFA Fire Truck.....	12/20/2013	6/1/2023	0.18% to 2.75%	495,000	320,000
2013 NMFA Public Works Equipment.....	12/20/2013	5/1/2018	0.18% to 1.22%	684,000	160,000
2013 NMFA Police Vehicles.....	12/20/2013	6/1/2018	0.18% to 1.22%	855,000	190,000
2016 NMFA Police Vehicles.....	5/20/2016	5/1/2021	0.69% to 1.16%	259,950	210,969
Total Notes Payable, Governmental Activities.....				\$ 11,425,125	

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2017

Debt Service Requirements to Maturity - Notes Payable, Governmental Activities

Fiscal Year	2007 Fire Apparatus			2008 HP Project			2008 High School Project		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2018.....	\$ 125,081	\$ 27,757	\$ 152,838	\$ 245,000	\$ 173,738	\$ 418,738	\$ 250,000	\$ 166,754	\$ 416,754
2019.....	130,109	22,729	152,838	255,000	161,488	416,488	260,000	155,779	415,779
2020.....	135,392	17,446	152,838	270,000	148,738	418,738	270,000	143,793	413,793
2021.....	140,943	11,895	152,838	280,000	135,238	415,238	280,000	130,752	410,752
2022.....	146,015	6,074	152,089	295,000	121,238	416,238	295,000	116,864	411,864
2023 - 2027..	—	—	—	1,720,000	367,725	2,087,725	1,675,000	347,434	2,022,434
2028 - 2032..	—	—	—	400,000	20,000	420,000	304,000	15,990	319,990
2033 - 2037..	—	—	—	—	—	—	—	—	—
Total.....	\$ 677,540	\$ 85,901	\$ 763,441	\$ 3,465,000	\$ 1,128,163	\$ 4,593,163	\$ 3,334,000	\$ 1,077,366	\$ 4,411,366

Fiscal Year	2010 Fire Pumper and Equipment			2010 Infrastructure Improvements			2013 Fire Admin Building		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2018.....	35,652	3,294	38,946	254,944	84,752	339,696	34,755	18,285	53,040
2019.....	36,653	2,293	38,946	262,414	77,283	339,697	35,147	17,892	53,039
2020.....	37,731	1,215	38,946	270,680	69,017	339,697	35,653	17,386	53,039
2021.....	—	—	—	279,666	60,030	339,696	36,274	16,765	53,039
2022.....	—	—	—	289,706	49,990	339,696	36,988	16,051	53,039
2023 - 2027..	—	—	—	939,272	79,817	1,019,089	199,297	65,900	265,197
2028 - 2032..	—	—	—	—	—	—	231,588	33,606	265,194
2033 - 2037..	—	—	—	—	—	—	51,196	1,843	53,039
Total.....	\$ 110,036	\$ 6,802	\$ 116,838	\$ 2,296,682	\$ 420,889	\$ 2,717,571	\$ 660,898	\$ 187,728	\$ 848,626

Debt Service Requirements to Maturity - Notes Payable, Governmental Activities (continued)

Fiscal Year	2013 Fire Truck			2013 Public Works Equipment			2013 Police Vehicles		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2018.....	\$ 50,000	\$ 7,053	\$ 57,053	\$ 160,000	\$ 2,112	\$ 162,112	\$ 190,000	\$ 2,508	\$ 192,508
2019.....	50,000	6,393	56,393	—	—	—	—	—	—
2020.....	55,000	5,528	60,528	—	—	—	—	—	—
2021.....	55,000	4,378	59,378	—	—	—	—	—	—
2022.....	55,000	3,031	58,031	—	—	—	—	—	—
2023 - 2027..	55,000	1,568	56,568	—	—	—	—	—	—
2028 - 2032..	—	—	—	—	—	—	—	—	—
2033 - 2036..	—	—	—	—	—	—	—	—	—
Total.....	\$ 320,000	\$ 27,951	\$ 347,951	\$ 160,000	\$ 2,112	\$ 162,112	\$ 190,000	\$ 2,508	\$ 192,508

Fiscal Year	2016 Police Vehicles			Total Notes Payable		
	Principal	Interest	Total	Principal	Interest	Total
2018.....	\$ 52,048	\$ 2,076	\$ 54,124	\$ 1,397,480	\$ 488,329	\$ 1,885,809
2019.....	52,465	1,659	54,124	1,081,788	445,515	1,527,303
2020.....	52,953	1,171	54,124	1,127,409	404,294	1,531,703
2021.....	53,503	621	54,124	1,125,386	359,679	1,485,065
2022.....	—	—	—	1,117,709	313,248	1,430,957
2023 - 2027..	—	—	—	4,588,569	862,444	5,451,013
2028 - 2032..	—	—	—	935,588	69,596	1,005,184
2033 - 2036..	—	—	—	51,196	1,843	53,039
Total.....	\$ 210,969	\$ 5,527	\$ 216,496	\$ 11,425,125	\$ 2,944,947	\$ 14,370,072

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2017

F. Utility Revenue Bonds

During 2017, the City issued new Series 2017 Senior Lien, Senior Refunding Lien, and Subordinate Refunding Lien utility revenue bonds to refund outstanding Series 2008 bonds in addition to 2003 and 2009 NMED loans. Utility Revenue Bonds Payable at June 30 consisted of the following:

Utility Revenue Bonds Payable					
	Issue Date	Maturity Date	Interest Rate	Original Amount	Balance June 30, 2017
Series 2008 Project Bonds.....	7/16/2008	5/15/2034	3.00% to 4.75%	13,240,000	\$ 420,000
Series 2009 Refunding Bonds.....	6/17/2009	5/15/2022	2.50% to 5.00%	57,990,000	25,970,000
Series 2013 Refunding Bonds.....	5/30/2013	5/15/2025	2.00% to 5.00%	16,600,000	11,745,000
Series 2015 Refunding Bonds.....	9/22/2015	5/15/2032	2.00% to 5.00%	27,365,000	26,250,000
Series 2017 Senior Lien Bonds.....	7/13/2016	5/15/2041	3.59%	22,900,000	22,900,000
Series 2017 Senior Lien Refunding Bonds.....	7/13/2016	5/15/2034	3.59%	9,080,000	9,028,333
Series 2017 Subordinate Lien Refunding Bonds.....	7/13/2016	5/15/2041	3.56%	21,825,000	21,380,000
Total Utility Bonds Outstanding.....					117,693,333
Add Unamortized Premium.....					11,457,779
Total Utility Bonds Payable.....					<u>\$ 129,151,112</u>

Debt Service Requirements to Maturity - Utility Revenue Bonds									
Fiscal Year	Series 2008			Series 2009 Refunding			Series 2013 Refunding		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2018.....	\$ 420,000	\$ 15,750	\$ 435,750	\$ 4,725,000	\$ 1,279,950	\$ 6,004,950	\$ 1,290,000	\$ 500,400	\$ 1,790,400
2019.....	—	—	—	4,920,000	1,062,250	5,982,250	1,355,000	435,900	1,790,900
2020.....	—	—	—	5,170,000	816,250	5,986,250	1,410,000	381,700	1,791,700
2021.....	—	—	—	5,445,000	557,750	6,002,750	1,465,000	325,300	1,790,300
2022.....	—	—	—	5,710,000	285,500	5,995,500	1,525,000	266,700	1,791,700
2023 - 2027..	—	—	—	—	—	—	4,700,000	376,350	5,076,350
2028 - 2032..	—	—	—	—	—	—	—	—	—
2033 - 2037..	—	—	—	—	—	—	—	—	—
Total.....	\$ 420,000	\$ 15,750	\$ 435,750	\$ 25,970,000	\$ 4,001,700	\$ 29,971,700	\$ 11,745,000	\$ 2,286,350	\$ 14,031,350

Fiscal Year	Series 2015 Refunding			Series 2017 Senior Lien			Series 2017 Senior Lien Refunding		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2018.....	\$ 310,000	\$ 1,110,300	\$ 1,420,300	\$ 100,833	\$ 859,550	\$ 960,383	\$ 75,000	\$ 376,267	\$ 451,267
2019.....	320,000	1,101,000	1,421,000	610,000	854,508	1,464,508	402,500	372,517	775,017
2020.....	335,000	1,091,400	1,426,400	640,833	824,008	1,464,842	419,167	352,392	771,558
2021.....	345,000	1,078,000	1,423,000	675,833	791,967	1,467,800	443,333	331,433	774,767
2022.....	360,000	1,064,200	1,424,200	710,833	758,175	1,469,008	464,167	309,267	773,433
2023 - 2027..	11,020,000	4,203,650	15,223,650	4,084,167	3,251,192	7,335,359	2,674,167	1,193,400	3,867,567
2028 - 2032..	13,560,000	1,669,600	15,229,600	4,909,167	2,424,367	7,333,533	3,209,167	652,333	3,861,500
2033 - 2037..	—	—	—	5,935,833	1,395,675	7,331,508	1,340,833	78,467	1,419,300
2037 - 2042..	—	—	—	5,232,500	387,500	5,620,000	—	—	—
Total.....	\$ 26,250,000	\$ 11,318,150	\$ 37,568,150	\$ 22,900,000	\$ 11,546,942	\$ 34,446,942	\$ 9,028,333	\$ 3,666,075	\$ 12,694,408

Fiscal Year	Series 2017 Subordinate Lien Refunding			Total Utility Revenue Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2018.....	\$ 447,500	\$ 832,350	\$ 1,279,850	\$ 7,368,333	\$ 4,974,567	\$ 12,342,900
2019.....	892,500	809,975	1,702,475	8,500,000	4,636,150	13,136,150
2020.....	937,500	765,350	1,702,850	8,912,500	4,231,100	13,143,600
2021.....	982,500	718,475	1,700,975	9,356,667	3,802,925	13,159,592
2022.....	1,028,333	669,350	1,697,683	9,798,333	3,353,192	13,151,525
2023 - 2027..	3,763,333	2,713,967	6,477,300	26,241,667	11,738,558	37,980,225
2028 - 2032..	4,069,167	2,009,717	6,078,883	25,747,500	6,756,017	32,503,517
2033 - 2037..	4,924,167	1,156,967	6,081,133	12,200,833	2,631,109	14,831,942
2037 - 2042..	4,335,000	321,075	4,656,075	9,567,500	708,575	10,276,075
Total.....	\$ 21,380,000	\$ 9,997,225	\$ 31,377,225	\$ 117,693,333	\$ 42,832,192	\$ 160,525,525

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO THE FINANCIAL STATEMENTS

Year Ended June 30, 2017

G. Multi-Purpose Events Center Revenue Bonds

During 2017, the City did not issue any new bonds for the Multi-Purpose Events Center (MPEC). MPEC Revenue Bonds Payable at June 30 consisted of the following:

Multi-Purpose Events Center Revenue Bonds Payable - Business-type Activities					
	Issue Date	Maturity Date	Interest Rate	Original Amount	Balance June 30, 2017
Series 2013 Taxable Subordinate Lien					
GRT Revenue Refunding Bonds.....	5/30/2013	6/1/2032	1.15% to 4.25%	28,100,000	\$ 25,385,000
Total MPEC Revenue Bonds Payable.....					\$ 25,385,000

Debt Service Requirements to Maturity - MPEC Bonds, Business-type Activities

Fiscal Year	Series 2013 Taxable Subordinate			Total MPEC Revenue Bonds		
	Lien GRT Refunding			Total MPEC Revenue Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2018.....	\$ 1,385,000	\$ 849,217	\$ 2,234,217	\$ 1,385,000	\$ 849,217	\$ 2,234,217
2019.....	1,410,000	824,980	2,234,980	1,410,000	824,980	2,234,980
2020.....	1,440,000	796,780	2,236,780	1,440,000	796,780	2,236,780
2021.....	1,470,000	764,812	2,234,812	1,470,000	764,812	2,234,812
2022.....	1,505,000	727,768	2,232,768	1,505,000	727,768	2,232,768
2023 - 2027..	8,265,000	2,904,813	11,169,813	8,265,000	2,904,813	11,169,813
2028 - 2032..	9,910,000	1,258,068	11,168,068	9,910,000	1,258,068	11,168,068
2033 - 2037..	—	—	—	—	—	—
Total.....	\$ 25,385,000	\$ 8,126,435	\$ 33,511,435	\$ 25,385,000	\$ 8,126,435	\$ 33,511,435

H. Notes Payable – Business-type Activities

During 2017, the City obtain any new loans. Notes Payable for business-type activities at June 30 consisted of the following:

Notes Payable - Business-type Activities					
	Issue Date	Maturity Date	Interest Rate	Original Amount	Balance June 30, 2017
2011 NMFA Water Rights.....	1/21/2011	5/1/2030	4.028%	7,000,000	5,012,135
2011 NMFA Water Rights Acquisition....	12/23/2011	5/1/2031	3.197%	9,335,000	7,130,000
2015 NMFA Water Rights Acquisition....	4/17/2015	5/1/2035	2.777%	4,292,192	3,924,110
2016 NMFA Water Conserv/Treatmt.....	1/15/2016	6/1/2035	.25%	384,000	356,952
Total Notes Payable, Business-type Activities.....					\$ 16,423,197

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2017

Debt Service Requirements to Maturity - Notes Payable, Business-type Activities

Fiscal Year	2011 Water Rights			2011 Water Rights Acquisition			2015 Water Rights		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2018.....	\$ 306,672	\$ 204,812	\$ 511,484	\$ 425,000	\$ 224,373	\$ 649,373	\$ 187,251	\$ 94,396	\$ 281,647
2019.....	315,780	195,704	511,484	435,000	217,020	652,020	188,600	93,047	281,647
2020.....	326,043	185,441	511,484	445,000	208,407	653,407	190,316	91,331	281,647
2021.....	337,553	173,932	511,485	455,000	198,528	653,528	192,371	89,276	281,647
2022.....	350,008	161,476	511,484	465,000	187,472	652,472	194,834	86,813	281,647
2023 - 2027..	1,972,775	584,651	2,557,426	2,535,000	717,360	3,252,360	1,025,118	383,117	1,408,235
2028 - 2032..	1,403,304	131,149	1,534,453	2,370,000	234,278	2,604,278	1,158,718	249,516	1,408,234
2033 - 2037..	—	—	—	—	—	—	786,902	56,058	842,960
2038 - 2042..	—	—	—	—	—	—	—	—	—
Total.....	\$ 5,012,135	\$ 1,637,166	\$ 6,649,301	\$ 7,130,000	\$ 1,987,437	\$ 9,117,437	\$ 3,924,110	\$ 1,143,555	\$ 5,067,665

Fiscal Year	2016 Water Conservation/Treatment			Total Notes Payable		
	Principal	Interest	Total	Principal	Interest	Total
2018.....	\$ 19,413	\$ 892	\$ 20,305	\$ 938,336	\$ 524,473	\$ 1,462,809
2019.....	19,461	844	20,305	958,841	506,615	1,465,456
2020.....	19,510	795	20,305	980,869	485,975	1,466,844
2021.....	19,559	746	20,305	1,004,483	462,482	1,466,965
2022.....	19,607	698	20,305	1,029,449	436,459	1,465,908
2023 - 2027..	98,776	2,750	101,526	5,631,669	1,687,877	7,319,546
2028 - 2032..	100,015	1,509	101,524	5,032,037	616,452	5,648,489
2033 - 2037..	60,611	303	60,914	847,513	56,362	903,875
2038 - 2042..	—	—	—	—	—	—
Total.....	\$ 356,952	\$ 8,538	\$ 365,490	\$ 16,423,197	\$ 4,776,695	\$ 21,199,892

I. Pledged Revenue

Governmental Activities:

State Shared Gross Receipt Tax. The City has pledged future gross receipt tax revenues to repay an outstanding GRT refunding revenue bond of \$12.6 million and outstanding NMFA loans of \$4.9 million as of June 30, 2017. Proceeds from the original bond issuance, including the subsequent refunding and the loans provided financing for facility construction, infrastructure, police vehicles and a fire truck and are payable through 2028.

Total annual principal and interest payments for all the bonds and loans are expected to require less than 12 percent of gross revenues. The current total state shared gross receipt tax revenues were \$14.7 million and the total principal and interest paid on the bonds and loans was \$2.2 million, or 15 percent of gross revenues.

Fire Protection Revenue. The City has pledged future fire protection revenues to repay outstanding NMFA loans of \$1.7 million as of June 30, 2017. Proceeds from the loans provided financing for fire equipment and a fire administration building and are payable through 2033.

Total annual principal and interest payments for all the loans are expected to require less than 18 percent of gross revenues. The current total fire protection revenues were \$790,432 and the total principal and interest paid on the loans was \$245,000 or 31 percent of gross revenues.

Law Enforcement Protection Revenue. The City has pledged future law enforcement protection revenues to repay an outstanding NMFA loan of \$215,000 as of June 30, 2017. Proceeds from the loan provided financing for six new police vehicles and is payable through 2021.

Total annual principal and interest payments for the loan is expected to require less than 53 percent of gross revenues. The current total law enforcement protection revenues were \$109,309, and the total principal and interest paid on the loan was approximately \$51,000 or 47 percent of gross revenues.

Environmental Gross Receipt Tax. The City has pledged future environmental gross receipt taxes to repay an outstanding NMFA loan of \$2.7 million as of June 30, 2017. Proceeds from the loan provided financing for infrastructure improvements and is payable through 2025.

Total annual principal and interest payments for the loan is expected to require less than 47 percent of gross revenues. The current total environmental gross receipt tax revenues were \$723,426 and the total principal and interest paid on the loan was \$340,000 or 47 percent of gross revenues.

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO THE FINANCIAL STATEMENTS

Year Ended June 30, 2017

Municipal Gross Receipt Tax. The City has pledged future municipal gross receipt taxes to repay an outstanding NMFA loan of \$4.6 million as of June 30, 2017. Proceeds from the loan provided financing for infrastructure improvements and is payable through 2028.

Total annual principal and interest payments for the loan is expected to require less than 2 percent of gross revenues. The current total municipal gross receipt tax revenues were \$24.8 million and the total principal and interest paid on the loan was \$415,000 or 2 percent of gross revenues.

Municipal Gas Tax. The City has pledged future municipal gas taxes to repay an outstanding NMFA loan of \$162,000 as of June 30, 2017. Proceeds from the loan provided financing for public works equipment and is payable through 2018.

Total annual principal and interest payments for the loan is expected to require less than 24 percent of gross revenues. The current total municipal gas tax revenues were \$760,000 and the total principal and interest paid on the loan was \$162,500 or 21 percent of gross revenues.

Business-Type Activities:

State Shared Gross Receipt Tax. The City has pledged future gross receipt tax revenues to repay outstanding event center refunding bonds of \$33.5 million as of June 30, 2017. Proceeds from the original bond issuance, including the subsequent refunding, provided financing for the construction of the Santa Ana Star Center and are payable through 2032.

Total annual principal and interest payments for all the bonds and loans are expected to require less than 15 percent of gross revenues. The current total state shared gross receipt tax revenues were \$14.7 million and the total principal and interest paid on the bonds and loans was \$2.2 million or 15 percent of gross revenues.

Utilities Net Revenue. The City has pledged future Utility net revenues to repay outstanding revenue bonds, refunding revenue bonds, and loans of \$160.1 million as of June 30, 2017. Proceeds from the original bond issuances, including those subsequently refunded, and the loan provided financing for construction of and improvements to the City's water systems and infrastructure and are payable through 2041.

Total annual principal and interest payments for all the bonds and loans (senior and subordinate obligations) are expected to require less than 30 percent of Joint Utility net revenues through final maturity of all debt obligations.. The current total utility net revenues were \$22.4 million and the total principal and interest paid on the bonds and loans was \$12.2 million or 54 percent of net revenues.

Water Rights Acquisition Fees. The City has pledged future water rights acquisition fees to repay outstanding NMFA loans of \$20.8 million as of June 30, 2017. Proceeds from the loans provided financing for water rights acquisition purchases and are payable through 2035.

Total annual principal and interest payments for all the bonds and loans are expected to require less than 43 percent of gross revenues. The current total water rights acquisition fees were \$2.9 million and the total principal and interest paid on the bonds and loans was \$1.4 million or 48 percent of gross revenues.

J. Bond Refundings and Defeased Debt

During the year ended June 30, 2017, the City issued \$53,805,000 in refunding bonds, with an effective interest rate of 3.56 to advance refund \$34,834,640 of outstanding Series 2008 Joint Utility Revenue Bonds, with an average interest rate of 3.88%, and its 2003 New Mexico Environment Department (NMED) Clean Water State Revolving Fund (CWSRF) Loan as well as refunding and restructuring its outstanding 2009 NMED CWSRF Loan, with an average interest rate of 3.00%. The net proceeds of \$59,931,348, which includes \$6,126,348 of bond premium and processing fee of \$248,318, were used to purchase U.S. Government Securities. Those securities were deposited in an irrevocable trust with an escrow agent, to provide for the refunded water and wastewater debt. At June 30, \$34,824,640 of debt outstanding is considered defeased and the liability for that debt has been removed from the financial statements. The reacquisition price exceeded the net carrying amount by \$785,530. This amount is reported

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO THE FINANCIAL STATEMENTS

Year Ended June 30, 2017

as deferred charges and amortized over the new debt's life. This advance refunding was undertaken to reduce the annual debt service payment by an average of \$833,298, and resulted in a total net present value savings of \$2,546,887.

K. Special Assessment Bonds

Special Assessment Bonds are used to construct improvements 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 the 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 auction 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 on Special Assessment Bonds with any general or other funds of the City. Special assessment bonds outstanding at June 30 were \$8,427,021.

L. 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, based on the most recent valuation, the City's debt limitation and additional bonding capacity are as follows:

Calculation of Legal Debt Margin

Assessed Value.....	\$ 2,108,108,583
Debt Limit (4% of assessed value).....	84,324,343
<hr/>	
Debt Applicable to Limit:	
General Obligation Bonds Payable.....	20,300,000
Less amount restricted for repayment of General Obligation Bonds.....	(4,167,419)
Net Debt Applicable to Limit.....	16,132,581
Additional Bonding Capacity.....	\$ 68,191,762

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO THE FINANCIAL STATEMENTS

Year Ended June 30, 2017

M. Conduit Debt Obligations

As allowed by federal and state laws and IRS regulations, the City has acted as a conduit for tax-exempt financing for various private entities located within the City. In all such cases, the debts are secured by the facilities and equipment that were acquired with the debt proceeds, and the debts are payable solely from the revenues of the companies for whom the debts were issued. The City is not obligated in any manner for repayment of the debt and therefore the obligations are not reported as liabilities in the City’s financial statements. As of June 30, there were three Rio Rancho conduit debt obligations outstanding. The current remaining principal amounts of these obligations could not be determined; however, the aggregate original issue amounts totaled \$96.5 million.

NOTE 10. NET POSITION AND FUND BALANCES

A. Net Position

Net position is the difference between assets/deferred outflows and liabilities/deferred inflows on the government-wide, proprietary fund, and fiduciary fund statements.

At June 30, the City reported a deficit unrestricted net position of \$47 million for governmental activities on the Statement of Net Position. The deficit was a result of recognizing the City’s proportionate share of the New Mexico Public Employees Retirement Association net pension liability.

The various purposes of restricted net position are noted on the face of the statements. Net position restricted by enabling legislation represents resources which a party external to the City (such as citizens, public interest groups, or the courts) can compel the City to use only for the purpose specified by the legislation. The Statement of Net Position reports \$24,423,773 of net position of governmental activities that is restricted by enabling legislation.

B. Governmental Fund Balances – Restricted, Committed, and Assigned

The City’s spendable fund balances are classified into three categories: 1) *Restricted Purposes*, which include balances that are legally restricted for specific purposes due to constraints that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; 2) *Committed Purposes*, which include balances that can only be used for specific purposes pursuant to constraints imposed by formal resolution of the Governing Body in a public meeting; 3) *Assigned Purposes*, which include balances that are constrained by the government’s intent to be used for specific purposes, but are neither restricted nor committed. Per City policy, assigned fund balance amounts are determined by the Financial Services Department at year-end in consultation with other departments that directly manage those specific resources.

When expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available, the City’s policy is to first apply restricted balances, then committed balances, then assigned balances.

The table below summarizes the purposes of the City’s restricted fund balances.

	Nonmajor Governmental Funds			
	Special Revenue	Debt Service	Capital Projects	Total
Fund Balances restricted for:				
Roads and Public Improvements.....	\$ 7,846,884	\$ —	\$ 7,178,589	\$ 15,025,473
Community Programs.....	748,197	—	—	748,197
Parks and Recreation Programs.....	151,167	—	—	151,167
Public Safety Programs.....	1,964,756	—	—	1,964,756
Insurance Premiums and Claims.....	1,220,833	—	—	1,220,833
Debt Service.....	653,328	4,660,019	—	5,313,347
Total.....	\$ 12,585,165	\$ 4,660,019	\$ 7,178,589	\$ 24,423,773

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO THE FINANCIAL STATEMENTS

Year Ended June 30, 2017

C. Unassigned Fund Balance

Unassigned fund balance is the residual classification for the General Fund. This amount represents 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, a negative residual balance is reported as unassigned.

D. Deficit Fund Balances

The following funds reported deficit fund balances at June 30:

Nonmajor Governmental Funds:	
Keep Rio Rancho Beautiful Fund	\$(326)
Library Fund	(149,749)
NM Gang Task Force	(3,488)
State Appropriation Capital Projects Fund	<u>(15,310)</u>
Deficit Fund Balances	<u>\$(168,873)</u>

The deficits arose because of the timing of receipts and expenditures in these funds under reimbursement-based grant agreements and the modified accrual basis of accounting. The City expects to eliminate the deficits through receipts of grant revenues in the next fiscal year.

NOTE 11. PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION

A. Plan Description

The Public Employees Retirement Association (PERA) Fund is a cost-sharing, multiple employer defined benefit pension plan. The Fund has six divisions of members, including State General, State Police/Adult Correction Officer, Municipal General, Municipal Police/Detention Officers, Municipal Fire, and State Legislative Divisions, and offers 24 different types of coverage within the PERA plans. All assets accumulated may be used to pay benefits, including refunds of member contributions, to any of the plan members or beneficiaries, as defined by the terms of the plan. Certain coverage plans are only applicable to a specific division.

The City of Rio Rancho participates in three PERA plans: Municipal General Plan 2, Municipal Police Plan 5, and Municipal Fire Plan 5.

Eligibility for membership in the PERA Fund is set forth in the Public Employees Retirement Act (Chapter 10, Article 11, NMSA 1978). Except as provided for in the Volunteer Firefighters Retirement Act (10-11A-1 to 10-11A-7, NMSA 1978), the Judicial Retirement Act (10-12B-1 to 10-12B-19, NMSA 1978), the Magistrate Retirement Act (10-12C-1 to 10-12C-18, NMSA 1978), and the Educational Retirement Act (Chapter 22, Article 11, NMSA 1978), and the provisions of Sections 29-4-1 through 29-4-11, NMSA 1978 governing the State Police Pension Fund, each employee and elected official of every affiliated public employer is required to be a member in the PERA Fund.

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

B. Benefits Provided

For a complete description of the benefits provided to eligible retirees, see Note 1 in the PERA audited financial statements available at the above website. Following is a general summary of eligibility criteria, benefits, and contribution rates as of June 30, 2016:

CITY OF RIO RANCHO, NEW MEXICO
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Year Ended June 30, 2017

	Municipal General Plan 2		Municipal Police Plan 5		Municipal Fire Plan 5	
	Tier I	Tier II	Tier I	Tier II	Tier I	Tier II
Highest Average Salary	3 Years	5 Years	3 Years	5 Years	3 Years	5 Years
Years of Service and Age of Eligibility	25 years any age 20 years age 60 Various ages 61-64 5 years age 65	Rule of 85 8 years age 65	20 years any age Various ages 61-64 5 years age 65	25 years any age 6 years age 60	20 years any age Various ages 61-64 5 years age 65	25 years any age 6 years age 60
Vesting Period	5 years	8 years	5 years	8 years	5 years	8 years
Benefit Percent per Year of Service	2.5%	2.0%	3.5%	3.0%	3.5%	3.0%
Maximum Benefit as Percent of Final Average Salary	90%	90%	90%	90%	90%	90%
Annual Cost of Living Adjustment	2.0% with graduated eligibility period	2.0% with 7-year eligibility period	2.0% with graduated eligibility period	2.0% with 7-year eligibility period	2.0% with graduated eligibility period	2.0% with 7-year eligibility period
Required Contribution Rates						
Employer	9.55%	9.55%	18.90%	18.90%	21.65%	21.65%
Employee < \$20,000	9.15%	9.15%	16.30%	16.30%	16.20%	16.20%
Employee > \$20,000	10.65%	10.65%	17.80%	17.80%	17.70%	17.70%

C. Contributions

The contribution requirements of PERA Fund members are established in state statute under Chapter 10, Article 11, NMSA 1978. The contribution requirements may be amended by acts of the legislature.

The Combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability.

Employer contributions for the fiscal year ended June 30, 2017 are shown in the table on the following page.

D. Pension Liabilities, Pension Expense, Deferred Outflows, and Deferred Inflows of Resources Related to Pensions

The PERA pension liability amounts, net pension liability amounts, and sensitivity information were based on an actuarial valuation performed as of June 30, 2015. The PERA pension liability amounts for each division were rolled forward from the valuation date to the Plan year ending June 30, 2017, using generally accepted actuarial principles. Therefore, the employer's proportionate share was established as of the measurement date of June 30, 2016.

The assets of the PERA Fund are held in one trust, but there are six distinct membership groups (municipal general members, municipal police members, municipal fire members, state general members, state police members and legislative members) for whom separate contribution rates are determined each year pursuant to Chapter 10, Article 11 NMSA 1978. Therefore, the calculations of the net pension liability, pension expense and deferred inflows and outflows of resources were performed separately for each of the membership groups.

The City's proportionate share of the net pension liability for each of the City's three membership groups is based on the share of the City's employer contributions relative to each membership group's total employer contributions for the fiscal year ended June 30, 2017. Only employer contributions for the pay period end dates that fell within the period of July 1, 2015 to June 30, 2016 were included in the total contributions for a specific employer. Employer contributions on behalf of the employee were excluded from the calculation. In the event that a participating employer is behind in its required contributions, an estimate (receivable) was used to project the unremitted employer contributions. This allowed for fair and consistent measurement of the

CITY OF RIO RANCHO, NEW MEXICO
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contributions for the total population. This methodology was used to maintain consistent measurement each year in determining the percentages to be allocated among all the participating employers.

The City's proportionate share of each PERA plan's net pension liability, and each plan's annual pension expense, as of and for the year ended June 30, 2017 are shown in the table below.

PERA Plan	Employer Contributions	Current Year Pension Expense and Net Pension Liability			Prior Year Percent of Net Pension Liability
		Pension Expense	Proportionate Share of Net Pension Liability	Percent of Net Pension Liability	
Municipal General Plan 2..	\$ 1,516,728	\$ 3,336,878	\$ 29,628,670	1.8545%	1.8732%
Municipal Police Plan 5.....	1,222,830	3,258,277	24,001,602	3.2530%	3.2623%
Municipal Fire Plan 5.....	1,078,211	3,640,958	28,501,252	4.2724%	4.3674%
Total.....	<u>\$ 3,817,769</u>	<u>\$ 10,236,113</u>	<u>\$ 82,131,524</u>		

At June 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources for each of the City's three PERA Fund divisions:

	Municipal General Plan 2		Municipal Police Plan 5		Municipal Fire Plan 5	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience.....	\$ 1,480,371	(289,159)	1,762,067		1,290,676	
Changes of assumptions.....	1,737,374	(4,927)	1,589,732	(432,863)	1,507,604	
Net difference between projected and actual earnings on pension plan investments.....	5,451,618	—	3,795,991		2,374,006	
Changes in proportion and differences between City contributions and proportionate share of contributions.....	216,954	(147,748)	266,203	(32,917)	289,035	(348,476)
City contributions subsequent to the measurement date.....	1,547,590		1,262,779		1,129,037	
Total.....	<u>\$ 10,433,907</u>	<u>\$ (441,834)</u>	<u>\$ 8,676,772</u>	<u>\$ (465,780)</u>	<u>\$ 6,590,358</u>	<u>\$ (348,476)</u>

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Following is additional information about the City's deferred outflows of resources and deferred inflows of resources related to pensions:

	Municipal General Plan 2	Municipal Police Plan 5	Municipal Fire Plan 5
Amount reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date of June 30, 2015 that will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2017.....	\$ 1,547,590	\$ 1,262,779	\$ 1,129,037

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:			
2017.....	\$ 1,875,695	\$ 1,711,562	1,449,458
2018.....	1,875,695	1,711,562	1,449,458
2019.....	3,317,993	2,554,879	1,609,218
2020.....	1,375,100	970,210	604,711
2021.....	—	—	—

E. Actuarial Assumptions

As described above, the PERA Fund member group pension liabilities and net pension liabilities are based on actuarial valuations performed as of June 30, 2015 for each of the membership groups. The actuarial assumptions used in the valuation were based on the results of an actuarial experience study for the five-year period ending June 30, 2015.

Using the information from the June 30, 2015 valuation, each PERA Fund member group pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2016 using generally accepted actuarial principles. There were no significant events or changes in benefit provisions that required an adjustment to the roll-forward liabilities as of June 30, 2017. The following actuarial methods and assumptions were adopted by the Board for use in the June 30, 2015 actuarial valuation:

Actuarial valuation date..... June 30, 2015
Actuarial cost method..... Entry-age normal
Amortization method..... Level percentage of pay, Open
Amortization period..... Solved for based on statutory rates
Asset valuation method..... Fair value
Actuarial assumptions:
Investment rate of return..... 7.48%, net of investment expense
Projected benefit payment..... 100 years
Payroll growth..... 2.75% for first 10 years, 2.75% all other years
Projected salary increases..... 2.75% to 14.00% annual rate
Includes inflation at..... 2.25% annual rate first 10 years, 2.75% all other years
Mortality rates:RP-2000 Mortality Tables (Combined table for healthy post-retirement, Employee table for active members, and Disabled table for disabled retirees before retirement age) with projection to 2018 using Scale AA.
Experience Study Dates: July 1, 2008 to June 30, 2013 (demographic) and July 1, 2010 through June 20, 2015 (economic)

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

ALL FUNDS - Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity.....	43.50%	7.39%
Risk Reduction & Mitigation.....	21.50%	1.79%
Credit Oriented Fixed Income...	15.00%	5.77%
Real Assets.....	20.00%	7.35%
Total.....	100.00%	

F. Discount Rate

The discount rate used to measure the total pension liability was 7.25% for the first 10 years (select period) and 7.75% for all other years (ultimate). The projection of cash flows used to determine the discount rate assumed that future contributions will be made in accordance with statutory rates. On this basis, the pension plan's fiduciary net position together with the expected future contributions are sufficient to provide all projected future benefit payments of current plan members as determined in accordance with GASB Statement 67. Therefore, the 7.48% assumed long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate.

The following table shows the sensitivity of the net pension liability to changes in the discount rate. In particular, the table presents the net pension liability in each of the City's PERA Fund divisions calculated using the current discount rate of 7.48%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.48%) or one percentage point higher (8.48%) than the current discount rate.

Proportionate Share of Net Pension Liability:	Assumed Discount Rate		
	1% Decrease 6.48%	Current Rate 7.48%	1% Increase 8.48%
Municipal General Plan 2..	\$ 44,173,712	29,628,670	17,564,281
Municipal Police Plan 5.....	35,312,314	24,001,602	14,750,763
Municipal Fire Plan 5.....	37,729,491	28,501,252	21,290,846
Total.....	\$ 117,215,517	\$ 82,131,524	\$ 53,605,890

G. Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in PERA'S audited comprehensive annual financial report and can be obtained at the following web address: http://www.nmpera.org/assets/uploads/downloads/comprehensive-annual-financial-reports/2016-CAFR_12.22.2016_FINAL-with-corrections.pdf.

H. Payables to the Pension Plan

The City reported \$137,339 as payable to PERA at June 30, 2017. The liability is included in the City's accrued payroll adjustment for wages and benefits earned but not yet paid at year-end.

CITY OF RIO RANCHO, NEW MEXICO
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Year Ended June 30, 2017

NOTE 12. POST-EMPLOYMENT BENEFITS, RETIREE HEALTHCARE PLAN

A. 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.

The RHCA issues a publicly available financial report that includes financial statements and required supplementary information for the postemployment healthcare plan. That report and further information can be obtained at the following website: www.nmrhca.state.nm.us/Pages/audit-reports.aspx

B. 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 its website at www.nmrhca.state.nm.us/Pages/Home.aspx.

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 plans 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, 2016, the statutes 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, 2016, the statute required each participating employer to contribute 2.0% of each participating employee's annual salary, and 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, 2017, 2016 and 2015 were \$657,119, \$604,964, and \$609,006, respectively, which equal the required contributions for each year.

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Year Ended June 30, 2017

NOTE 13. TAX ABATEMENTS

The county has entered into several agreements with entities pursuant to the NMSA 4-59 County Industrial Revenue Act for the purpose of promoting industry and trade by inducing manufacturing, industrial and commercial enterprises to locate or expand in the state. The City has abated certain taxes as terms of the agreements. As required by GASB statement No. 77 – Tax Abatement Disclosure, the City has provided the following disclosure of agreements and abated taxes as well as agreement entered into by other governments and entities who abated taxes that affected Sandoval County. In addition, as required by the New Mexico Office of the State Auditor, Audit Rule NMAC 2.2.2.10 BB. (1), disclosure information for tax abatement shall be provided individually and may not be aggregated.

Agency number for Agency making the disclosure (Abating Agency)	6147
Abating Agency Name	City of Rio Rancho
Abating Agency Type	Municipality (Home Rule)
Tax Abatement Agreement Name	Industrial Revenue Bond Project - Lease Agreement
Name of agency affected by abatement agreement (Affected Agency)	Sandoval County
Agency number of Affected Agency	5025
Agency type of Affected Agency	County
Recipient(s) of tax abatement	Titan City Center, LLC
Tax abatement program (name and brief description)	HP IRB -Issuance of an Industrial Revenue Bond in the maximum principal amount of \$63,500,000 to provide funds to finance the acquisition, construction and equipping of an industrial revenue project. The City will lease the property to the Titan City Center, LLC which will be sub-leased to Hewlett-Packard Company.
Specific Tax(es) Being Abated	Property Taxes
Authority under which abated tax would have been paid to Affected Agency	Property Tax Code NMSA Chapter 7 Articles 35-38
Gross dollar amount, on an accrual basis, by which the Affected Agency's tax revenues were reduced during the reporting period as a result of the tax abatement agreement	\$108,299.66
For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by the Affected Agency in association with the foregone tax revenue, list the amount of payments received in the current fiscal year	N/A
If the Abating Agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission	N/A

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Year Ended June 30, 2017

Agency number for Agency making the disclosure (Abating Agency)	6147
Abating Agency Name	City of Rio Rancho
Abating Agency Type	Municipality (Home Rule)
Tax Abatement Agreement Name	Industrial Revenue Bond Project - Lease Agreement
Name of agency affected by abatement agreement (Affected Agency)	Rio Rancho Public Schools
Agency number of Affected Agency	7090
Agency type of Affected Agency	School District
Recipient(s) of tax abatement	Bank of America
Tax abatement program (name and brief description)	Industrial Revenue Bonds - Authorize issuance of \$9,000,000 in industrial revenue bonds, Series 1998B, the proceeds of which will be used to financethe acquisition and construction of property. The property is leased to the Bank of America.
Specific Tax(es) Being Abated	Property Taxes
Authority under which abated tax would have been paid to Affected Agency	Property Tax Code NMSA Chapter 7 Articles 35-38
Gross dollar amount, on an accrual basis, by which the Affected Agency's tax revenues were reduced during the reporting period as a result of the tax abatement agreement	\$33,417.52
For any Payments in Lieu of Taxes (PILOTS) or similar payments receivable by the Affected Agency in association with the foregone tax revenue, list the amount of payments received in the current fiscal year	\$33,417.52
If the Abating Agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission	N/A

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Year Ended June 30, 2017

Agency number for Agency making the disclosure (Abating Agency)	6147
Abating Agency Name	City of Rio Rancho
Abating Agency Type	Municipality (Home Rule)
Tax Abatement Agreement Name	Industrial Revenue Bond Project - Lease Agreement
Name of agency affected by abatement agreement (Affected Agency)	Presbyterian Health System - Rust Hospital
Agency number of Affected Agency	N/A
Agency type of Affected Agency	Contracting Hospital
Recipient(s) of tax abatement	Titan City Center, LLC
Tax abatement program (name and brief description)	HP IRB -Issuance of an Industrial Revenue Bond in the maximum principal amount of \$63,500,000 to provide funds to finance the acquisition, construction and equipping of an industrial revenue project. The City will lease the property to the Titan City Center, LLC which will be sub-leased to Hewlett-Packard Company.
Specific Tax(es) Being Abated	Property Taxes
Authority under which abated tax would have been paid to Affected Agency	Property Tax Code NMSA Chapter 7 Articles 35-38
Gross dollar amount, on an accrual basis, by which the Affected Agency's tax revenues were reduced during the reporting period as a result of the tax abatement agreement	\$22,212.03
For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by the Affected Agency in association with the foregone tax revenue, list the amount of payments received in the current fiscal year	N/A
If the Abating Agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission	N/A

CITY OF RIO RANCHO, NEW MEXICO
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Year Ended June 30, 2017

Agency number for Agency making the disclosure (Abating Agency)	6147
Abating Agency Name	City of Rio Rancho
Abating Agency Type	Municipality (Home Rule)
Tax Abatement Agreement Name	Industrial Revenue Bond Project - Lease Agreement
Name of agency affected by abatement agreement (Affected Agency)	Presbyterian Health System - Rust Hospital
Agency number of Affected Agency	N/A
Agency type of Affected Agency	Contracting Hospital
Recipient(s) of tax abatement	Bank of America
Tax abatement program (name and brief description)	Industrial Revenue Bonds - Authorize issuance of \$9,000,000 in industrial revenue bonds, Series 1998B, the proceeds of which will be used to financethe acquisition and construction of property. The property is leased to the Bank of America.
Specific Tax(es) Being Abated	Property Taxes
Authority under which abated tax would have been paid to Affected Agency	Property Tax Code NMSA Chapter 7 Articles 35-38
Gross dollar amount, on an accrual basis, by which the Affected Agency's tax revenues were reduced during the reporting period as a result of the tax abatement agreement	\$7,102.51
For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by the Affected Agency in association with the foregone tax revenue, list the amount of payments received in the current fiscal year	N/A
If the Abating Agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission	N/A

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Year Ended June 30, 2017

Agency number for Agency making the disclosure (Abating Agency)	6147
Abating Agency Name	City of Rio Rancho
Abating Agency Type	Municipality (Home Rule)
Tax Abatement Agreement Name	Industrial Revenue Bond Project - Lease Agreement
Name of agency affected by abatement agreement (Affected Agency)	UNM Sandoval Regional Medical Center
Agency number of Affected Agency	969-O
Agency type of Affected Agency	Contracting Hospital
Recipient(s) of tax abatement	Titan City Center, LLC
Tax abatement program (name and brief description)	HP IRB -Issuance of an Industrial Revenue Bond in the maximum principal amount of \$63,500,000 to provide funds to finance the acquisition, construction and equipping of an industrial revenue project. The City will lease the property to the Titan City Center, LLC which will be sub-leased to Hewlett-Packard Company.
Specific Tax(es) Being Abated	Property Taxes
Authority under which abated tax would have been paid to Affected Agency	Property Tax Code NMSA Chapter 7 Articles 35-38
Gross dollar amount, on an accrual basis, by which the Affected Agency's tax revenues were reduced during the reporting period as a result of the tax abatement agreement	\$18,173.48
For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by the Affected Agency in association with the foregone tax revenue, list the amount of payments received in the current fiscal year	N/A
If the Abating Agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission	N/A

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Agency number for Agency making the disclosure (Abating Agency)	6147
Abating Agency Name	City of Rio Rancho
Abating Agency Type	Municipality (Home Rule)
Tax Abatement Agreement Name	Industrial Revenue Bond Project - Lease Agreement
Name of agency affected by abatement agreement (Affected Agency)	UNM Sandoval Regional Medical Center
Agency number of Affected Agency	969-O
Agency type of Affected Agency	Contracting Hospital
Recipient(s) of tax abatement	Call, LLC
Tax abatement program (name and brief description)	Authorize an additional \$5,000,000 in Industrial Revenue Bonds in addition to \$11,000,000 in bonds that were issued in 1998 (Series A) for a total of \$16,000,000. Extend the Series A final maturity from 2023 to 2028. The bonds were issued for the purpose of making facility improvements and upgrades, as well as expanding parking capacity for the facility. The City will lease the facility to Call, LLC who will be sub-lease to Safelite Solutions LLC.
Specific Tax(es) Being Abated	Property Taxes
Authority under which abated tax would have been paid to Affected Agency	Property Tax Code NMSA Chapter 7 Articles 35-38
Gross dollar amount, on an accrual basis, by which the Affected Agency's tax revenues were reduced during the reporting period as a result of the tax abatement agreement	\$8,076.07
For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by the Affected Agency in association with the foregone tax revenue, list the amount of payments received in the current fiscal year	N/A
If the Abating Agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission	N/A

**CITY OF RIO RANCHO, NEW MEXICO
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Year Ended June 30, 2017

Agency number for Agency making the disclosure (Abating Agency)	6147
Abating Agency Name	City of Rio Rancho
Abating Agency Type	Municipality (Home Rule)
Tax Abatement Agreement Name	Industrial Revenue Bond Project - Lease Agreement
Name of agency affected by abatement agreement (Affected Agency)	UNM Sandoval Regional Medical Center
Agency number of Affected Agency	969-O
Agency type of Affected Agency	Contracting Hospital
Recipient(s) of tax abatement	Bank of America
Tax abatement program (name and brief description)	Industrial Revenue Bonds - Authorize issuance of \$9,000,000 in industrial revenue bonds, Series 1998B, the proceeds of which will be used to financethe acquisition and construction of property. The property is leased to the Bank of America.
Specific Tax(es) Being Abated	Property Taxes
Authority under which abated tax would have been paid to Affected Agency	Property Tax Code NMSA Chapter 7 Articles 35-38
Gross dollar amount, on an accrual basis, by which the Affected Agency's tax revenues were reduced during the reporting period as a result of the tax abatement agreement	\$5,811.15
For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by the Affected Agency in association with the foregone tax revenue, list the amount of payments received in the current fiscal year	N/A
If the Abating Agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission	N/A

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Agency number for Agency making the disclosure (Abating Agency)	6147
Abating Agency Name	City of Rio Rancho
Abating Agency Type	Municipality (Home Rule)
Tax Abatement Agreement Name	Industrial Revenue Bond Project - Lease Agreement
Name of agency affected by abatement agreement (Affected Agency)	Central New Mexico Community College
Agency number of Affected Agency	966
Agency type of Affected Agency	Community College
Recipient(s) of tax abatement	Titan City Center, LLC
Tax abatement program (name and brief description)	HP IRB -Issuance of an Industrial Revenue Bond in the maximum principal amount of \$63,500,000 to provide funds to finance the acquisition, construction and equipping of an industrial revenue project. The City will lease the property to the Titan City Center, LLC which will be sub-leased to Hewlett-Packard Company.
Specific Tax(es) Being Abated	Property Taxes
Authority under which abated tax would have been paid to Affected Agency	Property Tax Code NMSA Chapter 7 Articles 35-38
Gross dollar amount, on an accrual basis, by which the Affected Agency's tax revenues were reduced during the reporting period as a result of the tax abatement agreement	\$38,009.88
For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by the Affected Agency in association with the foregone tax revenue, list the amount of payments received in the current fiscal year	N/A
If the Abating Agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission	N/A

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Year Ended June 30, 2017

Agency number for Agency making the disclosure (Abating Agency)	6147
Abating Agency Name	City of Rio Rancho
Abating Agency Type	Municipality (Home Rule)
Tax Abatement Agreement Name	Industrial Revenue Bond Project - Lease Agreement
Name of agency affected by abatement agreement (Affected Agency)	Central New Mexico Community College
Agency number of Affected Agency	966
Agency type of Affected Agency	Community College
Recipient(s) of tax abatement	Call, LLC
Tax abatement program (name and brief description)	Authorize an additional \$5,000,000 in Industrial Revenue Bonds in addition to \$11,000,000 in bonds that were issued in 1998 (Series A) for a total of \$16,000,000. Extend the Series A final maturity from 2023 to 2028. The bonds were issued for the purpose of making facility improvements and upgrades, as well as expanding parking capacity for the facility. The City will lease the facility to Call, LLC who will be sub-lease to Safelite Solutions LLC.
Specific Tax(es) Being Abated	Property Taxes
Authority under which abated tax would have been paid to Affected Agency	Property Tax Code NMSA Chapter 7 Articles 35-38
Gross dollar amount, on an accrual basis, by which the Affected Agency's tax revenues were reduced during the reporting period as a result of the tax abatement agreement	\$16,891.13
For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by the Affected Agency in association with the foregone tax revenue, list the amount of payments received in the current fiscal year	N/A
If the Abating Agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission	N/A

CITY OF RIO RANCHO, NEW MEXICO
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Year Ended June 30, 2017

Agency number for Agency making the disclosure (Abating Agency)	6147
Abating Agency Name	City of Rio Rancho
Abating Agency Type	Municipality (Home Rule)
Tax Abatement Agreement Name	Industrial Revenue Bond Project - Lease Agreement
Name of agency affected by abatement agreement (Affected Agency)	Central New Mexico Community College
Agency number of Affected Agency	966
Agency type of Affected Agency	Community College
Recipient(s) of tax abatement	Bank of America
Tax abatement program (name and brief description)	Industrial Revenue Bonds - Authorize issuance of \$9,000,000 in industrial revenue bonds, Series 1998B, the proceeds of which will be used to financethe acquisition and construction of property. The property is leased to the Bank of America.
Specific Tax(es) Being Abated	Property Taxes
Authority under which abated tax would have been paid to Affected Agency	Property Tax Code NMSA Chapter 7 Articles 35-38
Gross dollar amount, on an accrual basis, by which the Affected Agency's tax revenues were reduced during the reporting period as a result of the tax abatement agreement	\$12,154.04
For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by the Affected Agency in association with the foregone tax revenue, list the amount of payments received in the current fiscal year	N/A
If the Abating Agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission	N/A

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Year Ended June 30, 2017

Agency number for Agency making the disclosure (Abating Agency)	6147
Abating Agency Name	City of Rio Rancho
Abating Agency Type	Municipality (Home Rule)
Tax Abatement Agreement Name	Industrial Revenue Bond Project - Lease Agreement
Name of agency affected by abatement agreement (Affected Agency)	Southern Sandoval County Arroyo Flood Control Authority
Agency number of Affected Agency	4096
Agency type of Affected Agency	Special District
Recipient(s) of tax abatement	Titan City Center, LLC
Tax abatement program (name and brief description)	HP IRB -Issuance of an Industrial Revenue Bond in the maximum principal amount of \$63,500,000 to provide funds to finance the acquisition, construction and equipping of an industrial revenue project. The City will lease the property to the Titan City Center, LLC which will be sub-leased to Hewlett-Packard Company.
Specific Tax(es) Being Abated	Property Taxes
Authority under which abated tax would have been paid to Affected Agency	Property Tax Code NMSA Chapter 7 Articles 35-38
Gross dollar amount, on an accrual basis, by which the Affected Agency's tax revenues were reduced during the reporting period as a result of the tax abatement agreement	\$27,604.68
For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by the Affected Agency in association with the foregone tax revenue, list the amount of payments received in the current fiscal year	N/A
If the Abating Agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission	N/A

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO THE FINANCIAL STATEMENTS

Year Ended June 30, 2017

Agency number for Agency making the disclosure (Abating Agency)	6147
Abating Agency Name	City of Rio Rancho
Abating Agency Type	Municipality (Home Rule)
Tax Abatement Agreement Name	Industrial Revenue Bond Project - Lease Agreement
Name of agency affected by abatement agreement (Affected Agency)	Southern Sandoval County Arroyo Flood Control Authority
Agency number of Affected Agency	4096
Agency type of Affected Agency	Special District
Recipient(s) of tax abatement	Call, LLC
Tax abatement program (name and brief description)	Authorize an additional \$5,000,000 in Industrial Revenue Bonds in addition to \$11,000,000 in bonds that were issued in 1998 (Series A) for a total of \$16,000,000. Extend the Series A final maturity from 2023 to 2028. The bonds were issued for the purpose of making facility improvements and upgrades, as well as expanding parking capacity for the facility. The City will lease the facility to Call, LLC who will be sub-lease to Safelite Solutions LLC.
Specific Tax(es) Being Abated	Property Taxes
Authority under which abated tax would have been paid to Affected Agency	Property Tax Code NMSA Chapter 7 Articles 35-38
Gross dollar amount, on an accrual basis, by which the Affected Agency's tax revenues were reduced during the reporting period as a result of the tax abatement agreement	\$12,267.18
For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by the Affected Agency in association with the foregone tax revenue, list the amount of payments received in the current fiscal year	N/A
If the Abating Agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission	N/A

**CITY OF RIO RANCHO, NEW MEXICO
NOTES TO THE FINANCIAL STATEMENTS**

Year Ended June 30, 2017

Agency number for Agency making the disclosure (Abating Agency)	6147
Abating Agency Name	City of Rio Rancho
Abating Agency Type	Municipality (Home Rule)
Tax Abatement Agreement Name	Industrial Revenue Bond Project - Lease Agreement
Name of agency affected by abatement agreement (Affected Agency)	Southern Sandoval County Arroyo Flood Control Authority
Agency number of Affected Agency	4096
Agency type of Affected Agency	Special District
Recipient(s) of tax abatement	Bank of America
Tax abatement program (name and brief description)	Industrial Revenue Bonds - Authorize issuance of \$9,000,000 in industrial revenue bonds, Series 1998B, the proceeds of which will be used to financethe acquisition and construction of property. The property is leased to the Bank of America.
Specific Tax(es) Being Abated	Property Taxes
Authority under which abated tax would have been paid to Affected Agency	Property Tax Code NMSA Chapter 7 Articles 35-38
Gross dollar amount, on an accrual basis, by which the Affected Agency's tax revenues were reduced during the reporting period as a result of the tax abatement agreement	\$6,310.98
For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by the Affected Agency in association with the foregone tax revenue, list the amount of payments received in the current fiscal year	N/A
If the Abating Agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission	N/A

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO THE FINANCIAL STATEMENTS

Year Ended June 30, 2017

Agency number for Agency making the disclosure (Abating Agency)	6147
Abating Agency Name	City of Rio Rancho
Abating Agency Type	Municipality (Home Rule)
Tax Abatement Agreement Name	Industrial Revenue Bond Project - Lease Agreement
Name of agency affected by abatement agreement (Affected Agency)	Presbyterian Health System - Rust Hospital
Agency number of Affected Agency	N/A
Agency type of Affected Agency	Contracting Hospital
Recipient(s) of tax abatement	Call, LLC
Tax abatement program (name and brief description)	Authorize an additional \$5,000,000 in Industrial Revenue Bonds in addition to \$11,000,000 in bonds that were issued in 1998 (Series A) for a total of \$16,000,000. Extend the Series A final maturity from 2023 to 2028. The bonds were issued for the purpose of making facility improvements and upgrades, as well as expanding parking capacity for the facility. The City will lease the facility to Call, LLC who will be sub-lease to Safelite Solutions LLC.
Specific Tax(es) Being Abated	Property Taxes
Authority under which abated tax would have been paid to Affected Agency	Property Tax Code NMSA Chapter 7 Articles 35-38
Gross dollar amount, on an accrual basis, by which the Affected Agency's tax revenues were reduced during the reporting period as a result of the tax abatement agreement	\$9,870.76
For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by the Affected Agency in association with the foregone tax revenue, list the amount of payments received in the current fiscal year	N/A
If the Abating Agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission	N/A

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO THE FINANCIAL STATEMENTS

Year Ended June 30, 2017

NOTE 14. 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 joined the New Mexico Self-Insurers' Fund Risk Pool (the 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 \$1,066,543 into the Pool for 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 for general liability, property, and workers' compensation claims. The City carries commercial insurance for all other risks of loss including 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 provided through a self-insurance program administered by outside carriers (Blue Cross Blue Shield and 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 charged to the General Fund and Utility Fund 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 Health and Dental Self-Insurance Programs:

Self-Insured Claims Liability			
	2017	2016	2015
Beginning Liability.....	\$ 915,656	\$ 964,643	\$ 899,804
Claims Incurred and			
Changes in Estimates...	5,616,160	5,083,814	5,572,626
Claims Paid.....	(5,610,128)	(5,132,801)	(5,507,787)
Ending Liability.....	\$ 921,688	\$ 915,656	\$ 964,643

NOTE 15. LITIGATION AND CONTINGENCIES

The City records liabilities resulting from claims and legal actions when they become fixed or determinable in amount. The City is currently the defendant in several pending lawsuits. Legal counsel is of the opinion that potential claims against the City resulting from such litigation not covered by insurance will not impose a significant liability on the City.

The City has received several federal and state grants for specific purposes that are subject to audit by the grantor agencies. Such audits could lead to requests for reimbursements for expenditures disallowed under the terms of the grants. Based upon prior experience, the City believes such disallowances, if any, will be immaterial.

NOTE 16. RESTATEMENT

During the year ended June 30, 2017, the following resulted in a restatement of beginning net position:

- The City did not properly accrue for FY16 amounts due from the Federal Government related to its Federal grants. A restatement entry was prepared increase the FY17 beginning governmental activities net position to correct the errors in the aggregate amount of \$910,750.
- The City identified 18 construction projects in process, in the aggregate amount of \$26,400,000, which should have been placed in service or written off in prior years. A restatement entry was prepared to reduce the FY17 beginning governmental activities net position by \$1,965,634, and utilities fund net position by \$2,089,123, for an aggregate adjustment of \$4,054,757.

The net effect of the restatements is a reduction of beginning governmental activities is a reduction of \$1,054,884 and a reduction of beginning utilities fund net position of \$2,089,123. The aggregate restatement on the government-wide statement of activities is \$3,144,007.

Required Supplementary Information

CITY OF RIO RANCHO, NEW MEXICO

Schedule of the City's Proportionate Share of PERA's Net Pension Liability — All City PERA Plans Last 10 Fiscal Years *

	<u>2014</u>	<u>2015</u>	<u>2016</u>
MUNICIPAL GENERAL PLAN 2			
City's proportion of the net pension liability.....	1.84%	1.87%	1.85%
City's proportionate share of the net pension liability.....	\$ 14,317,308	\$ 19,098,897	\$ 29,628,670
City's covered payroll.....	\$ 14,891,796	\$ 15,446,492	\$ 15,881,969
City's proportionate share of the net pension liability as a percentage of covered payroll.....	96.14%	123.65%	186.56%
Plan fiduciary net position as a percentage of the total pension liability.....	81.29%	76.99%	69.18%
MUNICIPAL POLICE PLAN 5			
City's proportion of the net pension liability.....	3.16%	3.26%	3.25%
City's proportionate share of the net pension liability.....	\$ 10,287,239	\$ 15,686,967	\$ 24,001,602
City's covered payroll.....	\$ 6,071,232	\$ 6,378,370	\$ 6,470,000
City's proportionate share of the net pension liability as a percentage of covered payroll.....	169.44%	245.94%	370.97%
Plan fiduciary net position as a percentage of the total pension liability.....	81.29%	76.99%	69.18%
MUNICIPAL FIRE PLAN 5			
City's proportion of the net pension liability.....	4.25%	4.37%	4.27%
City's proportionate share of the net pension liability.....	\$ 17,732,794	\$ 22,540,946	\$ 28,501,252
City's covered payroll.....	\$ 4,714,718	\$ 4,979,095	\$ 4,980,189
City's proportionate share of the net pension liability as a percentage of covered payroll.....	376.12%	452.71%	572.29%
Plan fiduciary net position as a percentage of the total pension liability.....	81.29%	76.99%	69.18%

* Until a full 10-year trend is compiled, the City will present information for those years for which information is available.

CITY OF RIO RANCHO, NEW MEXICO

Schedule of the City's Pension Contributions — All City PERA Plans Last 10 Fiscal Years *

	<u>2015</u>	<u>2016</u>	<u>2017</u>
MUNICIPAL GENERAL PLAN 2			
Contractually required contribution.....	\$ 1,475,140	\$ 1,518,029	\$ 1,547,590
Contributions in relation to the contractually required contribution.....	<u>(1,475,140)</u>	<u>(1,518,029)</u>	<u>(1,547,590)</u>
Contribution deficiency (excess).....	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
City's covered payroll.....	\$ 15,446,492	\$ 15,895,592	\$ 16,205,131
Contributions as a percentage of covered payroll.....	9.55%	9.55%	9.55%
MUNICIPAL POLICE PLAN 5			
Contractually required contribution.....	\$ 1,205,512	\$ 1,226,056	\$ 1,262,779
Contributions in relation to the contractually required contribution.....	<u>(1,205,512)</u>	<u>(1,226,056)</u>	<u>(1,262,779)</u>
Contribution deficiency (excess).....	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
City's covered payroll.....	\$ 6,378,370	\$ 6,487,069	\$ 6,681,372
Contributions as a percentage of covered payroll.....	18.90%	18.90%	18.90%
MUNICIPAL FIRE PLAN 5			
Contractually required contribution.....	\$ 1,077,974	\$ 1,075,638	\$ 1,129,037
Contributions in relation to the contractually required contribution.....	<u>(1,077,974)</u>	<u>(1,075,638)</u>	<u>(1,129,037)</u>
Contribution deficiency (excess).....	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
City's covered payroll.....	\$ 4,979,095	\$ 4,968,305	\$ 5,214,951
Contributions as a percentage of covered payroll.....	21.65%	21.65%	21.65%

* Until a full 10-year trend is compiled, the City will present information for those years for which information is available.

See accompanying Notes to the Schedule.

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
Year Ended June 30, 2017

**Required Supplementary Information –
Pension Plan**

Change in Accounting Principle. For the year ended June 30, 2016, the City implemented the provisions of GASB Statement No. 82, *Pension Issues*. The statement changed the measure of payroll that is required to be presented in required supplementary information from covered-employee payroll to covered payroll. Accordingly, payroll amounts presented in the pension plan schedules and related ratios for prior periods have been restated.

Actuarial Assumptions for Valuations Performed. The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated, which is the most recent actuarial valuation. The actuarial assumptions used are disclosed in the notes to the financial statements.

Changes of Benefit Terms. The PERA Fund cost-of-living (COLA) and retirement eligibility benefit changes in recent years are described in Note 1 of the PERA audited comprehensive annual financial report available at the following web address:

<http://www.nmpera.org/financial-overview>

Changes of Assumptions. The PERA Annual Actuarial Valuation as of June 30, 2014 is available at the web address listed above.

The Summary of Key Findings for the PERA Fund on page 2 of the report states:

“Based on a recent experience study for the five-year period ending June 30, 2013, the economic and demographic assumptions were updated for this valuation. The changes in assumptions resulted in a decrease of \$30.8 million to Fund liabilities and an increase of 0.13% to the funded ratio.”

For details about changes in the actuarial assumptions, see Appendix B on page 53 of the PERA Annual Actuarial Valuation referenced above.

Supplementary Information



CITY OF RIO RANCHO, NEW MEXICO

Combining Balance Sheet Nonmajor Governmental Funds — By Fund Type June 30, 2017

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
ASSETS				
Cash and Cash Equivalents.....	\$ 11,607,167	\$ 4,136,765	\$ 2,514,893	\$ 18,258,825
Receivables:				
Accounts, net.....	126,186	—	—	126,186
Property Taxes.....	—	127,137	—	127,137
Gross Receipt Taxes.....	540,198	76,134	—	616,332
Due From Federal Government.....	124,133	—	1,330,096	1,454,229
Due From State Government.....	184,559	409,080	236,478	830,117
Due From Local Governments.....	—	—	—	—
Restricted Investments.....	653,328	—	4,215,444	4,868,772
Total Assets	<u>\$ 13,235,571</u>	<u>\$ 4,749,116</u>	<u>\$ 8,296,911</u>	<u>\$ 26,281,598</u>
LIABILITIES				
Accounts Payable.....	\$ 358,506	\$ —	\$ 245,348	\$ 603,854
Accrued Liabilities.....	75,024	—	—	75,024
Due To Other Funds.....	347,493	—	234,688	582,181
Unearned Revenue.....	22,946	—	—	22,946
Total Liabilities.....	<u>803,969</u>	<u>—</u>	<u>480,036</u>	<u>1,284,005</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Property Taxes.....	—	89,097	—	89,097
Unavailable Revenue - Intergovernmental.....	—	—	653,596	653,596
Total Deferred Inflows of Resources.....	<u>—</u>	<u>89,097</u>	<u>653,596</u>	<u>742,693</u>
FUND BALANCES				
Restricted.....	12,585,165	4,660,019	7,178,589	24,423,773
Unassigned.....	(153,563)	—	(15,310)	(168,873)
Total Fund Balances.....	<u>12,431,602</u>	<u>4,660,019</u>	<u>7,163,279</u>	<u>24,254,900</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances.....	<u>\$ 13,235,571</u>	<u>\$ 4,749,116</u>	<u>\$ 8,296,911</u>	<u>\$ 26,281,598</u>

CITY OF RIO RANCHO, NEW MEXICO

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances Nonmajor Governmental Funds — By Fund Type Year Ended June 30, 2017

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
REVENUES				
Property Taxes.....	\$ —	\$ 4,136,205	\$ —	\$ 4,136,205
Municipal Taxes.....	3,436,245	415,874	—	3,852,119
Franchise Taxes.....	58,131	—	—	58,131
Intergovernmental - Federal.....	1,142,692	—	4,528,735	5,671,427
Intergovernmental - State.....	1,982,864	2,245,191	818,995	5,047,050
Intergovernmental - Local.....	696,011	—	—	696,011
Impact Fees.....	—	—	716,638	716,638
Charges for Services.....	750,764	—	—	750,764
Fines and Forfeitures.....	391,511	—	—	391,511
Miscellaneous.....	2,666,951	255	40,930	2,708,136
Total Revenues.....	<u>11,125,169</u>	<u>6,797,525</u>	<u>6,105,298</u>	<u>24,027,992</u>
EXPENDITURES				
Current:				
General Government.....	1,104,761	—	205,889	1,310,650
Public Safety.....	4,742,212	—	—	4,742,212
Public Works.....	918,963	—	475,427	1,394,390
Parks, Recreation, and Culture.....	1,366,593	—	—	1,366,593
Community and Economic Development.....	607,529	—	—	607,529
Capital Outlay.....	2,756,826	—	10,366,864	13,123,690
Debt Service:				
Principal.....	645,594	5,190,000	—	5,835,594
Interest and Other Charges.....	152,847	1,376,131	67,109	1,596,087
Total Expenditures.....	<u>12,295,325</u>	<u>6,566,131</u>	<u>11,115,289</u>	<u>29,976,745</u>
Revenues Over (Under) Expenditures.....	(1,170,156)	231,394	(5,009,991)	(5,948,753)
OTHER FINANCING SOURCES (USES)				
Transfers In.....	2,359,332	—	891,869	3,251,201
Transfers Out.....	—	—	—	—
Total Other Financing Sources (Uses).....	<u>2,359,332</u>	<u>—</u>	<u>891,869</u>	<u>3,251,201</u>
Net Change in Fund Balances.....	1,189,176	231,394	(4,118,122)	(2,697,552)
Fund Balances - Beginning.....	11,242,426	4,428,625	11,281,401	26,952,452
Fund Balances - Ending.....	<u>\$ 12,431,602</u>	<u>\$ 4,660,019</u>	<u>\$ 7,163,279</u>	<u>\$ 24,254,900</u>

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.

Animal Shelter Fund - To account for animal fees as well as funds donated to the City of Rio Rancho. Expenditures from this fund will be used for the purposes specified by the fee ordinance and 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.)

Keep Rio Rancho Beautiful 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.

Local Economic Development Act Fund – To account for funds received from claw-back payments and homebuilder contributions. Expenditures from this fund may be used for future economic development projects. In the recruitment of economic based employers and site selection process, these companies often look to State and Local Governments for financial assistance to off-set the cost of expansion/relocation. This financial support, or economic incentive, is extended through a Project Participation Agreement that is approved by the Governing Body and contains corresponding claw-back provisions.

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.)

NON-MAJOR GOVERNMENTAL FUND DESCRIPTIONS

SPECIAL REVENUE FUNDS (Continued)

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.

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.

Public Safety 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)

DWI Seized Vehicle Fund – To account for revenues received from DWI Seizure Vehicles. Expenditures from this fund may be used for the operation of the program.

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.

NON-MAJOR GOVERNMENTAL FUND DESCRIPTIONS

SPECIAL REVENUE FUNDS (Continued)

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.

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)

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.

Regional Emergency Comm. Center Fund – To account for revenue from the Joint Powers Agreement to establish the Sandoval County Regional Emergency Communications Center. Expenditures from this fund may be used for the operation of the Communication Center.

NON-MAJOR GOVERNMENTAL FUND DESCRIPTIONS

SPECIAL REVENUE FUNDS (Continued)

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.)



CITY OF RIO RANCHO, NEW MEXICO

Combining Balance Sheet Nonmajor Special Revenue Funds June 30, 2017

	Animal Shelter Fund	Recreation Activities Fund	Keep Rio Rancho Beautiful Fund	Community Response Program Fund	Workers Compensation Fund	Senior Services Fund
ASSETS						
Cash and Cash Equivalents.....	\$ 39,580	\$ 163,578	\$ —	\$ —	\$ 1,360,581	\$ 44,036
Receivables:						
Accounts, net.....	—	—	—	—	—	—
Gross receipt tax.....	—	—	—	—	—	—
Due From Federal Government.....	—	—	—	—	—	—
Due From State Government.....	—	—	41,659	—	—	—
Due From Local Governments.....	—	—	—	—	—	—
Restricted Investments.....	—	—	—	—	—	—
Total Assets.....	<u>\$ 39,580</u>	<u>\$ 163,578</u>	<u>\$ 41,659</u>	<u>\$ —</u>	<u>\$ 1,360,581</u>	<u>\$ 44,036</u>
LIABILITIES						
Liabilities:						
Accounts Payable.....	\$ 1,866	\$ 10,966	\$ —	\$ —	\$ 139,748	\$ 366
Accrued Liabilities.....	—	1,445	943	—	—	—
Due To Other Funds.....	—	—	41,042	—	—	—
Unearned Revenue.....	—	—	—	—	—	—
Total Liabilities.....	<u>1,866</u>	<u>12,411</u>	<u>41,985</u>	<u>—</u>	<u>139,748</u>	<u>366</u>
FUND BALANCES						
Restricted.....	37,714	151,167	—	—	1,220,833	43,670
Unassigned.....	—	—	(326)	—	—	—
Total Fund Balances.....	<u>37,714</u>	<u>151,167</u>	<u>(326)</u>	<u>—</u>	<u>1,220,833</u>	<u>43,670</u>
Total Liabilities and Fund Balances.....	<u>\$ 39,580</u>	<u>\$ 163,578</u>	<u>\$ 41,659</u>	<u>\$ —</u>	<u>\$ 1,360,581</u>	<u>\$ 44,036</u>

<u>Library Fund</u>	<u>Local Economic Development Act Fund</u>	<u>Promotion and Marketing Fund</u>	<u>Convention and Visitors Bureau Fund</u>	<u>Rio Vision Cable Fund</u>	<u>Local Government Corrections Fund</u>	<u>Law Enforcement Fund</u>	<u>Public Safety Enforcement Aid Fund</u>	<u>Traffic Education and Enforcement Aid Fund</u>
\$ —	\$ 393,801	\$ 83,107	\$ 124,831	\$ 31,320	\$ 65,632	\$ 58,858	\$ 350,303	\$ 102,571
—	2,000	—	—	14,513	—	—	11,766	—
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	58,000	—	—
<u>\$ —</u>	<u>\$ 395,801</u>	<u>\$ 83,107</u>	<u>\$ 124,831</u>	<u>\$ 45,833</u>	<u>\$ 65,632</u>	<u>\$ 116,858</u>	<u>\$ 362,069</u>	<u>\$ 102,571</u>
\$ 5,586	\$ —	\$ 3,788	\$ —	\$ 581	\$ 44,030	\$ —	\$ 19,755	\$ —
—	—	1,078	4,085	—	—	—	—	135
144,163	—	30,000	—	—	—	—	—	—
—	—	—	—	—	—	—	3,993	—
<u>149,749</u>	<u>—</u>	<u>34,866</u>	<u>4,085</u>	<u>581</u>	<u>44,030</u>	<u>—</u>	<u>23,748</u>	<u>135</u>
—	395,801	48,241	120,746	45,252	21,602	116,858	338,321	102,436
(149,749)	—	—	—	—	—	—	—	—
<u>(149,749)</u>	<u>395,801</u>	<u>48,241</u>	<u>120,746</u>	<u>45,252</u>	<u>21,602</u>	<u>116,858</u>	<u>338,321</u>	<u>102,436</u>
<u>\$ —</u>	<u>\$ 395,801</u>	<u>\$ 83,107</u>	<u>\$ 124,831</u>	<u>\$ 45,833</u>	<u>\$ 65,632</u>	<u>\$ 116,858</u>	<u>\$ 362,069</u>	<u>\$ 102,571</u>

CITY OF RIO RANCHO, NEW MEXICO

Combining Balance Sheet Nonmajor Special Revenue Funds (Continued) June 30, 2017

	DWI Seized Vehicle Fund	NM Gang Task Force Fund	Fire Protection Fund	Emergency Medical Services Fund	DWI Program Fund	Summer Lunch Program Fund
ASSETS						
Cash and Cash Equivalents.....	\$ 62,339	\$ —	\$ 121,014	\$ 789	\$ 228,867	\$ 120,701
Receivables:						
Accounts, net.....	—	—	—	—	—	—
Gross receipt tax.....	—	—	—	—	—	—
Due From Federal Government.....	—	12,551	—	—	—	—
Due From State Government.....	—	—	—	—	—	—
Due From Local Governments.....	—	—	—	—	—	—
Restricted Investments.....	—	—	155,446	—	—	—
Total Assets	<u>\$ 62,339</u>	<u>\$ 12,551</u>	<u>\$ 276,460</u>	<u>\$ 789</u>	<u>\$ 228,867</u>	<u>\$ 120,701</u>
LIABILITIES						
Accounts Payable.....	\$ —	\$ 3,788	\$ 14,616	\$ —	\$ —	\$ 41,440
Accrued Liabilities.....	—	1,315	—	—	—	3,535
Due To Other Funds.....	—	10,936	—	—	—	—
Unearned Revenue.....	—	—	—	—	—	18,953
Total Liabilities.....	<u>—</u>	<u>16,039</u>	<u>14,616</u>	<u>—</u>	<u>—</u>	<u>63,928</u>
FUND BALANCES						
Restricted.....	62,339	—	261,844	789	228,867	56,773
Unassigned.....	—	(3,488)	—	—	—	—
Total Fund Balances.....	<u>62,339</u>	<u>(3,488)</u>	<u>261,844</u>	<u>789</u>	<u>228,867</u>	<u>56,773</u>
Total Liabilities and Fund Balances.....	<u>\$ 62,339</u>	<u>\$ 12,551</u>	<u>\$ 276,460</u>	<u>\$ 789</u>	<u>\$ 228,867</u>	<u>\$ 120,701</u>

Public Safety and Other Grants Fund	Environmental Gross Receipts Tax Fund	Higher Education Gross Receipts Tax Fund	Municipal Road Fund	Regional Emergency Comm Center Fund	HUD CDBG Grant Fund	Crime Victim Assistance Fund	Total Nonmajor Special Revenue Funds
\$ —	\$ 669,931	\$ 6,047,249	\$ 537,603	\$ 1,000,476	\$ —	\$ —	\$ 11,607,167
—	—	—	—	97,907	—	—	126,186
—	123,950	416,248	—	—	—	—	540,198
62,119	—	—	—	—	40,308	9,155	124,133
22,206	—	—	120,694	—	—	—	184,559
—	—	—	—	—	—	—	—
—	342,968	—	96,914	—	—	—	653,328
<u>\$ 84,325</u>	<u>\$ 1,136,849</u>	<u>\$ 6,463,497</u>	<u>\$ 755,211</u>	<u>\$ 1,098,383</u>	<u>\$ 40,308</u>	<u>\$ 9,155</u>	<u>\$ 13,235,571</u>
\$ —	\$ 45,210	\$ 19,731	\$ 2,796	\$ 4,239	\$ —	\$ —	\$ 358,506
7,244	1,054	—	—	50,978	1,371	1,841	75,024
75,253	—	—	—	—	38,937	7,162	347,493
—	—	—	—	—	—	—	22,946
<u>82,497</u>	<u>46,264</u>	<u>19,731</u>	<u>2,796</u>	<u>55,217</u>	<u>40,308</u>	<u>9,003</u>	<u>803,969</u>
1,828	1,090,585	6,443,766	752,415	1,043,166	—	152	12,585,165
—	—	—	—	—	—	—	(153,563)
<u>1,828</u>	<u>1,090,585</u>	<u>6,443,766</u>	<u>752,415</u>	<u>1,043,166</u>	<u>—</u>	<u>152</u>	<u>12,431,602</u>
<u>\$ 84,325</u>	<u>\$ 1,136,849</u>	<u>\$ 6,463,497</u>	<u>\$ 755,211</u>	<u>\$ 1,098,383</u>	<u>\$ 40,308</u>	<u>\$ 9,155</u>	<u>\$ 13,235,571</u>

CITY OF RIO RANCHO, NEW MEXICO

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances Nonmajor Special Revenue Funds Year Ended June 30, 2017

	Animal Shelter Fund	Recreation Activities Fund	Keep Rio Rancho Beautiful Fund	Community Response Program Fund	Workers Compensation Fund	Senior Services Fund
REVENUES						
Municipal Taxes.....	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Franchise Taxes.....	—	—	—	—	—	—
Intergovernmental - Federal.....	—	—	—	—	—	—
Intergovernmental - State.....	—	—	68,581	—	—	—
Intergovernmental - Local.....	—	—	—	—	—	—
Charges for Services.....	54,145	193,184	—	—	—	17,781
Fines and Forfeitures.....	439	—	—	—	—	—
Miscellaneous.....	5,802	—	—	—	974,894	855
Total Revenues.....	<u>60,386</u>	<u>193,184</u>	<u>68,581</u>	<u>—</u>	<u>974,894</u>	<u>18,636</u>
EXPENDITURES						
Current:						
General Government.....	—	—	—	—	793,624	—
Public Safety.....	59,570	—	—	—	—	—
Public Works.....	—	—	—	—	—	—
Parks, Recreation, and Culture.....	2,486	197,036	67,769	—	—	16,004
Community and Economic Development.....	—	—	—	—	—	—
Capital Outlay.....	—	5,107	—	—	—	—
Debt Service:						
Principal.....	—	—	—	—	—	—
Interest and Other Charges.....	—	—	—	—	—	—
Total Expenditures.....	<u>62,056</u>	<u>202,143</u>	<u>67,769</u>	<u>—</u>	<u>793,624</u>	<u>16,004</u>
Revenues Over (Under) Expenditures.....	(1,670)	(8,959)	812	—	181,270	2,632
OTHER FINANCING SOURCES (USES)						
Transfers In.....	—	—	—	—	—	—
Transfers Out.....	—	—	—	—	—	—
Total Other Financing Sources (Uses).....	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net Change in Fund Balances.....	(1,670)	(8,959)	812	—	181,270	2,632
Fund Balances - Beginning.....	39,384	160,126	(1,138)	—	1,039,563	41,038
Fund Balances - Ending.....	<u>\$ 37,714</u>	<u>\$ 151,167</u>	<u>\$ (326)</u>	<u>\$ —</u>	<u>\$ 1,220,833</u>	<u>\$ 43,670</u>

Library Fund	Local Economic Development Act Fund	Promotion and Marketing Fund	Convention and Visitors Bureau Fund	Rio Vision Cable Fund	Local Government Corrections Fund	Law Enforcement Fund	Public Safety Enforcement Aid Fund	Traffic Education and Enforcement Aid Fund
\$ —	\$ —	\$ —	\$ 342,126	\$ —	\$ —	\$ —	\$ —	\$ —
—	—	—	—	58,131	—	—	—	—
32,555	—	—	—	—	—	105,600	—	—
696,011	—	—	—	—	—	—	—	—
—	—	115,793	—	—	231,832	—	—	—
—	—	—	—	—	—	—	327,634	63,438
—	113,134	—	1,800	—	—	3,709	1,835	—
<u>728,566</u>	<u>113,134</u>	<u>115,793</u>	<u>343,926</u>	<u>58,131</u>	<u>231,832</u>	<u>109,309</u>	<u>329,469</u>	<u>63,438</u>
—	—	—	—	—	—	—	—	—
—	—	—	—	—	449,190	108,427	92,662	28,131
801,294	—	—	—	101,358	—	—	—	—
—	—	287,107	320,422	—	—	—	—	—
—	—	—	—	—	—	120,460	153,603	—
—	—	—	—	—	—	48,981	—	—
—	—	—	—	—	—	2,286	—	—
<u>801,294</u>	<u>—</u>	<u>287,107</u>	<u>320,422</u>	<u>101,358</u>	<u>449,190</u>	<u>280,154</u>	<u>246,265</u>	<u>28,131</u>
(72,728)	113,134	(171,314)	23,504	(43,227)	(217,358)	(170,845)	83,204	35,307
—	55,000	174,641	—	67,479	196,000	—	—	—
—	—	—	—	—	—	—	—	—
—	<u>55,000</u>	<u>174,641</u>	<u>—</u>	<u>67,479</u>	<u>196,000</u>	<u>—</u>	<u>—</u>	<u>—</u>
(72,728)	168,134	3,327	23,504	24,252	(21,358)	(170,845)	83,204	35,307
(77,021)	227,667	44,914	97,242	21,000	42,960	287,703	255,117	67,129
<u>\$ (149,749)</u>	<u>\$ 395,801</u>	<u>\$ 48,241</u>	<u>\$ 120,746</u>	<u>\$ 45,252</u>	<u>\$ 21,602</u>	<u>\$ 116,858</u>	<u>\$ 338,321</u>	<u>\$ 102,436</u>

CITY OF RIO RANCHO, NEW MEXICO

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances Nonmajor Special Revenue Funds (Continued) Year Ended June 30, 2017

	DWI Seized Vehicle Fund	NM Gang Task Force Fund	Fire Protection Fund	Emergency Medical Services Fund	DWI Program Fund	Summer Lunch Program Fund
REVENUES						
Municipal Taxes.....	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Franchise Taxes.....	—	—	—	—	—	—
Intergovernmental - Federal.....	—	121,658	—	—	—	89,683
Intergovernmental - State.....	—	—	790,432	28,662	—	—
Intergovernmental - Local.....	—	—	—	—	—	—
Charges for Services.....	112,009	23,850	—	—	—	—
Fines and Forfeitures.....	—	—	—	—	—	—
Miscellaneous.....	—	—	—	—	333	—
Total Revenues.....	<u>112,009</u>	<u>145,508</u>	<u>790,432</u>	<u>28,662</u>	<u>333</u>	<u>89,683</u>
EXPENDITURES						
Current:						
General Government.....	—	—	—	—	—	—
Public Safety.....	166,940	138,499	472,758	18,825	—	—
Public Works.....	—	—	—	—	—	—
Parks, Recreation, and Culture.....	—	—	—	—	—	107,938
Community and Economic Development.....	—	—	—	—	—	—
Capital Outlay.....	—	—	78,613	9,314	—	—
Debt Service:						
Principal.....	—	—	189,469	—	—	—
Interest and Other Charges.....	—	—	55,355	—	—	—
Total Expenditures.....	<u>166,940</u>	<u>138,499</u>	<u>796,195</u>	<u>28,139</u>	<u>—</u>	<u>107,938</u>
Revenues Over (Under) Expenditures.....	(54,931)	7,009	(5,763)	523	333	(18,255)
OTHER FINANCING SOURCES (USES)						
Loan Proceeds.....	—	—	—	—	—	—
Transfers In.....	47,391	—	—	—	—	—
Transfers Out.....	—	—	—	—	—	—
Total Other Financing Sources (Uses).....	<u>47,391</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net Change in Fund Balances.....	(7,540)	7,009	(5,763)	523	333	(18,255)
Fund Balances - Beginning.....	69,879	(10,497)	267,607	266	228,534	75,028
Fund Balances - Ending.....	<u>\$ 62,339</u>	<u>\$ (3,488)</u>	<u>\$ 261,844</u>	<u>\$ 789</u>	<u>\$ 228,867</u>	<u>\$ 56,773</u>

Public Safety and Other Grants Fund	Environmental Gross Receipts Tax Fund	Higher Education Gross Receipts Tax Fund	Municipal Road Fund	Regional Emergency Comm Center	HUD CDBG Grant Fund	Crime Victim Assistance Fund	Total Nonmajor Special Revenue Funds
\$ —	\$ 723,426	\$ 2,370,693	\$ —	\$ —	\$ —	\$ —	\$ 3,436,245
—	—	—	—	—	—	—	58,131
445,587	—	—	—	—	347,653	138,111	1,142,692
196,422	—	—	760,612	—	—	—	1,982,864
—	—	—	—	—	—	—	696,011
—	—	—	2,170	—	—	—	750,764
—	—	—	—	—	—	—	391,511
—	50,858	8,236	36,894	1,468,601	—	—	2,666,951
<u>642,009</u>	<u>774,284</u>	<u>2,378,929</u>	<u>799,676</u>	<u>1,468,601</u>	<u>347,653</u>	<u>138,111</u>	<u>11,125,169</u>
—	—	—	—	—	311,137	—	1,104,761
460,409	—	—	—	2,603,438	—	143,363	4,742,212
—	333,317	—	585,646	—	—	—	918,963
27,789	44,919	—	—	—	—	—	1,366,593
—	—	—	—	—	—	—	607,529
24,691	—	2,264,202	43,705	27,995	29,136	—	2,756,826
—	248,144	—	159,000	—	—	—	645,594
—	91,552	—	3,654	—	—	—	152,847
<u>512,889</u>	<u>717,932</u>	<u>2,264,202</u>	<u>792,005</u>	<u>2,631,433</u>	<u>340,273</u>	<u>143,363</u>	<u>12,295,325</u>
129,120	56,352	114,727	7,671	(1,162,832)	7,380	(5,252)	(1,170,156)
—	—	—	—	—	—	—	—
6,080	—	—	—	1,794,956	—	17,785	2,359,332
—	—	—	—	—	—	—	—
<u>6,080</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>1,794,956</u>	<u>—</u>	<u>17,785</u>	<u>2,359,332</u>
135,200	56,352	114,727	7,671	632,124	7,380	12,533	1,189,176
(133,372)	1,034,233	6,329,039	744,744	411,042	(7,380)	(12,381)	11,242,426
<u>\$ 1,828</u>	<u>\$ 1,090,585</u>	<u>\$ 6,443,766</u>	<u>\$ 752,415</u>	<u>\$ 1,043,166</u>	<u>\$ —</u>	<u>\$ 152</u>	<u>\$ 12,431,602</u>



NON-MAJOR GOVERNMENTAL FUND DESCRIPTIONS

DEBT SERVICE FUNDS

General Obligation Bond Fund – To account for the debt service of Library Series 2004, Aquatics Series 2006, Roads Series 2009 and Refunding Series 2013.

Gross Receipts Tax Revenue Bond Fund – To account for the debt service of the New Mexico Gross Receipts Tax Revenue Bonds, Series 2005 and Refunding Series 2013.

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.

Public Safety Vehicle Loan Fund – To account for the debt service resulting from Gross Receipts Tax Revenue Loan, Series 2013.

CITY OF RIO RANCHO, NEW MEXICO

Combining Balance Sheet Nonmajor Debt Service Funds June 30, 2017

	General Obligation Bond Fund	GRT Revenue Bond Fund	HP Loan Fund	HS Loan Fund	Public Safety Vehicle Loan Fund	Total Nonmajor Debt Service Funds
ASSETS						
Cash and Cash Equivalents.....	\$ 4,129,379	\$ 274	\$ 7,111	\$ —	\$ 1	\$ 4,136,765
Receivables:						
Property Taxes.....	127,137	—	—	—	—	127,137
Gross Receipt Taxes.....	—	—	76,134	—	—	76,134
Due From State Government.....	—	287,924	—	75,782	45,374	409,080
Restricted Investments.....	—	—	—	—	—	—
Total Assets.....	<u>\$ 4,256,516</u>	<u>\$ 288,198</u>	<u>\$ 83,245</u>	<u>\$ 75,782</u>	<u>\$ 45,375</u>	<u>\$ 4,749,116</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenue-Property Taxes.....	89,097	—	—	—	—	89,097
Total Deferred Inflows of Resources.....	<u>89,097</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>89,097</u>
FUND BALANCES						
Restricted.....	4,167,419	288,198	83,245	75,782	45,375	4,660,019
Total Fund Balances.....	<u>4,167,419</u>	<u>288,198</u>	<u>83,245</u>	<u>75,782</u>	<u>45,375</u>	<u>4,660,019</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances.....	<u>\$ 4,256,516</u>	<u>\$ 288,198</u>	<u>\$ 83,245</u>	<u>\$ 75,782</u>	<u>\$ 45,375</u>	<u>\$ 4,749,116</u>

CITY OF RIO RANCHO, NEW MEXICO

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances Nonmajor Debt Service Funds Year Ended June 30, 2017

	General Obligation Bond Fund	GRT Revenue Bond Fund	HP Loan Fund	HS Loan Fund	Public Safety Vehicle Loan Fund	Total Nonmajor Debt Service Funds
REVENUES						
Property Taxes.....	\$ 4,136,205	\$ —	\$ —	\$ —	\$ —	\$ 4,136,205
Municipal Taxes.....	—	—	415,874	—	—	415,874
Intergovernmental - State.....	—	1,581,045	—	416,810	247,336	2,245,191
Miscellaneous.....	255	—	—	—	—	255
Total Revenues.....	<u>4,136,460</u>	<u>1,581,045</u>	<u>415,874</u>	<u>416,810</u>	<u>247,336</u>	<u>6,797,525</u>
EXPENDITURES						
Debt Service:						
Principal.....	3,305,000	1,180,000	230,000	240,000	235,000	5,190,000
Interest and Other Charges.....	601,762	400,480	185,238	176,810	11,841	1,376,131
Payment to Refunding Escrow.....	—	—	—	—	—	—
Total Expenditures.....	<u>3,906,762</u>	<u>1,580,480</u>	<u>415,238</u>	<u>416,810</u>	<u>246,841</u>	<u>6,566,131</u>
Revenues Over (Under) Expenditures.....	229,698	565	636	—	495	231,394
OTHER FINANCING SOURCES (USES)						
Transfers In.....	—	—	—	—	—	—
Transfers Out.....	—	—	—	—	—	—
Total Other Financing Sources (Uses).....	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net Change in Fund Balances.....	229,698	565	636	—	495	231,394
Fund Balances - Beginning.....	3,937,721	287,633	82,609	75,782	44,880	4,428,625
Fund Balances - Ending.....	<u>\$ 4,167,419</u>	<u>\$ 288,198</u>	<u>\$ 83,245</u>	<u>\$ 75,782</u>	<u>\$ 45,375</u>	<u>\$ 4,660,019</u>



NON-MAJOR GOVERNMENTAL FUND DESCRIPTIONS

CAPITAL PROJECT FUNDS

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

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.)

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

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

2016 GO Bond Construction 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.

Trails 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.

Parks 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 Nonmajor Capital Project Funds June 30, 2017

	Infrastructure Fund	Recreation Development Fund	State Appropriation Capital Projects Fund	2009 Bond Road Construction Fund	2016 GO Bond Construction Fund
ASSETS					
Cash and Cash Equivalents.....	\$ 199,377	\$ 19,780	\$ —	\$ —	\$ 399,156
Receivables:					
Due From Federal Government.....	1,330,096	—	—	—	—
Due From State Government.....	—	—	236,478	—	—
Restricted Investments.....	—	—	—	—	4,215,444
Total Assets.....	<u>\$ 1,529,473</u>	<u>\$ 19,780</u>	<u>\$ 236,478</u>	<u>\$ —</u>	<u>\$ 4,614,600</u>
LIABILITIES					
Accounts Payable.....	\$ 216,331	\$ —	\$ 17,100	\$ —	\$ 107
Due To Other Funds.....	—	—	234,688	—	—
Total Liabilities.....	<u>216,331</u>	<u>—</u>	<u>251,788</u>	<u>—</u>	<u>107</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue-Intergovernmental....	653,596	—	—	—	—
Total Deferred Inflows of Resources.....	<u>653,596</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
FUND BALANCES					
Restricted.....	659,546	19,780	—	—	4,614,493
Unassigned.....	—	—	(15,310)	—	—
Total Fund Balances.....	<u>659,546</u>	<u>19,780</u>	<u>(15,310)</u>	<u>—</u>	<u>4,614,493</u>
Total Liabilities and Fund Balances.....	<u>\$ 1,529,473</u>	<u>\$ 19,780</u>	<u>\$ 236,478</u>	<u>\$ —</u>	<u>\$ 4,614,600</u>

Road Impact Fees Fund	Trails Impact Fees Fund	Parks Impact Fees Fund	Public Safety Impact Fees Fund	Drainage Impact Fees Fund	Total Nonmajor Capital Project Funds
\$ 846,929	\$ 197,145	\$ 321,428	\$ 58,714	\$ 472,364	\$ 2,514,893
—	—	—	—	—	1,330,096
—	—	—	—	—	236,478
—	—	—	—	—	4,215,444
<u>\$ 846,929</u>	<u>\$ 197,145</u>	<u>\$ 321,428</u>	<u>\$ 58,714</u>	<u>\$ 472,364</u>	<u>\$ 8,296,911</u>
\$ 8,769	\$ 1,292	\$ 1,749	\$ —	\$ —	\$ 245,348
—	—	—	—	—	234,688
<u>8,769</u>	<u>1,292</u>	<u>1,749</u>	<u>—</u>	<u>—</u>	<u>480,036</u>
—	—	—	—	—	653,596
—	—	—	—	—	<u>653,596</u>
838,160	195,853	319,679	58,714	472,364	7,178,589
—	—	—	—	—	(15,310)
<u>838,160</u>	<u>195,853</u>	<u>319,679</u>	<u>58,714</u>	<u>472,364</u>	<u>7,163,279</u>
<u>\$ 846,929</u>	<u>\$ 197,145</u>	<u>\$ 321,428</u>	<u>\$ 58,714</u>	<u>\$ 472,364</u>	<u>\$ 8,296,911</u>

CITY OF RIO RANCHO, NEW MEXICO

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances Nonmajor Capital Project Funds Year Ended June 30, 2017

	Infrastructure Fund	Recreation Development Fund	State Appropriation Capital Projects Fund	2009 Bond Road Construction Fund	2016 GO Bond Construction
REVENUES					
Intergovernmental - Federal.....	\$ 4,528,735	\$ —	\$ —	\$ —	\$ —
Intergovernmental - State.....	150,000	—	668,995	—	—
Intergovernmental - Local.....	—	—	—	—	—
Impact Fees.....	—	—	—	—	—
Miscellaneous.....	—	15,000	—	—	24,590
Total Revenues.....	<u>4,678,735</u>	<u>15,000</u>	<u>668,995</u>	<u>—</u>	<u>24,590</u>
EXPENDITURES					
Current:					
General Government.....	—	—	188,857	—	—
Public Works.....	475,427	—	—	—	—
Parks, Recreation, and Culture.....	—	—	—	—	—
Community and Economic Development.....	—	—	—	—	—
Capital Outlay.....	4,331,091	—	354,821	1,008,513	4,160,228
Debt Service:					
Principal.....	—	—	—	—	—
Interest and Other Charges.....	—	—	—	—	67,109
Total Expenditures.....	<u>4,806,518</u>	<u>—</u>	<u>543,678</u>	<u>1,008,513</u>	<u>4,227,337</u>
Revenues Over (Under) Expenditures.....	(127,783)	15,000	125,317	(1,008,513)	(4,202,747)
OTHER FINANCING SOURCES (USES)					
Transfers In.....	891,869	—	—	—	—
Transfers Out.....	—	—	—	—	—
Total Other Financing Sources (Uses).....	<u>891,869</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net Change in Fund Balances.....	764,086	15,000	125,317	(1,008,513)	(4,202,747)
Fund Balances - Beginning	<u>(104,540)</u>	<u>4,780</u>	<u>(140,627)</u>	<u>1,008,513</u>	<u>8,817,240</u>
Fund Balances - Ending.....	<u>\$ 659,546</u>	<u>\$ 19,780</u>	<u>\$ (15,310)</u>	<u>\$ —</u>	<u>\$ 4,614,493</u>

Road Impact Fees Fund	Trails Impact Fees Fund	Park Impact Fees Fund	Public Safety Impact Fees Fund	Drainage Impact Fees Fund	Total Nonmajor Capital Project Funds
\$ —	\$ —	\$ —	\$ —	\$ —	\$ 4,528,735
—	—	—	—	—	818,995
—	—	—	—	—	—
296,709	5,574	115,566	132,691	166,098	716,638
709	—	394	—	237	40,930
<u>297,418</u>	<u>5,574</u>	<u>115,960</u>	<u>132,691</u>	<u>166,335</u>	<u>6,105,298</u>
8,901	167	3,467	3,979	518	205,889
—	—	—	—	—	475,427
—	—	—	—	—	—
—	—	—	—	—	—
153,830	5,395	74,815	262,796	15,375	10,366,864
—	—	—	—	—	—
—	—	—	—	—	67,109
<u>162,731</u>	<u>5,562</u>	<u>78,282</u>	<u>266,775</u>	<u>15,893</u>	<u>11,115,289</u>
134,687	12	37,678	(134,084)	150,442	(5,009,991)
—	—	—	—	—	891,869
—	—	—	—	—	—
<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>891,869</u>
134,687	12	37,678	(134,084)	150,442	(4,118,122)
<u>703,473</u>	<u>195,841</u>	<u>282,001</u>	<u>192,798</u>	<u>321,922</u>	<u>11,281,401</u>
<u>\$ 838,160</u>	<u>\$ 195,853</u>	<u>\$ 319,679</u>	<u>\$ 58,714</u>	<u>\$ 472,364</u>	<u>\$ 7,163,279</u>



INTERNAL SERVICE FUND DESCRIPTIONS

Health Self-Insurance Fund – 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 Fund – 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 Internal Service Funds June 30, 2017

	Health Self-Insurance Fund	Dental Self-Insurance Fund	Total
ASSETS			
Current Assets:			
Cash and Investments	\$ 1,559,194	\$ 244,259	\$ 1,803,453
Total Assets.....	<u>1,559,194</u>	<u>244,259</u>	<u>1,803,453</u>
LIABILITIES			
Current Liabilities:			
Claims Payable.....	921,688	74,696	996,384
Total Liabilities.....	<u>921,688</u>	<u>74,696</u>	<u>996,384</u>
NET POSITION			
Unrestricted.....	637,506	169,563	807,069
Total Net Position.....	<u>\$ 637,506</u>	<u>\$ 169,563</u>	<u>\$ 807,069</u>

CITY OF RIO RANCHO, NEW MEXICO

Combining Statement of Revenues, Expenses, and Changes in Net Position Internal Service Funds Year Ended June 30, 2017

	Health Self-Insurance Fund	Dental Self-Insurance Fund	Total
OPERATING REVENUES			
Charges for Services.....	\$ 5,744,525	\$ 528,745	\$ 6,273,270
Total Revenues.....	<u>5,744,525</u>	<u>528,745</u>	<u>6,273,270</u>
OPERATING EXPENSES			
General and Administrative.....	476,262	32,959	509,221
Claims and Premiums.....	5,755,854	418,566	6,174,420
Total Expenses.....	<u>6,232,116</u>	<u>451,525</u>	<u>6,683,641</u>
Operating Income (Loss).....	<u>(487,591)</u>	<u>77,220</u>	<u>(410,371)</u>
NON OPERATING REVENUES (EXPENSES)			
Investment Income.....	2,448	—	2,448
Total Non-Operating Revenues (Expenses).....	<u>2,448</u>	<u>—</u>	<u>2,448</u>
Income (Loss) Before Transfers.....	(485,143)	77,220	(407,923)
Transfers In.....	—	—	—
Transfers Out.....	—	—	—
Change in Net Position.....	(485,143)	77,220	(407,923)
Net Position - Beginning	1,122,649	92,343	1,214,992
Net Position - Ending.....	<u>\$ 637,506</u>	<u>\$ 169,563</u>	<u>\$ 807,069</u>

CITY OF RIO RANCHO, NEW MEXICO

Combining Statement of Cash Flows Internal Service Funds Year Ended June 30, 2017

	Health Self-Insurance Fund	Dental Self-Insurance Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers and Users.....	\$ 5,744,525	\$ 528,745	\$ 6,273,270
Payments to Suppliers and Contractors.....	(6,145,157)	(457,756)	(6,602,913)
Net Cash Provided (Used) by Operating Activities.....	(400,632)	70,989	(329,643)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on Investments.....	2,448	—	2,448
Net Cash Provided (Used) by Investing Activities.....	2,448	—	2,448
Net Cash Provided (Used) - All Activities.....	(398,184)	70,989	(327,195)
Cash and Cash Equivalents - Beginning.....	1,957,378	173,270	2,130,648
Cash and Cash Equivalents - Ending.....	<u>\$ 1,559,194</u>	<u>\$ 244,259</u>	<u>\$ 1,803,453</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating Income (Loss).....	\$ (487,591)	\$ 77,220	\$ (410,371)
Adjustments to Reconcile Operating Income (Loss):			
Increase (Decrease) in Accounts Payable.....	86,959	(6,231)	80,728
Net Cash Provided (Used) by Operating Activities.....	<u>\$ (400,632)</u>	<u>\$ 70,989</u>	<u>\$ (329,643)</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 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 VIII Bonds Fund – To account for funds held by the City as a paying agent of the special assessment district eight projects debt service.

S & P Reimbursement Fund – To account for revenues from the State of New Mexico that are offered to a local company as an economic development incentive. This fund is a pass-through fund and all revenues are paid to S&P Data per a local economic development agreement.

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

CITY OF RIO RANCHO, NEW MEXICO

Combining Statement of Fiduciary Assets and Liabilities

Agency Funds

June 30, 2017

	<u>Rio Metro Fund</u>	<u>Special Assessment District Operations Fund</u>	<u>Special Assessment District VI Bond Fund</u>	<u>Special Assessment District VII Bond Fund</u>
ASSETS				
Cash	\$ 9,922	\$ 42,172	\$ 1,005,922	\$ 3,145,330
Total Assets.....	<u>\$ 9,922</u>	<u>\$ 42,172</u>	<u>\$ 1,005,922</u>	<u>\$ 3,145,330</u>
LIABILITIES				
Deposits Held for Others.....	\$ 9,922	\$ 42,172	\$ 1,005,922	\$ 3,145,330
Total Liabilities.....	<u>\$ 9,922</u>	<u>\$ 42,172</u>	<u>\$ 1,005,922</u>	<u>\$ 3,145,330</u>

Special Assessment District VIII Bond Fund	Rio Rancho Economic Development Fund	S&P Reimbursement Fund	Municipal Court Fund	Total
\$ 395,753	\$ —	\$ 775,379	\$ 16,011	\$ 5,390,489
<u>\$ 395,753</u>	<u>\$ —</u>	<u>\$ 775,379</u>	<u>\$ 16,011</u>	<u>\$ 5,390,489</u>
\$ 395,753	\$ —	\$ 775,379	\$ 16,011	\$ 5,390,489
<u>\$ 395,753</u>	<u>\$ —</u>	<u>\$ 775,379</u>	<u>\$ 16,011</u>	<u>\$ 5,390,489</u>

CITY OF RIO RANCHO, NEW MEXICO

Combining Statement of Changes in Assets and Liabilities Agency Funds Year Ended June 30, 2017

	Balance July 1, 2016	Additions	Deductions	Balance June 30, 2017
RIO METRO FUND				
ASSETS				
Cash	\$ 9,411	\$ 98,635	\$ (98,124)	\$ 9,922
Total Assets.....	<u>\$ 9,411</u>	<u>\$ 98,635</u>	<u>\$ (98,124)</u>	<u>\$ 9,922</u>
LIABILITIES				
Deposits Held for Others.....	\$ 9,411	\$ 98,635	(98,124)	\$ 9,922
Total Liabilities.....	<u>\$ 9,411</u>	<u>\$ 98,635</u>	<u>\$ (98,124)</u>	<u>\$ 9,922</u>
SPECIAL ASSESSMENT DISTRICT OPERATIONS FUND				
ASSETS				
Cash	\$ 35,637	\$ 69,276	\$ (62,741)	\$ 42,172
Total Assets.....	<u>\$ 35,637</u>	<u>\$ 69,276</u>	<u>\$ (62,741)</u>	<u>\$ 42,172</u>
LIABILITIES				
Deposits Held for Others.....	\$ 35,637	\$ 69,276	\$ (62,741)	\$ 42,172
Total Liabilities.....	<u>\$ 35,637</u>	<u>\$ 69,276</u>	<u>\$ (62,741)</u>	<u>\$ 42,172</u>
SPECIAL ASSESSMENT DISTRICT VI BOND FUND				
ASSETS				
Cash	\$ 1,030,616	\$ 1,213,843	\$ (1,238,537)	\$ 1,005,922
Total Assets.....	<u>\$ 1,030,616</u>	<u>\$ 1,213,843</u>	<u>\$ (1,238,537)</u>	<u>\$ 1,005,922</u>
LIABILITIES				
Deposits Held for Others.....	\$ 1,030,616	\$ 1,213,843	\$ (1,238,537)	\$ 1,005,922
Total Liabilities.....	<u>\$ 1,030,616</u>	<u>\$ 1,213,843</u>	<u>\$ (1,238,537)</u>	<u>\$ 1,005,922</u>
SPECIAL ASSESSMENT DISTRICT VII BOND FUND				
ASSETS				
Cash	\$ 2,731,815	\$ 905,649	\$ (492,134)	\$ 3,145,330
Total Assets.....	<u>\$ 2,731,815</u>	<u>\$ 905,649</u>	<u>\$ (492,134)</u>	<u>\$ 3,145,330</u>
LIABILITIES				
Deposits Held for Others.....	\$ 2,731,815	\$ 905,649	\$ (492,134)	\$ 3,145,330
Total Liabilities.....	<u>\$ 2,731,815</u>	<u>\$ 905,649</u>	<u>\$ (492,134)</u>	<u>\$ 3,145,330</u>
SPECIAL ASSESSMENT DISTRICT VIII BOND FUND				
ASSETS				
Cash	\$ 377,609	\$ 147,894	\$ (129,750)	\$ 395,753
Total Assets.....	<u>\$ 377,609</u>	<u>\$ 147,894</u>	<u>\$ (129,750)</u>	<u>\$ 395,753</u>
LIABILITIES				
Deposits Held for Others.....	\$ 377,609	\$ 147,894	\$ (129,750)	\$ 395,753
Total Liabilities.....	<u>\$ 377,609</u>	<u>\$ 147,894</u>	<u>\$ (129,750)</u>	<u>\$ 395,753</u>

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2017</u>
S&P REIMBURSEMENT FUND				
ASSETS				
Cash	\$ 200,000	\$ 3,800,000	\$ (3,224,621)	\$ 775,379
Total Assets.....	<u>\$ 200,000</u>	<u>\$ 3,800,000</u>	<u>\$ (3,224,621)</u>	<u>\$ 775,379</u>
LIABILITIES				
Deposits Held for Others.....	\$ 200,000	\$ 3,800,000	\$ (3,224,621)	\$ 775,379
Total Liabilities.....	<u>\$ 200,000</u>	<u>\$ 3,800,000</u>	<u>\$ (3,224,621)</u>	<u>\$ 775,379</u>
MUNICIPAL COURT FUND				
ASSETS				
Cash	\$ 59,250	\$ —	\$ (43,239)	\$ 16,011
Total Assets.....	<u>\$ 59,250</u>	<u>\$ —</u>	<u>\$ (43,239)</u>	<u>\$ 16,011</u>
LIABILITIES				
Deposits Held for Others.....	\$ 59,250	\$ —	\$ (43,239)	\$ 16,011
Total Liabilities.....	<u>\$ 59,250</u>	<u>\$ —</u>	<u>\$ (43,239)</u>	<u>\$ 16,011</u>
TOTAL AGENCY FUNDS				
ASSETS				
Cash	\$ 4,444,338	\$ 6,235,297	\$ (5,289,146)	\$ 5,390,489
Total Assets.....	<u>\$ 4,444,338</u>	<u>\$ 6,235,297</u>	<u>\$ (5,289,146)</u>	<u>\$ 5,390,489</u>
LIABILITIES				
Deposits Held for Others.....	\$ 4,444,338	\$ 6,235,297	\$ (5,289,146)	\$ 5,390,489
Total Liabilities.....	<u>\$ 4,444,338</u>	<u>\$ 6,235,297</u>	<u>\$ (5,289,146)</u>	<u>\$ 5,390,489</u>



BUDGETARY COMPARISON SCHEDULES

CITY OF RIO RANCHO, NEW MEXICO

Budgetary Comparison Schedule Animal Shelter Fund Year Ended June 30, 2017

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
REVENUES				
Charges for Services.....	\$ 45,000	\$ 45,000	\$ 54,145	\$ 9,145
Fines and Forfeitures.....	500	500	439	(61)
Miscellaneous.....	7,000	6,900	5,802	(1,098)
Total Revenues.....	<u>52,500</u>	<u>52,400</u>	<u>60,386</u>	<u>7,986</u>
EXPENDITURES				
Current:				
Public Safety.....	51,507	65,386	63,249	2,137
Parks, Recreation, and Culture.....	8,783	8,683	2,485	6,198
Total Expenditures.....	<u>60,290</u>	<u>74,069</u>	<u>65,734</u>	<u>8,335</u>
Revenues Over (Under) Expenditures.....	(7,790)	(21,669)	(5,348)	16,321
OTHER FINANCING SOURCES (USES)				
Transfers In.....	—	—	—	—
Transfers Out.....	—	—	—	—
Total Other Financing Sources (Uses).....	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net Change in Fund Balances.....	(7,790)	(21,669)	(5,348)	16,321
Fund Balances - Beginning, Budgetary Basis..	2,800	6,446	44,929	38,483
Fund Balances - Ending, Budgetary Basis.....	<u>\$ (4,990)</u>	<u>\$ (15,223)</u>	<u>\$ 39,581</u>	<u>\$ 54,804</u>

Budget to GAAP Reconciliation

Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 60,386
(no differences)	<u>—</u>
Total Actual Revenues - GAAP Basis.....	<u>\$ 60,386</u>

Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 65,734
Certain payments made after year-end are considered expenditures of the current period for financial reporting but not for budgetary reporting:	
Current year accrued expenditures.....	1,866
Prior year accrued expenditures.....	<u>(5,544)</u>
Total Actual Expenditures - GAAP Basis.....	<u>\$ 62,056</u>

CITY OF RIO RANCHO, NEW MEXICO

Budgetary Comparison Schedule Recreation Activities Fund Year Ended June 30, 2017

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
REVENUES				
Charges for Services.....	\$ 289,675	\$ 285,401	\$ 193,034	\$ (92,367)
Miscellaneous.....	—	5,000	150	(4,850)
Total Revenues.....	<u>289,675</u>	<u>290,401</u>	<u>193,184</u>	<u>(97,217)</u>
EXPENDITURES				
Current:				
Parks, Recreation, and Culture.....	321,277	343,551	197,783	145,768
Capital Outlay.....	—	9,000	5,107	3,893
Total Expenditures.....	<u>321,277</u>	<u>352,551</u>	<u>202,890</u>	<u>149,661</u>
Revenues Over (Under) Expenditures.....	(31,602)	(62,150)	(9,706)	52,444
OTHER FINANCING SOURCES (USES)				
Transfers In.....	—	—	—	—
Transfers Out.....	—	—	—	—
Total Other Financing Sources (Uses).....	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net Change in Fund Balances.....	(31,602)	(62,150)	(9,706)	52,444
Fund Balances - Beginning, Budgetary Basis..	79,883	116,204	173,284	57,080
Fund Balances - Ending, Budgetary Basis.....	<u>\$ 48,281</u>	<u>\$ 54,054</u>	<u>\$ 163,578</u>	<u>\$ 109,524</u>

Budget to GAAP Reconciliation

Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 193,184
(no differences)	—
Total Actual Revenues - GAAP Basis.....	<u>\$ 193,184</u>

Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 202,890
Certain payments made after year-end are considered expenditures of the current period for financial reporting but not for budgetary reporting:	
Current year accrued expenditures.....	12,411
Prior year accrued expenditures.....	<u>(13,158)</u>
Total Actual Expenditures - GAAP Basis.....	<u>\$ 202,143</u>

CITY OF RIO RANCHO, NEW MEXICO

Budgetary Comparison Schedule Keep Rio Rancho Beautiful Fund Year Ended June 30, 2017

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
REVENUES				
Intergovernmental - State.....	\$ 70,000	\$ 83,870	\$ 35,907	\$ (47,963)
Total Revenues.....	70,000	83,870	35,907	(47,963)
EXPENDITURES				
Current:				
Parks, Recreation, and Culture.....	70,080	75,963	69,042	6,921
Total Expenditures.....	70,080	75,963	69,042	6,921
Revenues Over (Under) Expenditures.....	(80)	7,907	(33,135)	(41,042)
OTHER FINANCING SOURCES (USES)				
Transfers In.....	—	—	—	—
Transfers Out.....	—	—	—	—
Total Other Financing Sources (Uses).....	—	—	—	—
Net Change in Fund Balances.....	—	7,907	(33,135)	(41,042)
Fund Balances - Beginning, Budgetary Basis..	—	—	(7,907)	(7,907)
Fund Balances - Ending, Budgetary Basis.....	\$ —	\$ 7,907	\$ (41,042)	\$ (48,949)

Budget to GAAP Reconciliation

Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 35,907
Certain amounts collected after year-end are considered revenue of the current period for financial reporting but not for budgetary reporting:	
Current year accrued revenue.....	41,659
Prior year accrued revenue.....	(8,985)
Total Actual Revenues - GAAP Basis.....	\$ 68,581

Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 69,042
Certain payments made after year-end are considered expenditures of the current period for financial reporting but not for budgetary reporting:	
Current year accrued expenditures.....	943
Prior year accrued expenditures.....	(2,216)
Total Actual Expenditures - GAAP Basis.....	\$ 67,769

CITY OF RIO RANCHO, NEW MEXICO

Budgetary Comparison Schedule Community Response Program Fund Year Ended June 30, 2017

	Budget		Actual - Budgetary Basis	Variance From Final Budget Budgetary Bas
	Original	Final		
REVENUES				
Intergovernmental - Federal.....	\$ —	\$ —	\$ —	\$ —
Total Revenues.....	—	—	—	—
EXPENDITURES				
Current:				
Public Safety.....	—	—	—	—
Capital Outlay.....	—	—	—	—
Total Expenditures.....	—	—	—	—
Revenues Over (Under) Expenditures.....	—	—	—	—
OTHER FINANCING SOURCES (USES)				
Transfers In.....	—	—	—	—
Transfers Out.....	—	—	—	—
Total Other Financing Sources (Uses).....	—	—	—	—
Net Change in Fund Balances.....	—	—	—	—
Fund Balances - Beginning, Budgetary Basis..	—	—	—	—
Fund Balances - Ending, Budgetary Basis.....	\$ —	\$ —	\$ —	\$ —

Budget to GAAP Reconciliation

Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ —
(no differences)	—
Total Actual Revenues - GAAP Basis.....	\$ —

Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ —
(no differences)	—
Total Actual Expenditures - GAAP Basis.....	\$ —

CITY OF RIO RANCHO, NEW MEXICO

Budgetary Comparison Schedule Workers Compensation Fund Year Ended June 30, 2017

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
REVENUES				
Miscellaneous.....	\$ 919,257	\$ 919,257	\$ 974,894	\$ 55,637
Total Revenues.....	919,257	919,257	974,894	55,637
EXPENDITURES				
Current:				
General Government.....	816,663	816,663	729,110	87,553
Total Expenditures.....	816,663	816,663	729,110	87,553
Revenues Over (Under) Expenditures.....	102,594	102,594	245,784	143,190
OTHER FINANCING SOURCES (USES)				
Transfers In.....	—	—	—	—
Transfers Out.....	—	—	—	—
Total Other Financing Sources (Uses).....	—	—	—	—
Net Change in Fund Balances.....	102,594	102,594	245,784	143,190
Fund Balances - Beginning, Budgetary Basis..	1,380,153	1,045,337	1,115,157	69,820
Fund Balances - Ending, Budgetary Basis.....	\$ 1,482,747	\$ 1,147,931	\$ 1,360,941	\$ 213,010

Budget to GAAP Reconciliation

Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 974,894
(no differences)	—
Total Actual Revenues - GAAP Basis.....	\$ 974,894

Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 729,110
Certain payments made after year-end are considered expenditures of the current period for financial reporting but not for budgetary reporting:	
Current year accrued expenditures.....	139,748
Prior year accrued expenditures.....	(75,594)
Total Actual Expenditures - GAAP Basis.....	\$ 793,264

CITY OF RIO RANCHO, NEW MEXICO

Budgetary Comparison Schedule Senior Services Fund Year Ended June 30, 2017

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
REVENUES				
Charges for Services.....	\$ 23,225	\$ 23,225	\$ 17,781	\$ (5,444)
Miscellaneous.....	1,550	1,550	855	(695)
Total Revenues.....	<u>24,775</u>	<u>24,775</u>	<u>18,636</u>	<u>(6,139)</u>
EXPENDITURES				
Current:				
Parks, Recreation, and Culture.....	<u>30,325</u>	<u>32,325</u>	<u>15,750</u>	<u>16,575</u>
Total Expenditures.....	<u>30,325</u>	<u>32,325</u>	<u>15,750</u>	<u>16,575</u>
Revenues Over (Under) Expenditures.....	(5,550)	(7,550)	2,886	10,436
OTHER FINANCING SOURCES (USES)				
Transfers In.....	—	500	—	(500)
Transfers Out.....	—	—	—	—
Total Other Financing Sources (Uses).....	<u>—</u>	<u>500</u>	<u>—</u>	<u>(500)</u>
Net Change in Fund Balances.....	(5,550)	(7,050)	2,886	9,936
Fund Balances - Beginning, Budgetary Basis..	<u>16,147</u>	<u>14,739</u>	<u>41,150</u>	<u>26,411</u>
Fund Balances - Ending, Budgetary Basis.....	<u>\$ 10,597</u>	<u>\$ 7,689</u>	<u>\$ 44,036</u>	<u>\$ 36,347</u>

Budget to GAAP Reconciliation

Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 18,636
(no differences)	—
Total Actual Revenues - GAAP Basis.....	<u>\$ 18,636</u>

Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 15,750
Certain payments made after year-end are considered expenditures of the current period for financial reporting but not for budgetary reporting:	
Current year accrued expenditures.....	366
Prior year accrued expenditures.....	(112)
Total Actual Expenditures - GAAP Basis.....	<u>\$ 16,004</u>

CITY OF RIO RANCHO, NEW MEXICO

Budgetary Comparison Schedule Library Fund Year Ended June 30, 2017

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
REVENUES				
Intergovernmental - State.....	\$ —	\$ 107,548	\$ 32,555	\$ (74,993)
Intergovernmental - Local.....	—	1,439,018	743,757	(695,261)
Total Revenues.....	—	1,546,566	776,312	(770,254)
EXPENDITURES				
Current:				
Parks, Recreation, and Culture.....	—	1,432,519	806,431	626,088
Total Expenditures.....	—	1,432,519	806,431	626,088
Revenues Over (Under) Expenditures.....	—	114,047	(30,119)	(144,166)
OTHER FINANCING SOURCES (USES)				
Transfers In.....	—	—	—	—
Transfers Out.....	—	—	—	—
Total Other Financing Sources (Uses).....	—	—	—	—
Net Change in Fund Balances.....	—	114,047	(30,119)	(144,166)
Fund Balances - Beginning, Budgetary Basis..	—	—	(114,044)	(114,044)
Fund Balances - Ending, Budgetary Basis.....	\$ —	\$ 114,047	\$ (144,163)	\$ (258,210)

Budget to GAAP Reconciliation

Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 776,312
Certain amounts collected after year-end are considered revenue of the current period for financial reporting but not for budgetary reporting:	
Current year accrued revenue.....	—
Prior year accrued revenue.....	(47,746)
Total Actual Revenues - GAAP Basis.....	\$ 728,566

Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 806,431
Certain payments made after year-end are considered expenditures of the current period for financial reporting but not for budgetary reporting:	
Current year accrued expenditures.....	5,586
Prior year accrued expenditures.....	(10,723)
Total Actual Expenditures - GAAP Basis.....	\$ 801,294

CITY OF RIO RANCHO, NEW MEXICO

Budgetary Comparison Schedule Local Economic Development Fund Year Ended June 30, 2017

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
REVENUES				
Miscellaneous.....	\$ 10,000	\$ 10,000	\$ 113,134	\$ (103,134)
Total Revenues.....	10,000	10,000	113,134	(103,134)
EXPENDITURES				
Current:				
Parks, Recreation, and Culture.....	—	—	—	—
Total Expenditures.....	—	—	—	—
Revenues Over (Under) Expenditures.....	10,000	10,000	113,134	103,134
OTHER FINANCING SOURCES (USES)				
Transfers In.....	55,000	55,000	55,000	—
Transfers Out.....	—	—	—	—
Total Other Financing Sources (Uses).....	55,000	55,000	55,000	—
Net Change in Fund Balances.....	65,000	65,000	168,134	103,134
Fund Balances - Beginning, Budgetary Basis..	100,834	100,834	235,692	134,858
Fund Balances - Ending, Budgetary Basis.....	<u>\$ 165,834</u>	<u>\$ 165,834</u>	<u>\$ 403,826</u>	<u>\$ 237,992</u>

Budget to GAAP Reconciliation

Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 113,134
(no differences)	—
Total Actual Revenues - GAAP Basis.....	<u>\$ 113,134</u>

Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ —
(no differences)	—
Total Actual Expenditures - GAAP Basis.....	<u>\$ —</u>

CITY OF RIO RANCHO, NEW MEXICO

Budgetary Comparison Schedule Promotion and Marketing Fund Year Ended June 30, 2017

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
REVENUES				
Charges for Services.....	\$ 114,000	\$ 262,150	\$ 115,793	\$ (146,357)
Total Revenues.....	114,000	262,150	115,793	(146,357)
EXPENDITURES				
Current:				
Community and Economic Development....	305,579	466,128	292,084	174,044
Total Expenditures.....	305,579	466,128	292,084	174,044
Revenues Over (Under) Expenditures.....	(191,579)	(203,978)	(176,291)	27,687
OTHER FINANCING SOURCES (USES)				
Transfers In.....	174,641	174,641	174,641	—
Transfers Out.....	—	—	—	—
Total Other Financing Sources (Uses).....	174,641	174,641	174,641	—
Net Change in Fund Balances.....	(16,938)	(29,337)	(1,650)	27,687
Fund Balances - Beginning, Budgetary Basis..	—	15,031	54,757	39,726
Fund Balances - Ending, Budgetary Basis.....	\$ (16,938)	\$ (14,306)	\$ 53,107	\$ 67,413

Budget to GAAP Reconciliation

Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 115,793
(no differences)	—
Total Actual Revenues - GAAP Basis.....	\$ 115,793

Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 292,084
Certain payments made after year-end are considered expenditures of the current period for financial reporting but not for budgetary reporting:	
Current year accrued expenditures.....	4,866
Prior year accrued expenditures.....	(9,843)
Total Actual Expenditures - GAAP Basis.....	\$ 287,107

CITY OF RIO RANCHO, NEW MEXICO

Budgetary Comparison Schedule Convention and Visitors Bureau Fund Year Ended June 30, 2017

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
REVENUES				
Municipal and State-Shared Taxes.....	\$ 312,500	\$ 312,500	\$ 342,126	\$ 29,626
Miscellaneous.....	2,005	2,005	1,800	(205)
Total Revenues.....	<u>314,505</u>	<u>314,505</u>	<u>343,926</u>	<u>29,421</u>
EXPENDITURES				
Current:				
Community and Economic Development....	<u>379,331</u>	<u>379,331</u>	<u>329,365</u>	<u>49,966</u>
Total Expenditures.....	<u>379,331</u>	<u>379,331</u>	<u>329,365</u>	<u>49,966</u>
Revenues Over (Under) Expenditures.....	(64,826)	(64,826)	14,561	79,387
OTHER FINANCING SOURCES (USES)				
Transfers In.....	—	—	—	—
Transfers Out.....	—	—	—	—
Total Other Financing Sources (Uses).....	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net Change in Fund Balances.....	(64,826)	(64,826)	14,561	79,387
Fund Balances - Beginning, Budgetary Basis..	<u>53,850</u>	<u>54,103</u>	<u>110,270</u>	<u>56,167</u>
Fund Balances - Ending, Budgetary Basis.....	<u>\$ (10,976)</u>	<u>\$ (10,723)</u>	<u>\$ 124,831</u>	<u>\$ 135,554</u>

Budget to GAAP Reconciliation

Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 343,926
(no differences)	<u>—</u>
Total Actual Revenues - GAAP Basis.....	<u>\$ 343,926</u>

Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 329,365
Certain payments made after year-end are considered expenditures of the current period for financial reporting but not for budgetary reporting:	
Current year accrued expenditures.....	4,085
Prior year accrued expenditures.....	<u>(13,028)</u>
Total Actual Expenditures - GAAP Basis.....	<u>\$ 320,422</u>

CITY OF RIO RANCHO, NEW MEXICO

Budgetary Comparison Schedule Rio Vision Cable Fund Year Ended June 30, 2017

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
REVENUES				
Franchise Fees.....	\$ 63,000	\$ 57,740	\$ 58,141	\$ 401
Total Revenues.....	63,000	57,740	58,141	401
EXPENDITURES				
Current:				
Parks, Recreation, and Culture.....	75,219	129,507	106,111	23,396
Total Expenditures.....	75,219	129,507	106,111	23,396
Revenues Over (Under) Expenditures.....	(12,219)	(71,767)	(47,970)	23,797
OTHER FINANCING SOURCES (USES)				
Transfers In.....	12,219	67,479	67,479	—
Transfers Out.....	—	—	—	—
Total Other Financing Sources (Uses).....	12,219	67,479	67,479	—
Net Change in Fund Balances.....	—	(4,288)	19,509	23,797
Fund Balances - Beginning, Budgetary Basis..	—	—	11,811	11,811
Fund Balances - Ending, Budgetary Basis.....	\$ —	\$ (4,288)	\$ 31,320	\$ 35,608

Budget to GAAP Reconciliation

Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 58,141
Certain amounts collected after year-end are considered revenue of the current period for financial reporting but not for budgetary reporting:	
Current year accrued revenue.....	14,513
Prior year accrued revenue.....	(14,523)
Total Actual Revenues - GAAP Basis.....	\$ 58,131

Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 106,111
Certain payments made after year-end are considered expenditures of the current period for financial reporting but not for budgetary reporting:	
Current year accrued expenditures.....	581
Prior year accrued expenditures.....	(5,334)
Total Actual Expenditures - GAAP Basis.....	\$ 101,358

CITY OF RIO RANCHO, NEW MEXICO

Budgetary Comparison Schedule Local Government Corrections Fund Year Ended June 30, 2017

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
REVENUES				
Charges for Services.....	\$ 250,000	\$ 250,000	\$ 231,832	\$ (18,168)
Total Revenues.....	250,000	250,000	231,832	(18,168)
EXPENDITURES				
Current:				
Public Safety.....	488,960	488,960	405,160	83,800
Total Expenditures.....	488,960	488,960	405,160	83,800
Revenues Over (Under) Expenditures.....	(238,960)	(238,960)	(173,328)	65,632
OTHER FINANCING SOURCES (USES)				
Transfers In.....	196,000	196,000	196,000	—
Transfers Out.....	—	—	—	—
Total Other Financing Sources (Uses).....	196,000	196,000	196,000	—
Net Change in Fund Balances.....	(42,960)	(42,960)	22,672	65,632
Fund Balances - Beginning, Budgetary Basis..	—	—	42,960	42,960
Fund Balances - Ending, Budgetary Basis.....	\$ (42,960)	\$ (42,960)	\$ 65,632	\$ 108,592

Budget to GAAP Reconciliation

Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 231,832
(no differences)	—
Total Actual Revenues - GAAP Basis.....	\$ 231,832

Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 405,160
Certain payments made after year-end are considered expenditures of the current period for financial reporting but not for budgetary reporting:	
Current year accrued expenditures.....	44,030
Prior year accrued expenditures.....	—
Total Actual Expenditures - GAAP Basis.....	\$ 449,190

CITY OF RIO RANCHO, NEW MEXICO

Budgetary Comparison Schedule Law Enforcement Fund Year Ended June 30, 2017

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
REVENUES				
Intergovernmental - State.....	\$ 105,600	\$ 105,600	\$ 105,600	\$ —
Miscellaneous.....	—	2,519	3,861	1,342
Total Revenues.....	<u>105,600</u>	<u>108,119</u>	<u>109,461</u>	<u>1,342</u>
EXPENDITURES				
Current:				
Public Safety.....	104,824	205,043	118,032	87,011
Capital Outlay.....	24,000	174,000	146,695	27,305
Debt Service:				
Principal.....	48,981	48,981	48,981	—
Interest and Other Charges.....	2,287	2,287	2,287	—
Total Expenditures.....	<u>180,092</u>	<u>430,311</u>	<u>315,995</u>	<u>114,316</u>
Revenues Over (Under) Expenditures.....	(74,492)	(322,192)	(206,534)	115,658
OTHER FINANCING SOURCES (USES)				
Loan Proceeds.....	—	—	—	—
Transfers In.....	—	—	—	—
Transfers Out.....	—	—	—	—
Total Other Financing Sources (Uses).....	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net Change in Fund Balances.....	(74,492)	(322,192)	(206,534)	115,658
Fund Balances - Beginning, Budgetary Basis..	—	—	323,392	323,392
Fund Balances - Ending, Budgetary Basis.....	<u>\$ (74,492)</u>	<u>\$ (322,192)</u>	<u>\$ 116,858</u>	<u>\$ 439,050</u>

Budget to GAAP Reconciliation

Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 109,461
Current year accrued revenue.....	—
Prior year accrued revenue.....	(152)
Total Actual Revenues - GAAP Basis.....	<u>\$ 109,309</u>

Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 315,995
Certain payments made after year-end are considered expenditures of the current period for financial reporting but not for budgetary reporting:	
Current year accrued expenditures.....	—
Prior year accrued expenditures.....	(35,841)
Total Actual Expenditures - GAAP Basis.....	<u>\$ 280,154</u>

CITY OF RIO RANCHO, NEW MEXICO

Budgetary Comparison Schedule Public Safety Enforcement Aid Fund Year Ended June 30, 2017

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
REVENUES				
Fines and Forfeitures.....	\$ 171,500	\$ 198,643	\$ 354,511	\$ 155,868
Miscellaneous.....	3,500	8,500	5,828	(2,672)
Total Revenues.....	<u>175,000</u>	<u>207,143</u>	<u>360,339</u>	<u>153,196</u>
EXPENDITURES				
Current:				
Public Safety.....	142,012	125,147	92,581	32,566
Capital Outlay.....	126,651	153,603	153,603	—
Total Expenditures.....	<u>268,663</u>	<u>278,750</u>	<u>246,184</u>	<u>32,566</u>
Revenues Over (Under) Expenditures.....	(93,663)	(71,607)	114,155	185,762
OTHER FINANCING SOURCES (USES)				
Transfers In.....	—	—	—	—
Transfers Out.....	—	—	—	—
Total Other Financing Sources (Uses).....	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net Change in Fund Balances.....	(93,663)	(71,607)	114,155	185,762
Fund Balances - Beginning, Budgetary Basis..	—	1,692	219,602	217,910
Fund Balances - Ending, Budgetary Basis.....	<u>\$ (93,663)</u>	<u>\$ (69,915)</u>	<u>\$ 333,757</u>	<u>\$ 403,672</u>

Budget to GAAP Reconciliation

Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 360,339
Certain amounts collected after year-end are considered revenue of the current period for financial reporting but not for budgetary reporting:	
Current year accrued revenue.....	(3,339)
Prior year unearned revenue.....	—
Current year accrued revenue.....	11,112
Prior year accrued revenue.....	(38,643)
Total Actual Revenues - GAAP Basis.....	<u>\$ 329,469</u>

Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 246,184
Certain payments made after year-end are considered expenditures of the current period for financial reporting but not for budgetary reporting:	
Current year accrued expenditures.....	1,517
Prior year accrued expenditures.....	(1,436)
Total Actual Expenditures - GAAP Basis.....	<u>\$ 246,265</u>

CITY OF RIO RANCHO, NEW MEXICO

Budgetary Comparison Schedule Traffic Education and Enforcement Aid Fund Year Ended June 30, 2017

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
REVENUES				
Fines and Forfeitures.....	\$ 70,000	\$ 70,000	\$ 63,438	\$ (6,562)
Total Revenues.....	70,000	70,000	63,438	(6,562)
EXPENDITURES				
Current:				
Public Safety.....	101,388	105,617	32,234	73,383
Capital Outlay.....	21,000	21,000	—	21,000
Total Expenditures.....	122,388	126,617	32,234	94,383
Revenues Over (Under) Expenditures.....	(52,388)	(56,617)	31,204	87,821
OTHER FINANCING SOURCES (USES)				
Transfers In.....	—	—	—	—
Transfers Out.....	—	—	—	—
Total Other Financing Sources (Uses).....	—	—	—	—
Net Change in Fund Balances.....	(52,388)	(56,617)	31,204	87,821
Fund Balances - Beginning, Budgetary Basis..	10,000	10,000	71,367	61,367
Fund Balances - Ending, Budgetary Basis.....	\$ (42,388)	\$ (46,617)	\$ 102,571	\$ 149,188

Budget to GAAP Reconciliation

Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 63,438
(no differences)	—
Total Actual Revenues - GAAP Basis.....	\$ 63,438

Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 32,234
Certain payments made after year-end are considered expenditures of the current period for financial reporting but not for budgetary reporting:	
Current year accrued expenditures.....	135
Prior year accrued expenditures.....	(4,238)
Total Actual Expenditures - GAAP Basis.....	\$ 28,131

CITY OF RIO RANCHO, NEW MEXICO

Budgetary Comparison Schedule DWI Seized Vehicle Fund Year Ended June 30, 2017

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
REVENUES				
Charges for Services.....	\$ 116,780	\$ 123,372	\$ 112,009	\$ (11,363)
Total Revenues.....	<u>116,780</u>	<u>123,372</u>	<u>112,009</u>	<u>(11,363)</u>
EXPENDITURES				
Current:				
Public Safety.....	<u>206,723</u>	<u>214,880</u>	<u>175,424</u>	<u>39,456</u>
Total Expenditures.....	<u>206,723</u>	<u>214,880</u>	<u>175,424</u>	<u>39,456</u>
Revenues Over (Under) Expenditures.....	(89,943)	(91,508)	(63,415)	28,093
OTHER FINANCING SOURCES (USES)				
Transfers In.....	47,391	47,391	47,391	—
Transfers Out.....	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total Other Financing Sources (Uses).....	<u>47,391</u>	<u>47,391</u>	<u>47,391</u>	<u>—</u>
Net Change in Fund Balances.....	(42,552)	(44,117)	(16,024)	28,093
Fund Balances - Beginning, Budgetary Basis..	258,945	264,920	78,363	(186,557)
Fund Balances - Ending, Budgetary Basis.....	<u>\$ 216,393</u>	<u>\$ 220,803</u>	<u>\$ 62,339</u>	<u>\$ (158,464)</u>

Budget to GAAP Reconciliation

Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 112,009
(no differences)	<u>—</u>
Total Actual Revenues - GAAP Basis.....	<u>\$ 112,009</u>

Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 175,424
Certain payments made after year-end are considered expenditures of the current period for financial reporting but not for budgetary reporting:	
Current year accrued expenditures.....	<u>—</u>
Prior year accrued expenditures.....	<u>(8,484)</u>
Total Actual Expenditures - GAAP Basis.....	<u>\$ 166,940</u>

CITY OF RIO RANCHO, NEW MEXICO

Budgetary Comparison Schedule NM Gang Task Force Fund Year Ended June 30, 2017

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
REVENUES				
Intergovernmental - Federal.....	\$ —	\$ 297,725	\$ 127,798	\$ (169,927)
Miscellaneous.....	—	24,750	23,850	(900)
Total Revenues.....	—	322,475	151,648	(170,827)
EXPENDITURES				
Current:				
Public Safety.....	—	300,920	141,030	159,890
Total Expenditures.....	—	300,920	141,030	159,890
Revenues Over (Under) Expenditures.....	—	21,555	10,618	(10,937)
OTHER FINANCING SOURCES (USES)				
Transfers In.....	—	—	—	—
Transfers Out.....	—	—	—	—
Total Other Financing Sources (Uses).....	—	—	—	—
Net Change in Fund Balances.....	—	21,555	10,618	(10,937)
Fund Balances - Beginning, Budgetary Basis..	—	—	(21,554)	(21,554)
Fund Balances - Ending, Budgetary Basis.....	\$ —	\$ 21,555	\$ (10,936)	\$ (32,491)

Budget to GAAP Reconciliation

Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 151,648
Certain amounts collected after year-end are considered revenue of the current period for financial reporting but not for budgetary reporting:	
Current year accrued revenue.....	12,551
Prior year accrued revenue.....	(18,691)
Total Actual Revenues - GAAP Basis.....	\$ 145,508

Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 141,030
Certain payments made after year-end are considered expenditures of the current period for financial reporting but not for budgetary reporting:	
Current year accrued expenditures.....	5,103
Prior year accrued expenditures.....	(7,634)
Total Actual Expenditures - GAAP Basis.....	\$ 138,499

CITY OF RIO RANCHO, NEW MEXICO

Budgetary Comparison Schedule Fire Protection Fund Year Ended June 30, 2017

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
REVENUES				
Intergovernmental - State.....	\$ 700,000	\$ 791,727	\$ 791,727	\$ —
Miscellaneous.....	150	1,150	2,207	1,057
Total Revenues.....	<u>700,150</u>	<u>792,877</u>	<u>793,934</u>	<u>1,057</u>
EXPENDITURES				
Current:				
Public Safety.....	447,897	575,870	466,126	109,744
Capital Outlay.....	46,894	90,743	78,613	12,130
Debt Service:				
Principal.....	189,469	189,469	189,469	—
Interest and Other Charges.....	55,354	55,354	55,354	—
Total Expenditures.....	<u>739,614</u>	<u>911,436</u>	<u>789,562</u>	<u>121,874</u>
Revenues Over (Under) Expenditures.....	(39,464)	(118,559)	4,372	122,931
OTHER FINANCING SOURCES (USES)				
Transfers In.....	—	—	—	—
Transfers Out.....	—	—	—	—
Total Other Financing Sources (Uses).....	—	—	—	—
Net Change in Fund Balances.....	(39,464)	(118,559)	4,372	122,931
Fund Balances - Beginning, Budgetary Basis..	152,121	152,121	272,088	119,967
Fund Balances - Ending, Budgetary Basis.....	<u>\$ 112,657</u>	<u>\$ 33,562</u>	<u>\$ 276,460</u>	<u>\$ 242,898</u>

Budget to GAAP Reconciliation

Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 793,934
Certain year-end adjustments related to the fair market value of the city's investments are considered revenue for financial reporting but not for budgetary reporting.....	(3,502)
Total Actual Revenues - GAAP Basis.....	<u>\$ 790,432</u>

Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 789,562
Certain payments made after year-end are considered expenditures of the current period for financial reporting but not for budgetary reporting:	
Current year accrued expenditures.....	14,616
Prior year accrued expenditures.....	(7,983)
Total Actual Expenditures - GAAP Basis.....	<u>\$ 796,195</u>

CITY OF RIO RANCHO, NEW MEXICO

Budgetary Comparison Schedule Emergency Medical Services Fund Year Ended June 30, 2017

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
REVENUES				
Intergovernmental - State.....	\$ 16,162	\$ 28,662	\$ 28,662	\$ —
Total Revenues.....	<u>16,162</u>	<u>28,662</u>	<u>28,662</u>	<u>—</u>
EXPENDITURES				
Current:				
Public Safety.....	6,856	19,356	18,825	531
Capital Outlay.....	<u>9,332</u>	<u>9,332</u>	<u>9,314</u>	<u>18</u>
Total Expenditures.....	<u>16,188</u>	<u>28,688</u>	<u>28,139</u>	<u>549</u>
Revenues Over (Under) Expenditures.....	(26)	(26)	523	549
OTHER FINANCING SOURCES (USES)				
Transfers In.....	—	—	—	—
Transfers Out.....	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total Other Financing Sources (Uses).....	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net Change in Fund Balances.....	(26)	(26)	523	549
Fund Balances - Beginning, Budgetary Basis..	—	—	266	266
Fund Balances - Ending, Budgetary Basis.....	<u>\$ (26)</u>	<u>\$ (26)</u>	<u>\$ 789</u>	<u>\$ 815</u>

Budget to GAAP Reconciliation

Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 28,662
(no differences)	<u>—</u>
Total Actual Revenues - GAAP Basis.....	<u>\$ 28,662</u>

Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 28,139
(no differences)	<u>—</u>
Total Actual Expenditures - GAAP Basis.....	<u>\$ 28,139</u>

CITY OF RIO RANCHO, NEW MEXICO

Budgetary Comparison Schedule DWI Program Fund Year Ended June 30, 2017

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
REVENUES				
Miscellaneous.....	\$ —	\$ —	\$ 333	\$ 333
Total Revenues.....	—	—	333	333
EXPENDITURES				
Current:				
Public Safety.....	228,534	228,534	—	228,534
Total Expenditures.....	228,534	228,534	—	228,534
Revenues Over (Under) Expenditures.....	(228,534)	(228,534)	333	228,867
OTHER FINANCING SOURCES (USES)				
Transfers In.....	—	—	—	—
Transfers Out.....	—	—	—	—
Total Other Financing Sources (Uses).....	—	—	—	—
Net Change in Fund Balances.....	(228,534)	(228,534)	333	228,867
Fund Balances - Beginning, Budgetary Basis..	—	—	228,534	228,534
Fund Balances - Ending, Budgetary Basis.....	\$ (228,534)	\$ (228,534)	\$ 228,867	\$ 457,401

Budget to GAAP Reconciliation

Revenues:

Total Actual Revenues - Budgetary Basis..... (no differences)	\$ 333
Total Actual Revenues - GAAP Basis.....	\$ 333

Expenditures:

Total Actual Expenditures - Budgetary Basis..... (no differences)	\$ —
Total Actual Expenditures - GAAP Basis.....	\$ —

CITY OF RIO RANCHO, NEW MEXICO

Budgetary Comparison Schedule Summer Lunch Program Fund Year Ended June 30, 2017

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
REVENUES				
Intergovernmental - Federal.....	\$ 138,000	\$ 95,000	\$ 108,636	\$ 13,636
Total Revenues.....	138,000	95,000	108,636	13,636
EXPENDITURES				
Current:				
Parks, Recreation, and Culture.....	196,045	214,045	106,980	107,065
Total Expenditures.....	196,045	214,045	106,980	107,065
Revenues Over (Under) Expenditures.....	(58,045)	(119,045)	1,656	120,701
OTHER FINANCING SOURCES (USES)				
Transfers In.....	—	—	—	—
Transfers Out.....	—	—	—	—
Total Other Financing Sources (Uses).....	—	—	—	—
Net Change in Fund Balances.....	(58,045)	(119,045)	1,656	120,701
Fund Balances - Beginning, Budgetary Basis..	—	—	119,045	119,045
Fund Balances - Ending, Budgetary Basis.....	\$ (58,045)	\$ (119,045)	\$ 120,701	\$ 239,746

Budget to GAAP Reconciliation

Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 108,636
Certain amounts collected after year-end are considered revenue of the current period for financial reporting but not for budgetary reporting:	
Current year unearned revenue.....	(18,953)
Prior year unearned revenue.....	—
Total Actual Revenues - GAAP Basis.....	\$ 89,683

Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 106,980
Certain payments made after year-end are considered expenditures of the current period for financial reporting but not for budgetary reporting:	
Current year accrued expenditures.....	44,975
Prior year accrued expenditures.....	(44,017)
Total Actual Expenditures - GAAP Basis.....	\$ 107,938

CITY OF RIO RANCHO, NEW MEXICO

Budgetary Comparison Schedule Public Safety and Other Grants Fund Year Ended June 30, 2017

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
REVENUES				
Intergovernmental - Federal.....	\$ —	\$ 1,023,430	\$ 443,956	\$ (579,474)
Intergovernmental - State.....	376,435	481,980	187,373	(294,607)
Total Revenues.....	<u>376,435</u>	<u>1,505,410</u>	<u>631,329</u>	<u>(874,081)</u>
EXPENDITURES				
Current:				
Public Safety.....	376,660	1,079,319	478,296	601,023
Parks, Recreation, and Culture.....	96	86,366	27,789	58,577
Capital Outlay.....	—	160,913	24,691	136,222
Total Expenditures.....	<u>376,756</u>	<u>1,326,598</u>	<u>530,776</u>	<u>795,822</u>
Revenues Over (Under) Expenditures.....	(321)	178,812	100,553	(78,259)
OTHER FINANCING SOURCES (USES)				
Transfers In.....	—	6,080	6,080	—
Transfers Out.....	—	—	—	—
Total Other Financing Sources (Uses).....	<u>—</u>	<u>6,080</u>	<u>6,080</u>	<u>—</u>
Net Change in Fund Balances.....	(321)	184,892	106,633	(78,259)
Fund Balances - Beginning, Budgetary Basis..	—	—	(181,886)	(181,886)
Fund Balances - Ending, Budgetary Basis.....	<u>\$ (321)</u>	<u>\$ 184,892</u>	<u>\$ (75,253)</u>	<u>\$ (260,145)</u>

Budget to GAAP Reconciliation

Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 631,329
Certain amounts collected after year-end are considered revenue of the current period for financial reporting but not for budgetary reporting:	
Current year accrued revenue.....	84,325
Prior year accrued revenue.....	<u>(73,645)</u>
Total Actual Revenues - GAAP Basis.....	<u>\$ 642,009</u>

Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 530,776
Certain payments made after year-end are considered expenditures of the current period for financial reporting but not for budgetary reporting:	
Current year accrued expenditures.....	7,244
Prior year accrued expenditures.....	<u>(25,131)</u>
Total Actual Expenditures - GAAP Basis.....	<u>\$ 512,889</u>

CITY OF RIO RANCHO, NEW MEXICO

Budgetary Comparison Schedule Environmental Gross Receipts Tax Fund Year Ended June 30, 2017

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
REVENUES				
Municipal and State-Shared Taxes.....	\$ 728,449	\$ 728,449	\$ 725,999	\$ (2,450)
Miscellaneous.....	45,270	49,770	50,560	790
Total Revenues.....	<u>773,719</u>	<u>778,219</u>	<u>776,559</u>	<u>(1,660)</u>
EXPENDITURES				
Current:				
Public Works.....	362,995	780,289	311,050	469,239
Parks, Recreation, and Culture.....	45,626	45,626	46,245	(619)
Capital Outlay.....	—	359,713	359,713	—
Debt Service:				
Principal.....	248,144	248,144	248,144	—
Interest and Other Charges.....	91,552	91,552	91,552	—
Total Expenditures.....	<u>748,317</u>	<u>1,525,324</u>	<u>1,056,704</u>	<u>468,620</u>
Revenues Over (Under) Expenditures.....	25,402	(747,105)	(280,145)	466,960
OTHER FINANCING SOURCES (USES)				
Transfers In.....	—	—	—	—
Transfers Out.....	—	—	—	—
Total Other Financing Sources (Uses).....	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net Change in Fund Balances.....	25,402	(747,105)	(280,145)	466,960
Fund Balances - Beginning, Budgetary Basis..	<u>1,008,515</u>	<u>642,532</u>	<u>1,293,646</u>	<u>651,114</u>
Fund Balances - Ending, Budgetary Basis.....	<u>\$ 1,033,917</u>	<u>\$ (104,573)</u>	<u>\$ 1,013,501</u>	<u>\$ 1,118,074</u>

Budget to GAAP Reconciliation

Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 776,559
Certain amounts collected after year-end are considered revenue of the current period for financial reporting but not for budgetary reporting:	
Current year accrued revenue.....	123,950
Prior year accrued revenue.....	(126,523)
Certain year-end adjustments related to the fair market value of the city's investments are considered revenue for financial reporting but not for budgetary reporting.....	298
Total Actual Revenues - GAAP Basis.....	<u>\$ 774,284</u>

Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 1,056,704
Certain payments made after year-end are considered expenditures of the current period for financial reporting but not for budgetary reporting:	
Current year accrued expenditures.....	46,264
Prior year accrued expenditures.....	(385,036)
Total Actual Expenditures - GAAP Basis.....	<u>\$ 717,932</u>

CITY OF RIO RANCHO, NEW MEXICO

Budgetary Comparison Schedule Higher Education Gross Receipts Tax Fund Year Ended June 30, 2017

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
REVENUES				
Municipal and State-Shared Taxes.....	\$ 2,331,038	\$ 2,331,038	\$ 2,361,955	\$ 30,917
Miscellaneous.....	—	—	8,236	8,236
Total Revenues.....	<u>2,331,038</u>	<u>2,331,038</u>	<u>2,370,191</u>	<u>39,153</u>
EXPENDITURES				
Current:				
Capital Outlay.....	—	3,308,988	2,327,407	981,581
Total Expenditures.....	<u>—</u>	<u>3,308,988</u>	<u>2,327,407</u>	<u>981,581</u>
Revenues Over (Under) Expenditures.....	2,331,038	(977,950)	42,784	1,020,734
OTHER FINANCING SOURCES (USES)				
Transfers In.....	—	—	—	—
Transfers Out.....	—	—	—	—
Total Other Financing Sources (Uses).....	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net Change in Fund Balances.....	2,331,038	(977,950)	42,784	1,020,734
Fund Balances - Beginning, Budgetary Basis..	<u>4,520,402</u>	<u>2,520,402</u>	<u>6,004,465</u>	<u>3,484,063</u>
Fund Balances - Ending, Budgetary Basis.....	<u>\$ 6,851,440</u>	<u>\$ 1,542,452</u>	<u>\$ 6,047,249</u>	<u>\$ 4,504,797</u>

Budget to GAAP Reconciliation

Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 2,370,191
Certain amounts collected after year-end are considered revenue of the current period for financial reporting but not for budgetary reporting:	
Current year accrued revenue.....	416,248
Prior year accrued revenue.....	(407,510)
Total Actual Revenues - GAAP Basis.....	<u>\$ 2,378,929</u>

Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 2,327,407
Certain payments made after year-end are considered expenditures of the current period for financial reporting but not for budgetary reporting:	
Current year accrued expenditures.....	19,731
Prior year accrued expenditures.....	(82,936)
Total Actual Expenditures - GAAP Basis.....	<u>\$ 2,264,202</u>

CITY OF RIO RANCHO, NEW MEXICO

Budgetary Comparison Schedule Municipal Road Fund Year Ended June 30, 2017

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
REVENUES				
Municipal and State-Shared Taxes.....	\$ 618,000	\$ 618,000	\$ 759,737	\$ 141,737
Charges for Services.....	3,000	3,000	2,170	(830)
Miscellaneous.....	250	27,742	42,192	14,450
Total Revenues.....	<u>621,250</u>	<u>648,742</u>	<u>804,099</u>	<u>155,357</u>
EXPENDITURES				
Current:				
Public Works.....	607,500	666,614	589,921	76,693
Capital Outlay.....	100,464	99,965	44,268	55,697
Debt Service:				
Principal.....	159,000	159,000	159,000	—
Interest and Other Charges.....	3,654	3,654	3,654	—
Total Expenditures.....	<u>870,618</u>	<u>929,233</u>	<u>796,843</u>	<u>132,390</u>
Revenues Over (Under) Expenditures.....	(249,368)	(280,491)	7,256	287,747
OTHER FINANCING SOURCES (USES)				
Transfers In.....	—	—	—	—
Transfers Out.....	—	—	—	—
Total Other Financing Sources (Uses).....	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net Change in Fund Balances.....	(249,368)	(280,491)	7,256	287,747
Fund Balances - Beginning, Budgetary Basis..	335,131	339,350	602,790	263,440
Fund Balances - Ending, Budgetary Basis.....	<u>\$ 85,763</u>	<u>\$ 58,859</u>	<u>\$ 610,046</u>	<u>\$ 551,187</u>

Budget to GAAP Reconciliation

Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 804,099
Certain amounts collected after year-end are considered revenue of the current period for financial reporting but not for budgetary reporting:	
Current year accrued revenue.....	14,268
Prior year accrued revenue.....	(18,691)
Total Actual Revenues - GAAP Basis.....	<u>\$ 799,676</u>

Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 796,843
Certain payments made after year-end are considered expenditures of the current period for financial reporting but not for budgetary reporting:	
Current year accrued expenditures.....	2,796
Prior year accrued expenditures.....	(7,634)
Total Actual Expenditures - GAAP Basis.....	<u>\$ 792,005</u>

CITY OF RIO RANCHO, NEW MEXICO

Budgetary Comparison Schedule Regional Emergency Comm Center Fund Year Ended June 30, 2017

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
REVENUES				
Miscellaneous.....	\$ 2,116,938	\$ 2,116,938	\$ 1,468,601	\$ (648,337)
Total Revenues.....	2,116,938	2,116,938	1,468,601	(648,337)
EXPENDITURES				
Current:				
Public Safety.....	3,263,558	3,272,871	2,681,280	591,591
Capital Outlay.....	27,995	27,995	27,995	—
Total Expenditures.....	3,291,553	3,300,866	2,709,275	591,591
Revenues Over (Under) Expenditures.....	(1,174,615)	(1,183,928)	(1,240,674)	(56,746)
OTHER FINANCING SOURCES (USES)				
Transfers In.....	1,794,956	1,794,956	1,794,956	—
Transfers Out.....	—	—	—	—
Total Other Financing Sources (Uses).....	1,794,956	1,794,956	1,794,956	—
Net Change in Fund Balances.....	620,341	611,028	554,282	(56,746)
Fund Balances - Beginning, Budgetary Basis..	—	—	544,101	544,101
Fund Balances - Ending, Budgetary Basis.....	\$ 620,341	\$ 611,028	\$ 1,098,383	\$ 487,355

Budget to GAAP Reconciliation

Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 1,468,601
(no differences)	—
Total Actual Revenues - GAAP Basis.....	\$ 1,468,601

Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 2,709,275
Certain payments made after year-end are considered expenditures of the current period for financial reporting but not for budgetary reporting:	
Current year accrued expenditures.....	55,217
Prior year accrued expenditures.....	(133,059)
Total Actual Expenditures - GAAP Basis.....	\$ 2,631,433

CITY OF RIO RANCHO, NEW MEXICO

Budgetary Comparison Schedule HUD CDBG Fund Year Ended June 30, 2017

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
REVENUES				
Intergovernmental - Federal.....	\$ 474,216	\$ 850,100	\$ 307,348	\$ (542,752)
Total Revenues.....	<u>474,216</u>	<u>850,100</u>	<u>307,348</u>	<u>(542,752)</u>
EXPENDITURES				
Current:				
General Government.....	296,323	675,135	320,082	355,053
Capital Outlay.....	<u>177,893</u>	<u>177,893</u>	<u>29,136</u>	<u>148,757</u>
Total Expenditures.....	<u>474,216</u>	<u>853,028</u>	<u>349,218</u>	<u>503,810</u>
Revenues Over (Under) Expenditures.....	—	(2,928)	(41,870)	(38,942)
OTHER FINANCING SOURCES (USES)				
Transfers In.....	—	—	—	—
Transfers Out.....	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total Other Financing Sources (Uses).....	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net Change in Fund Balances.....	—	(2,928)	(41,870)	(38,942)
Fund Balances - Beginning, Budgetary Basis..	<u>—</u>	<u>—</u>	<u>2,933</u>	<u>2,933</u>
Fund Balances - Ending, Budgetary Basis.....	<u>\$ —</u>	<u>\$ (2,928)</u>	<u>\$ (38,937)</u>	<u>\$ (36,009)</u>

Budget to GAAP Reconciliation

Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 307,348
Certain amounts collected after year-end are considered revenue of the current period for financial reporting but not for budgetary reporting:	
Current year accrued revenue.....	40,308
Prior year accrued revenue.....	<u>(3)</u>
Total Actual Revenues - GAAP Basis.....	<u>\$ 347,653</u>

Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 349,218
Certain payments made after year-end are considered expenditures of the current period for financial reporting but not for budgetary reporting:	
Current year accrued expenditures.....	1,371
Prior year accrued expenditures.....	<u>(10,316)</u>
Total Actual Expenditures - GAAP Basis.....	<u>\$ 340,273</u>

CITY OF RIO RANCHO, NEW MEXICO

Budgetary Comparison Schedule Crime Victim Assistance Fund Year Ended June 30, 2017

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
REVENUES				
Intergovernmental - Federal.....	\$ 21,453	\$ 208,083	\$ 141,613	\$ (66,470)
Total Revenues.....	<u>21,453</u>	<u>208,083</u>	<u>141,613</u>	<u>(66,470)</u>
EXPENDITURES				
Current:				
Public Safety.....	<u>35,266</u>	<u>226,698</u>	<u>148,805</u>	<u>77,893</u>
Total Expenditures.....	<u>35,266</u>	<u>226,698</u>	<u>148,805</u>	<u>77,893</u>
Revenues Over (Under) Expenditures.....	(13,813)	(18,615)	(7,192)	11,423
OTHER FINANCING SOURCES (USES)				
Transfers In.....	7,148	36,370	17,785	(18,585)
Transfers Out.....	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total Other Financing Sources (Uses).....	<u>7,148</u>	<u>36,370</u>	<u>17,785</u>	<u>(18,585)</u>
Net Change in Fund Balances.....	(6,665)	17,755	10,593	(7,162)
Fund Balances - Beginning, Budgetary Basis..	<u>—</u>	<u>—</u>	<u>(17,755)</u>	<u>(17,755)</u>
Fund Balances - Ending, Budgetary Basis.....	<u>\$ (6,665)</u>	<u>\$ 17,755</u>	<u>\$ (7,162)</u>	<u>\$ (24,917)</u>

Budget to GAAP Reconciliation

Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 141,613
Certain amounts collected after year-end are considered revenue of the current period for financial reporting but not for budgetary reporting:	
Current year accrued revenue.....	9,155
Prior year accrued revenue.....	<u>(12,657)</u>
Total Actual Revenues - GAAP Basis.....	<u>\$ 138,111</u>

Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 148,805
Certain payments made after year-end are considered expenditures of the current period for financial reporting but not for budgetary reporting:	
Current year accrued expenditures.....	1,841
Prior year accrued expenditures.....	<u>(7,283)</u>
Total Actual Expenditures - GAAP Basis.....	<u>\$ 143,363</u>

CITY OF RIO RANCHO, NEW MEXICO

Budgetary Comparison Schedule General Obligation Bond Fund Year Ended June 30, 2017

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
REVENUES				
Property Taxes.....	\$ 3,266,117	\$ 3,266,117	\$ 4,138,291	\$ 872,174
Miscellaneous.....	—	—	255	255
Total Revenues.....	<u>3,266,117</u>	<u>3,266,117</u>	<u>4,138,546</u>	<u>872,429</u>
EXPENDITURES				
Debt Service:				
Principal.....	3,305,000	3,305,000	3,305,000	—
Interest and Other Charges.....	<u>603,127</u>	<u>603,127</u>	<u>601,762</u>	<u>1,365</u>
Total Expenditures.....	<u>3,908,127</u>	<u>3,908,127</u>	<u>3,906,762</u>	<u>1,365</u>
Revenues Over (Under) Expenditures.....	(642,010)	(642,010)	231,784	873,794
OTHER FINANCING SOURCES (USES)				
Transfers In.....	—	—	—	—
Transfers Out.....	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total Other Financing Sources (Uses).....	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net Change in Fund Balances.....	(642,010)	(642,010)	231,784	873,794
Fund Balances - Beginning, Budgetary Basis..	<u>3,485,135</u>	<u>3,383,070</u>	<u>3,505,105</u>	<u>122,035</u>
Fund Balances - Ending, Budgetary Basis.....	<u>\$ 2,843,125</u>	<u>\$ 2,741,060</u>	<u>\$ 3,736,889</u>	<u>\$ 995,829</u>

Budget to GAAP Reconciliation

Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 4,138,546
Certain amounts collected after year-end are considered revenue of the current period for financial reporting but not for budgetary reporting:	
Current year accrued revenue.....	38,040
Prior year accrued revenue.....	<u>(40,126)</u>
Total Actual Revenues - GAAP Basis.....	<u>\$ 4,136,460</u>

Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 3,906,762
(no differences)	<u>—</u>
Total Actual Expenditures - GAAP Basis.....	<u>\$ 3,906,762</u>

CITY OF RIO RANCHO, NEW MEXICO

Budgetary Comparison Schedule GRT Revenue Bond Fund Year Ended June 30, 2017

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
REVENUES				
Municipal and State-Shared Taxes.....	\$ 1,580,480	\$ 1,580,480	\$ 1,580,480	\$ —
Total Revenues.....	1,580,480	1,580,480	1,580,480	—
EXPENDITURES				
Debt Service:				
Principal.....	1,180,000	1,180,000	1,180,000	—
Interest and Other Charges.....	400,480	400,480	400,480	—
Total Expenditures.....	1,580,480	1,580,480	1,580,480	—
Revenues Over (Under) Expenditures.....	—	—	—	—
OTHER FINANCING SOURCES (USES)				
Transfers In.....	—	—	—	—
Transfers Out.....	—	—	—	—
Total Other Financing Sources (Uses).....	—	—	—	—
Net Change in Fund Balances.....	—	—	—	—
Fund Balances - Beginning, Budgetary Basis..	—	—	273	273
Fund Balances - Ending, Budgetary Basis.....	\$ —	\$ —	\$ 273	\$ 273

Budget to GAAP Reconciliation

Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 1,580,480
Certain amounts collected after year-end are considered revenue of the current period for financial reporting but not for budgetary reporting:	
Current year accrued revenue.....	287,924
Prior year accrued revenue.....	(287,359)
Total Actual Revenues - GAAP Basis.....	\$ 1,581,045

Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 1,580,480
(no differences)	—
Total Actual Expenditures - GAAP Basis.....	\$ 1,580,480

CITY OF RIO RANCHO, NEW MEXICO

Budgetary Comparison Schedule HP Loan Fund Year Ended June 30, 2017

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
REVENUES				
Municipal and State-Shared Taxes.....	\$ 415,238	\$ 415,238	\$ 415,238	\$ —
Total Revenues.....	<u>415,238</u>	<u>415,238</u>	<u>415,238</u>	<u>—</u>
EXPENDITURES				
Debt Service:				
Principal.....	230,000	230,000	230,000	—
Interest and Other Charges.....	<u>185,238</u>	<u>185,238</u>	<u>185,238</u>	<u>—</u>
Total Expenditures.....	<u>415,238</u>	<u>415,238</u>	<u>415,238</u>	<u>—</u>
Revenues Over (Under) Expenditures.....	—	—	—	—
OTHER FINANCING SOURCES (USES)				
Transfers In.....	—	—	—	—
Transfers Out.....	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total Other Financing Sources (Uses).....	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net Change in Fund Balances.....	—	—	—	—
Fund Balances - Beginning, Budgetary Basis..	—	—	7,111	7,111
Fund Balances - Ending, Budgetary Basis.....	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 7,111</u>	<u>\$ 7,111</u>

Budget to GAAP Reconciliation

Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 415,238
Certain amounts collected after year-end are considered revenue of the current period for financial reporting but not for budgetary reporting:	
Current year accrued revenue.....	76,134
Prior year accrued revenue.....	<u>(75,498)</u>
Total Actual Revenues - GAAP Basis.....	<u>\$ 415,874</u>

Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 415,238
(no differences)	<u>—</u>
Total Actual Expenditures - GAAP Basis.....	<u>\$ 415,238</u>

CITY OF RIO RANCHO, NEW MEXICO

Budgetary Comparison Schedule HS Loan Fund Year Ended June 30, 2017

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
REVENUES				
Municipal and State-Shared Taxes.....	\$ 416,810	\$ 416,810	\$ 416,810	\$ —
Total Revenues.....	<u>416,810</u>	<u>416,810</u>	<u>416,810</u>	<u>—</u>
EXPENDITURES				
Current:				
Debt Service:				
Principal.....	240,000	240,000	240,000	—
Interest and Other Charges.....	<u>176,810</u>	<u>176,810</u>	<u>176,810</u>	<u>—</u>
Total Expenditures.....	<u>416,810</u>	<u>416,810</u>	<u>416,810</u>	<u>—</u>
Revenues Over (Under) Expenditures.....	—	—	—	—
OTHER FINANCING SOURCES (USES)				
Transfers In.....	—	—	—	—
Transfers Out.....	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total Other Financing Sources (Uses).....	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net Change in Fund Balances.....	—	—	—	—
Fund Balances - Beginning, Budgetary Basis..	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Fund Balances - Ending, Budgetary Basis.....	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

Budget to GAAP Reconciliation

Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 416,810
(no differences)	<u>—</u>
Total Actual Revenues - GAAP Basis.....	<u><u>\$ 416,810</u></u>

Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 416,810
(no differences)	<u>—</u>
Total Actual Expenditures - GAAP Basis.....	<u><u>\$ 416,810</u></u>

CITY OF RIO RANCHO, NEW MEXICO

Budgetary Comparison Schedule Public Safety Vehicle Loan Fund Year Ended June 30, 2017

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
REVENUES				
Municipal and State-Shared Taxes.....	\$ 246,841	\$ 246,841	\$ 247,127	\$ 286
Total Revenues.....	246,841	246,841	247,127	286
EXPENDITURES				
Debt Service:				
Principal.....	235,000	235,000	235,000	—
Interest and Other Charges.....	11,841	11,841	11,841	—
Total Expenditures.....	246,841	246,841	246,841	—
Revenues Over (Under) Expenditures.....	—	—	286	286
OTHER FINANCING SOURCES (USES)				
Transfers In.....	—	—	—	—
Transfers Out.....	—	—	—	—
Total Other Financing Sources (Uses).....	—	—	—	—
Net Change in Fund Balances.....	—	—	286	286
Fund Balances - Beginning, Budgetary Basis..	3,716	3,716	—	(3,716)
Fund Balances - Ending, Budgetary Basis.....	\$ 3,716	\$ 3,716	\$ 286	\$ (3,430)

Budget to GAAP Reconciliation

Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 247,127
Certain amounts collected after year-end are considered revenue of the current period for financial reporting but not for budgetary reporting:	
Current year accrued revenue.....	45,374
Prior year accrued revenue.....	(45,165)
Total Actual Revenues - GAAP Basis.....	\$ 247,336

Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 246,841
(no differences)	—
Total Actual Expenditures - GAAP Basis.....	\$ 246,841

CITY OF RIO RANCHO, NEW MEXICO

Budgetary Comparison Schedule Infrastructure Fund Year Ended June 30, 2017

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
REVENUES				
Intergovernmental - Federal.....	\$ —	\$ 8,794,916	\$ 6,263,478	\$ (2,531,438)
Intergovernmental - State.....	—	865,000	150,000	(715,000)
Total Revenues.....	—	9,659,916	6,413,478	(3,246,438)
EXPENDITURES				
Current:				
Public Works.....	—	552,350	501,164	51,186
Capital Outlay.....	—	8,549,085	5,154,459	3,394,626
Total Expenditures.....	—	9,101,435	5,655,623	3,445,812
Revenues Over (Under) Expenditures.....	—	558,481	757,855	199,374
OTHER FINANCING SOURCES (USES)				
Transfers In.....	912,869	891,869	891,869	—
Transfers Out.....	—	—	—	—
Total Other Financing Sources (Uses).....	912,869	891,869	891,869	—
Net Change in Fund Balances.....	912,869	1,450,350	1,649,724	199,374
Fund Balances - Beginning, Budgetary Basis..	—	—	(1,450,347)	(1,450,347)
Fund Balances - Ending, Budgetary Basis.....	\$ 912,869	\$ 1,450,350	\$ 199,377	\$ (1,250,973)

Budget to GAAP Reconciliation

Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 6,413,478
Certain amounts collected after year-end are considered revenue of the current period for financial reporting but not for budgetary reporting:	
Current year accrued revenue.....	676,500
Prior year accrued revenue.....	(2,411,243)
Total Actual Revenues - GAAP Basis.....	\$ 4,678,735

Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 5,655,623
Certain payments made after year-end are considered expenditures of the current period for financial reporting but not for budgetary reporting:	
Current year accrued expenditures.....	216,331
Prior year accrued expenditures.....	(1,065,436)
Total Actual Expenditures - GAAP Basis.....	\$ 4,806,518

CITY OF RIO RANCHO, NEW MEXICO

Budgetary Comparison Schedule Recreation Development Fund Year Ended June 30, 2017

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
REVENUES				
Intergovernmental - State.....	\$ —	\$ 2,917	\$ 2,917	\$ —
Miscellaneous.....	15,000	15,000	15,000	—
Total Revenues.....	15,000	17,917	17,917	—
EXPENDITURES				
Current:				
Capital Outlay.....	—	23	—	23
Total Expenditures.....	—	23	—	23
Revenues Over (Under) Expenditures.....	15,000	17,894	17,917	23
OTHER FINANCING SOURCES (USES)				
Transfers In.....	—	—	—	—
Transfers Out.....	—	—	—	—
Total Other Financing Sources (Uses).....	—	—	—	—
Net Change in Fund Balances.....	15,000	17,894	17,917	23
Fund Balances - Beginning, Budgetary Basis..	—	4,766	1,872	(2,894)
Fund Balances - Ending, Budgetary Basis.....	\$ 15,000	\$ 22,660	\$ 19,789	\$ (2,871)

Budget to GAAP Reconciliation

Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 17,917
Certain amounts collected after year-end are considered revenue of the current period for financial reporting but not for budgetary reporting:	
Current year accrued revenue.....	—
Prior year accrued revenue.....	(2,917)
Total Actual Revenues - GAAP Basis.....	\$ 15,000

Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ —
(no differences)	—
Total Actual Expenditures - GAAP Basis.....	\$ —

CITY OF RIO RANCHO, NEW MEXICO

Budgetary Comparison Schedule State Appropriation Capital Projects Fund Year Ended June 30, 2017

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
REVENUES				
Intergovernmental - State.....	\$ —	\$ 1,881,350	\$ 534,907	\$ (1,346,443)
Total Revenues.....	—	1,881,350	534,907	(1,346,443)
EXPENDITURES				
Current:				
General Government.....	—	249,502	188,857	60,645
Capital Outlay.....	—	1,388,830	337,719	1,051,111
Total Expenditures.....	—	1,638,332	526,576	1,111,756
Revenues Over (Under) Expenditures.....	—	243,018	8,331	(234,687)
OTHER FINANCING SOURCES (USES)				
Transfers In.....	—	—	—	—
Transfers Out.....	—	—	—	—
Total Other Financing Sources (Uses).....	—	—	—	—
Net Change in Fund Balances.....	—	243,018	8,331	(234,687)
Fund Balances - Beginning, Budgetary Basis..	—	—	(243,017)	(243,017)
Fund Balances - Ending, Budgetary Basis.....	\$ —	\$ —	\$ (234,686)	\$ (477,704)

Budget to GAAP Reconciliation

Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 534,907
Certain amounts collected after year-end are considered revenue of the current period for financial reporting but not for budgetary reporting:	
Current year accrued revenue.....	236,478
Prior year accrued revenue.....	(102,390)
Total Actual Revenues - GAAP Basis.....	\$ 668,995

Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 526,576
Certain payments made after year-end are considered expenditures of the current period for financial reporting but not for budgetary reporting:	
Current year accrued expenditures.....	17,102
Prior year accrued expenditures.....	—
Total Actual Expenditures - GAAP Basis.....	\$ 543,678

CITY OF RIO RANCHO, NEW MEXICO

Budgetary Comparison Schedule 2009 Bond Road Construction Fund Year Ended June 30, 2017

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
REVENUES				
Miscellaneous.....	\$ —	\$ —	\$ —	\$ —
Total Revenues.....	—	—	—	—
EXPENDITURES				
Current:				
Capital Outlay.....	3,507	1,185,388	1,185,388	—
Total Expenditures.....	3,507	1,185,388	1,185,388	—
Revenues Over (Under) Expenditures.....	(3,507)	(1,185,388)	(1,185,388)	—
OTHER FINANCING SOURCES (USES)				
Transfers In.....	—	—	—	—
Transfers Out.....	—	—	—	—
Total Other Financing Sources (Uses).....	—	—	—	—
Net Change in Fund Balances.....	(3,507)	(1,185,388)	(1,185,388)	—
Fund Balances - Beginning, Budgetary Basis..	—	—	1,185,388	1,185,388
Fund Balances - Ending, Budgetary Basis.....	\$ (3,507)	\$ (1,185,388)	\$ —	\$ 1,185,388

Budget to GAAP Reconciliation

Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ —
(no differences)	—
Total Actual Revenues - GAAP Basis.....	\$ —

Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 1,185,388
Certain payments made after year-end are considered expenditures of the current period for financial reporting but not for budgetary reporting:	
Current year accrued expenditures.....	—
Prior year accrued expenditures.....	(176,875)
Total Actual Expenditures - GAAP Basis.....	\$ 1,008,513

CITY OF RIO RANCHO, NEW MEXICO

Budgetary Comparison Schedule 2016 GO Bond Construction Fund Year Ended June 30, 2017

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
REVENUES				
Miscellaneous.....	\$ —	\$ —	\$ —	\$ —
Total Revenues.....	—	—	—	—
EXPENDITURES				
Current:				
Interest and Other Charges.....	65,022	67,111	67,111	—
Capital Outlay.....	—	8,843,763	4,253,752	4,590,011
Total Expenditures.....	65,022	8,910,874	4,320,863	4,590,011
Revenues Over (Under) Expenditures.....	(65,022)	(8,910,874)	(4,320,863)	4,590,011
OTHER FINANCING SOURCES (USES)				
Issuance of General Obligation Bonds.....	—	—	—	—
Premium on Sale of Bonds.....	—	—	—	—
Transfers In.....	—	—	—	—
Transfers Out.....	—	—	—	—
Total Other Financing Sources (Uses).....	—	—	—	—
Net Change in Fund Balances.....	(65,022)	(8,910,874)	(4,320,863)	4,590,011
Fund Balances - Beginning, Budgetary Basis..	—	—	8,910,873	8,910,873
Fund Balances - Ending, Budgetary Basis.....	\$ (65,022)	\$ (8,910,874)	\$ 4,590,010	\$ 13,500,884

Budget to GAAP Reconciliation

Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ —
Certain year-end adjustments related to the fair market value of the city's investments are considered revenue for financial reporting but not for budgetary reporting.....	24,590
Total Actual Revenues - GAAP Basis.....	\$ 24,590

Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 4,320,863
Certain payments made after year-end are considered expenditures of the current period for financial reporting but not for budgetary reporting:	
Current year accrued expenditures.....	107
Prior year accrued expenditures.....	(93,633)
Total Actual Expenditures - GAAP Basis.....	\$ 4,227,337

CITY OF RIO RANCHO, NEW MEXICO

Budgetary Comparison Schedule Road Impact Fees Fund Year Ended June 30, 2017

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
REVENUES				
Impact Fees.....	\$ 309,468	\$ 309,468	\$ 296,709	\$ (12,759)
Miscellaneous.....	200	200	709	509
Total Revenues.....	<u>309,668</u>	<u>309,668</u>	<u>297,418</u>	<u>(12,250)</u>
EXPENDITURES				
Current:				
General Government.....	9,284	9,284	8,901	383
Capital Outlay.....	—	485,727	246,532	239,195
Total Expenditures.....	<u>9,284</u>	<u>495,011</u>	<u>255,433</u>	<u>239,578</u>
Revenues Over (Under) Expenditures.....	300,384	(185,343)	41,985	227,328
OTHER FINANCING SOURCES (USES)				
Transfers In.....	—	—	—	—
Transfers Out.....	—	—	—	—
Total Other Financing Sources (Uses).....	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net Change in Fund Balances.....	300,384	(185,343)	41,985	227,328
Fund Balances - Beginning, Budgetary Basis..	111,160	179,686	804,944	625,258
Fund Balances - Ending, Budgetary Basis.....	<u>\$ 411,544</u>	<u>\$ (5,657)</u>	<u>\$ 846,929</u>	<u>\$ 852,586</u>

Budget to GAAP Reconciliation

Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 297,418
(no differences)	—
Total Actual Revenues - GAAP Basis.....	<u>\$ 297,418</u>

Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 255,433
Certain payments made after year-end are considered expenditures of the current period for financial reporting but not for budgetary reporting:	
Current year accrued expenditures.....	8,769
Prior year accrued expenditures.....	(101,471)
Total Actual Expenditures - GAAP Basis.....	<u>\$ 162,731</u>

CITY OF RIO RANCHO, NEW MEXICO

Budgetary Comparison Schedule Trails Impact Fees Fund Year Ended June 30, 2017

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
REVENUES				
Impact Fees.....	\$ 7,573	\$ 7,573	\$ 5,574	\$ (1,999)
Total Revenues.....	<u>7,573</u>	<u>7,573</u>	<u>5,574</u>	<u>(1,999)</u>
EXPENDITURES				
Current:				
General Government.....	227	227	167	60
Capital Outlay.....	<u>150,000</u>	<u>150,000</u>	<u>4,103</u>	<u>145,897</u>
Total Expenditures.....	<u>150,227</u>	<u>150,227</u>	<u>4,270</u>	<u>145,957</u>
Revenues Over (Under) Expenditures.....	(142,654)	(142,654)	1,304	143,958
OTHER FINANCING SOURCES (USES)				
Transfers In.....	—	—	—	—
Transfers Out.....	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total Other Financing Sources (Uses).....	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net Change in Fund Balances.....	(142,654)	(142,654)	1,304	143,958
Fund Balances - Beginning, Budgetary Basis..	<u>184,275</u>	<u>184,748</u>	<u>195,841</u>	<u>11,093</u>
Fund Balances - Ending, Budgetary Basis.....	<u>\$ 41,621</u>	<u>\$ 42,094</u>	<u>\$ 197,145</u>	<u>\$ 155,051</u>

Budget to GAAP Reconciliation

Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 5,574
(no differences)	—
Total Actual Revenues - GAAP Basis.....	<u>\$ 5,574</u>

Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 4,270
Certain payments made after year-end are considered expenditures of the current period for financial reporting but not for budgetary reporting:	
Current year accrued expenditures.....	1,292
Prior year accrued expenditures.....	—
Total Actual Expenditures - GAAP Basis.....	<u>\$ 5,562</u>

CITY OF RIO RANCHO, NEW MEXICO

Budgetary Comparison Schedule Parks Impact Fees Fund Year Ended June 30, 2017

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
REVENUES				
Impact Fees.....	\$ 110,914	\$ 110,914	\$ 115,566	\$ 4,652
Miscellaneous.....	—	—	394	394
Total Revenues.....	<u>110,914</u>	<u>110,914</u>	<u>115,960</u>	<u>5,046</u>
EXPENDITURES				
Current:				
General Government.....	3,327	3,327	3,467	(140)
Capital Outlay.....	<u>105,000</u>	<u>185,063</u>	<u>77,372</u>	<u>107,691</u>
Total Expenditures.....	<u>108,327</u>	<u>188,390</u>	<u>80,839</u>	<u>107,551</u>
Revenues Over (Under) Expenditures.....	2,587	(77,476)	35,121	112,597
OTHER FINANCING SOURCES (USES)				
Transfers In.....	—	—	—	—
Transfers Out.....	—	—	—	—
Total Other Financing Sources (Uses).....	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net Change in Fund Balances.....	2,587	(77,476)	35,121	112,597
Fund Balances - Beginning, Budgetary Basis..	<u>97,080</u>	<u>128,885</u>	<u>286,299</u>	<u>157,414</u>
Fund Balances - Ending, Budgetary Basis.....	<u>\$ 99,667</u>	<u>\$ 51,409</u>	<u>\$ 321,420</u>	<u>\$ 270,011</u>

Budget to GAAP Reconciliation

Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 115,960
(no differences)	—
Total Actual Revenues - GAAP Basis.....	<u>\$ 115,960</u>

Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 80,839
Certain payments made after year-end are considered expenditures of the current period for financial reporting but not for budgetary reporting:	
Current year accrued expenditures.....	1,749
Prior year accrued expenditures.....	<u>(4,306)</u>
Total Actual Expenditures - GAAP Basis.....	<u>\$ 78,282</u>

CITY OF RIO RANCHO, NEW MEXICO

Budgetary Comparison Schedule Public Safety Impact Fees Fund Year Ended June 30, 2017

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
REVENUES				
Impact Fees.....	\$ 186,347	\$ 186,347	\$ 132,691	\$ (53,656)
Total Revenues.....	186,347	186,347	132,691	(53,656)
EXPENDITURES				
Current:				
General Government.....	5,590	5,590	3,980	1,610
Capital Outlay.....	272,000	288,706	262,795	25,911
Total Expenditures.....	277,590	294,296	266,775	27,521
Revenues Over (Under) Expenditures.....	(91,243)	(107,949)	(134,084)	(26,135)
OTHER FINANCING SOURCES (USES)				
Transfers In.....	—	—	—	—
Transfers Out.....	—	—	—	—
Total Other Financing Sources (Uses).....	—	—	—	—
Net Change in Fund Balances.....	(91,243)	(107,949)	(134,084)	(26,135)
Fund Balances - Beginning, Budgetary Basis..	201,872	184,065	192,798	8,733
Fund Balances - Ending, Budgetary Basis.....	\$ 110,629	\$ 76,116	\$ 58,714	\$ (17,402)

Budget to GAAP Reconciliation

Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 132,691
(no differences)	—
Total Actual Revenues - GAAP Basis.....	\$ 132,691

Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 266,775
(no differences)	—
Total Actual Expenditures - GAAP Basis.....	\$ 266,775

CITY OF RIO RANCHO, NEW MEXICO

Budgetary Comparison Schedule Drainage Impact Fees Fund Year Ended June 30, 2017

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
REVENUES				
Impact Fees.....	\$ 164,027	\$ 164,027	\$ 166,098	\$ 2,071
Miscellaneous.....	220	220	237	17
Total Revenues.....	<u>164,247</u>	<u>164,247</u>	<u>166,335</u>	<u>2,088</u>
EXPENDITURES				
Current:				
General Government.....	4,921	4,921	4,983	(62)
Capital Outlay.....	<u> </u>	<u>39,958</u>	<u>26,614</u>	<u>13,344</u>
Total Expenditures.....	<u>4,921</u>	<u>44,879</u>	<u>31,597</u>	<u>13,282</u>
Revenues Over (Under) Expenditures.....	159,326	119,368	134,738	15,370
OTHER FINANCING SOURCES (USES)				
Transfers In.....	—	—	—	—
Transfers Out.....	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Other Financing Sources (Uses).....	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net Change in Fund Balances.....	159,326	119,368	134,738	15,370
Fund Balances - Beginning, Budgetary Basis..	<u>225,246</u>	<u>169,938</u>	<u>337,626</u>	<u>167,688</u>
Fund Balances - Ending, Budgetary Basis.....	<u>\$ 384,572</u>	<u>\$ 289,306</u>	<u>\$ 472,364</u>	<u>\$ 183,058</u>

Budget to GAAP Reconciliation

Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 166,335
(no differences)	<u> </u>
Total Actual Revenues - GAAP Basis.....	<u>\$ 166,335</u>

Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 31,597
Certain payments made after year-end are considered expenditures of the current period for financial reporting but not for budgetary reporting:	
Current year accrued expenditures.....	<u> </u>
Prior year accrued expenditures.....	<u>(15,704)</u>
Total Actual Expenditures - GAAP Basis.....	<u>\$ 15,893</u>

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

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF DEPOSIT AND INVESTMENT ACCOUNTS
AND PLEDGED COLLATERAL
JUNE 30, 2017

DEPOSIT ACCOUNTS

Financial Institution:		Balances	
Account Name	Account Type	On Deposit	Reconciled
Wells Fargo			
Operating	Checking	\$ 28,235,484	\$ 27,401,500
Operating	Savings	39,229,370	39,229,370
Municipal Court - Bond	Checking	16,011	16,011
Total Wells Fargo Deposit Accounts		\$ 67,480,865	\$ 66,646,881
Cash Drawers			
Petty Cash	Cash	\$ -	\$ 5,810
Total Petty Cash		-	5,810

INVESTMENT ACCOUNTS

Financial Institution:		Cost	Market
Account Name	Account Type		
State of New Mexico			
Local Government Investment Pool	Investment	\$ 6,594	\$ 6,594
Total State of New Mexico Investment Accounts		6,594	6,594
Bank of New York Mellon *			
Reserve (Loan# riorancho7)	Trust/Money Market	153,901	155,446
Reserve (Loan# riorancho19)	Trust/Money Market	342,968	342,968
Reserve (Loan# riorancho21)	Trust/Money Market	517,473	517,473
Reserve (Loan# riorancho22)	Trust/Money Market	661,178	661,178
Reserve (Loan# riorancho28)	Trust/Money Market	284,944	284,944
Reserve (Loan# riorancho26)	Trust/Money Market	69,201	96,914
Reserve (Loan # riorancho31)	Trust/Money Market	-	7,670
Reserve (Loan# riorancho32B)	Trust/Money Market	-	6,625
Total Bank of New York Mellon Investment Accounts		2,029,665	2,073,218
New Mexico Finance Authority			
NMFA Program Funds	US Treasuries/Money Market	58,000	58,000
NMFA Program Funds	US Treasuries/Money Market	25,149,376	25,149,376
Total New Mexico Finance Authority Program Funds		25,207,376	25,207,376
Bank of Albuquerque			
BAQ Short-Term Cash Fund		4,215,444	4,215,444
Total Bank of Albuquerque Short-Term Cash Funds		4,215,444	4,215,444
		\$ 31,459,079	\$ 31,502,632

PLEDGED COLLATERAL

Custodian	Security	CUSIP Number	Location	Maturity Date	Fair Market Value
Bank of New York Mellon	FNMA	3138ML5k6	San Francisco, CA	12/01/42	\$ 27,133,528
Bank of New York Mellon	FNMA	3140F4F76	San Francisco, CA	12/01/25	45,739,346
Total Pledged Collateral					\$ 72,872,874

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

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF EXPENDITURES OF STATE APPROPRIATIONS
YEAR ENDED JUNE 30, 2017

Appropriation Purpose	Original Appropriation Amount	Reversion Date	Source of Funding	Legislature	FY 2017 Expenditures	Remaining Balance
Emergency Medical Equipment	\$ 68,010	6/30/2018	NMSA 1978	Laws of 2016, Chapter 81, Section 22, Para. 183	\$ 27,837	\$ 40,173
MSC Equipment	11,000	6/30/2018	NMSA 1978	Laws of 2015, 1st SS, Chapter 3, Section 3, Paragraph 62	5,873	5,128
MSC Code Improvements	75,000	6/30/2018	NMSA 1978	Laws of 2014, Chapter 65 Section 10, Subsection 10A Paragraph 141	1,202	-
MSC Meals Equipment	46,870	6/30/2018	NMSA 1978	Laws of 2014, Chapter 65 Section 10, Subsection 10A Paragraph 142	24,273	-
MSC Renovation	46,200	6/30/2018	NMSA 1978	Laws of 2014, Chapter 65 Section 10, Paragraph 143	6,879	-
Sports Complex LL Fields	40,000	6/30/2020	NMSA 1978	Laws of 2016, Chapter 81, Section 22 Para.188	27,506	12,494
Sports Complex North New	50,000	6/30/2020	NMSA 1978	Laws of 2016, Chapter 81, Section 22 Para.185	38,649	-
FY16 Police Vehicles	338,100	6/30/2018	NMSA 1978	2015, Ch 3, Sec 28, Par 202	37,576	-
FY17 Police Vehicles	308,500	6/30/2018	NMSA 1978	Laws of 2016, Chapter 81, Section 22 Para.187	308,500	-
Unser ROW	65,400	6/30/2016	NMSA 1978	Laws of 2015, SBI, Chapter 3	65,384	-
Totals	<u>\$ 1,049,080</u>				<u>\$ 543,678</u>	<u>\$ 57,795</u>

**CITY OF RIO RANCHO, NEW MEXICO
JOINT POWERS AGREEMENTS (JPA) SCHEDULE
YEAR ENDED JUNE 30, 2017**

<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>FY17 AMOUNT</i>	<i>AUDIT RESPONSIBILITY</i>	<i>FISCAL AGENT</i>	<i>GOVERNMENT AGENCY 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%	\$ 1,591,444	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%	\$ 1,255,599	NMSIF	NMSIF	NMSIF



Statistical Section

Index to the Statistical Section

The Statistical Section provides additional historical context and detail to aid in using the information in Rio Rancho's financial statements and in understanding and assessing the City's overall financial health.

Financial Trends

These schedules present trend information to help the reader understand how the City's financial performance and fiscal health have changed over time.

Net Position by Component (Schedule 1)	174
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Changes in Fund Balances of Governmental Funds (Schedule 3).....	177
Fund Balances of Governmental Funds (Schedule 4)	178

Revenue Capacity

These schedules contain information to help the reader assess the City's capacity to raise revenue from the City's most significant revenue sources, property taxes and gross receipts taxes.

Taxable and Full Value of Taxable Property (Schedule 5)	179
Property Tax Levies and Collections (Schedule 6)	180
Property Tax Rates, Direct and Overlapping Governments (Schedule 7)	181
Principal Property Taxpayers (Schedule 8)	182
Taxable Gross Receipts by Type of Trade (Schedule 9)	183

Debt Capacity

These Schedules present information to help the reader understand and assess the City's levels of outstanding debt and the City's ability to issue additional debt in the future.

Ratios of Outstanding Debt by Type (Schedule 10).....	184
Ratios of General Bonded Debt Outstanding (Schedule 11)	185
Direct and Overlapping Debt (Schedule 12)	186
Computation of Legal Debt Margin (Schedule 13)	187

Demographic and Economic Information

These schedules present demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Demographic and Economic Statistics (Schedule 14).....	188
Principal Employers (Schedule 15)	189

Operating Information

These schedules offer operating data to help the reader understand how the information in the City's financial report relates to the services it provides and the activities it performs.

Full-Time Equivalent Employees by Function/Program (Schedule 16).....	190
Operating Indicators by Function/Program (Schedule 17)	191
Capital Asset Statistics by Function/Program (Schedule 18)	193

Sources: Unless otherwise noted, the information in the following schedules is derived from the City's Comprehensive Annual Financial Reports for the years indicated.

CITY OF RIO RANCHO, NEW MEXICO
Net Position by Component
Last Ten Fiscal Years

Schedule 1

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Governmental activities										
Net investment in capital assets	\$ 197,267,351	\$ 206,205,225	\$ 233,285,141	\$ 233,918,334	\$ 245,203,138	\$ 226,630,240	\$ 225,858,001	\$ 226,442,463	\$ 234,227,258	\$ 236,219,807
Restricted	8,797,171	8,006,271	9,465,808	10,158,631	7,128,889	6,362,543	9,421,756	9,731,861	18,491,028	24,423,773
Unrestricted	22,168,709	17,829,165	15,843,998	20,205,632	18,389,010	18,719,011	17,249,556	(28,532,260)	(36,004,190)	(46,886,203)
Total governmental activities net position	<u>\$ 228,233,231</u>	<u>\$ 232,040,661</u>	<u>\$ 258,594,947</u>	<u>\$ 264,282,597</u>	<u>\$ 270,721,037</u>	<u>\$ 251,711,794</u>	<u>\$ 252,529,313</u>	<u>\$ 207,642,064</u>	<u>\$ 216,714,096</u>	<u>\$ 213,757,377</u>
Business-type activities										
Net investment in capital assets	\$ 72,484,053	\$ 108,895,574	\$ 122,367,287	\$ 137,363,850	\$ 123,725,543	\$ 159,709,769	\$ 164,157,164	\$ 169,543,683	\$ 184,486,885	\$ 196,738,317
Restricted	11,284,077	8,813,942	9,111,523	9,623,009	10,276,537	10,079,181	10,076,109	9,716,564	7,087,740	5,488,791
Unrestricted	26,649,899	21,069,336	21,579,698	25,110,463	43,127,249	21,830,139	28,897,723	29,757,651	30,974,882	29,954,415
Total business-type activities net position	<u>\$ 110,418,029</u>	<u>\$ 138,778,852</u>	<u>\$ 153,058,508</u>	<u>\$ 172,097,322</u>	<u>\$ 177,129,329</u>	<u>\$ 191,619,089</u>	<u>\$ 203,130,996</u>	<u>\$ 209,017,898</u>	<u>\$ 222,549,507</u>	<u>\$ 232,181,523</u>
Primary government										
Net investment in capital assets	\$ 269,751,404	\$ 315,100,799	\$ 355,652,428	\$ 371,282,184	\$ 368,928,681	\$ 386,340,009	\$ 390,015,165	\$ 395,986,146	\$ 418,714,143	\$ 432,958,124
Restricted	20,081,248	16,820,213	18,577,331	19,781,640	17,405,426	16,441,724	19,497,865	19,448,425	25,578,768	29,912,564
Unrestricted	48,818,608	38,898,501	37,423,696	45,316,095	61,516,259	40,549,150	46,147,279	1,225,391	(5,029,308)	(16,931,788)
Total primary government net position	<u>\$ 338,651,260</u>	<u>\$ 370,819,513</u>	<u>\$ 411,653,455</u>	<u>\$ 436,379,919</u>	<u>\$ 447,850,366</u>	<u>\$ 443,330,883</u>	<u>\$ 455,660,309</u>	<u>\$ 416,659,962</u>	<u>\$ 439,263,603</u>	<u>\$ 445,938,900</u>

CITY OF RIO RANCHO, NEW MEXICO
Changes in Net Position
Last Ten Fiscal Years

Schedule 2

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses										
Governmental Activities:										
General government	\$ 10,106,998	\$ 8,726,702	\$ 8,667,435	\$ 13,287,694	\$ 10,366,776	\$ 10,771,678	\$ 11,786,728	\$ 11,754,103	\$ 12,223,084	\$ 12,432,806
Public safety	30,453,273	28,644,454	36,265,064	35,822,606	29,556,691	29,856,037	28,239,143	32,104,922	33,857,302	37,240,153
Public works	18,078,174	16,119,562	14,926,671	25,118,971	17,987,939	38,202,128	16,718,667	16,485,501	16,201,872	20,649,955
Culture and recreation	9,478,686	10,277,960	9,497,987	9,882,400	9,600,763	10,100,647	10,365,242	10,578,196	10,132,443	11,564,343
Economic development	3,507,872	3,477,853	2,672,473	2,296,117	2,631,288	2,484,220	2,234,663	2,437,296	2,710,890	2,934,292
Interest on long-term debt	1,583,622	1,918,399	2,588,532	2,484,088	2,265,490	2,194,752	1,753,498	1,569,485	1,595,512	1,587,696
Total Government Activities	73,208,625	69,164,930	74,618,162	88,891,876	72,408,947	93,609,463	71,097,941	74,929,503	76,721,103	86,409,245
Business-type Activities:										
Water	23,733,204	24,725,258	27,303,245	29,008,301	35,628,205	33,025,443	35,799,139	37,070,051	34,703,938	40,596,342
Event Center	2,116,636	1,430,731	130,200	2,639,138	2,574,952	5,128,579	3,338,172	3,277,447	2,955,425	2,923,681
Total Business-type Activities	25,849,840	26,155,989	27,433,445	31,647,439	38,203,157	38,154,022	39,137,311	40,347,498	37,659,363	43,520,023
Total Expenses	\$ 99,058,465	\$ 95,320,919	\$ 102,051,607	\$ 120,539,315	\$ 110,612,104	\$ 131,763,484	\$ 110,235,252	\$ 115,277,001	\$ 114,380,466	\$ 129,929,268
Program Revenues										
Governmental Activities:										
Charge for services:										
General government	\$ 1,304,678	\$ 1,324,081	\$ 1,464,466	\$ 2,291,335	\$ 2,418,576	\$ 2,500,231	\$ 6,894,697	\$ 7,928,337	\$ 5,576,001	\$ 6,399,036
Public safety	4,388,583	4,630,047	5,024,002	5,440,125	5,737,263	5,983,192	4,005,987	4,578,298	3,514,328	4,033,054
Public works	1,097,003	1,014,410	1,282,527	1,421,236	1,346,006	1,373,664	41,601	219,898	171,371	196,666
Culture and recreation	1,610,322	1,756,449	1,689,523	1,801,170	1,801,534	1,872,303	1,367,068	1,333,145	1,440,434	1,653,047
Economic development	495,912	515,304	466,756	372,553	530,137	516,409	291,331	222,277	2,123,054	2,436,423
Operating grants and contributions	3,660,574	3,308,384	10,780,000	10,059,893	2,699,763	2,572,438	3,032,461	3,553,834	6,078,377	2,617,284
Capital grants and contributions	15,336,888	12,616,188	32,356,726	22,786,582	9,614,534	8,769,372	4,229,012	5,931,198	10,335,132	8,461,804
Total Governmental Activities	27,893,960	25,164,863	53,064,000	44,172,894	24,147,813	23,587,609	19,862,157	23,766,987	29,238,697	25,797,314
Business-type Activities:										
Charge for services:										
Water	28,671,808	26,895,980	31,898,378	32,687,159	35,871,655	39,453,567	41,467,206	41,826,751	43,252,348	48,111,159
Event Center	864,634	1,249,508	581,776	463,616	447,954	473,043	455,144	511,453	262,103	340,363
Operating grants and contributions	1,650,000	-	-	-	-	2,500	2,130,793	2,652,028	2,956,864	4,293,003
Capital grants and contributions	13,320,728	9,952,147	8,316,845	12,546,387	988,436	4,783,616	3,085,525	1,784,369	3,685,168	1,312,903
Total Business-type Activities	44,507,170	38,097,635	40,796,999	45,697,162	37,308,045	44,712,726	47,138,668	46,774,601	50,156,483	54,057,428
Total Program Revenues	\$ 72,401,130	\$ 63,262,498	\$ 93,860,999	\$ 89,870,056	\$ 61,455,858	\$ 68,300,335	\$ 67,000,825	\$ 70,541,588	\$ 79,395,180	\$ 79,854,742

CITY OF RIO RANCHO, NEW MEXICO
Net Position by Component (Continued)
Last Ten Fiscal Years

Schedule 2
(Continued)

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Net (Expense)/Revenue										
Governmental Activities	\$ (45,314,665)	\$ (44,000,067)	\$ (21,554,162)	\$ (44,718,982)	\$ (48,261,134)	\$ (70,021,854)	\$ (51,235,784)	\$ (51,162,516)	\$ (47,482,406)	\$ (60,611,931)
Business-type Activities	18,657,330	11,941,646	13,363,554	14,049,723	(895,112)	6,558,704	8,001,357	6,427,103	12,497,120	10,537,405
Total Net Expense	\$ (26,657,335)	\$ (32,058,421)	\$ (8,190,608)	\$ (30,669,259)	\$ (49,156,246)	\$ (63,463,150)	\$ (43,234,427)	\$ (44,735,413)	\$ (34,985,286)	\$ (50,074,526)
General Revenues										
Governmental Activities:										
Taxes:										
Property taxes	\$ 12,857,673	\$ 14,484,127	\$ 15,969,391	\$ 16,349,117	\$ 15,650,672	\$ 16,293,568	\$ 17,056,432	\$ 18,070,313	\$ 18,591,427	\$ 19,483,864
Gross receipts taxes	18,148,103	15,720,986	15,434,222	17,201,811	19,132,261	19,154,083	18,914,841	21,738,193	22,028,576	22,003,220
Franchise taxes	2,898,700	2,988,269	2,995,701	3,219,655	3,552,461	3,615,212	3,526,365	3,551,726	3,399,256	3,481,784
Unrestricted grants, aid and state shared revenues	14,268,918	13,425,817	12,772,147	13,534,932	12,691,071	11,765,404	12,568,335	13,760,046	13,268,517	14,205,985
Investment income	1,167,530	284,896	53,817	23,408	(2,913)	2,870	57,881	16,668	44,722	50,791
Miscellaneous	2,010,150	903,402	764,358	77,709	306,977	181,474	43,542	172,329	210,685	452,767
Transfers	-	-	-	-	-	-	(1,097,052)	(1,074,860)	(988,745)	(968,315)
Impact fees (A)	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities	51,351,074	47,807,497	47,989,636	50,406,632	51,330,529	51,012,611	51,070,344	56,234,415	56,554,438	58,710,096
Business-type Activities										
Unrestricted grants, aid and state shared revenues	-	-	-	4,972,974	2,671,184	2,452,570	-	-	-	-
Investment income	2,711,197	1,191,571	75,894	42,183	37,164	47,876	8,273	21,072	45,744	215,419
Miscellaneous	47,603	531,454	840,208	323,934	272,951	310,340	-	-	-	-
Transfers	-	-	-	-	-	-	1,097,052	1,074,860	988,745	968,315
Impact fees (A)	-	-	-	-	-	-	-	-	-	-
Total Business-type Activities	2,758,800	1,723,025	916,102	366,117	2,981,299	2,810,786	1,105,325	1,095,932	1,034,489	1,183,734
Total primary government	\$ 54,109,874	\$ 49,530,522	\$ 48,905,738	\$ 50,772,749	\$ 54,311,828	\$ 53,823,397	\$ 52,175,669	\$ 57,330,347	\$ 57,588,927	\$ 59,893,830
Change in Net Position										
Governmental Activities	\$ 6,036,409	\$ 3,807,430	\$ 26,435,474	\$ 5,687,650	\$ 3,069,395	\$ (19,009,243)	\$ (165,440)	\$ 5,071,899	\$ 9,072,032	\$ (1,901,835)
Business-type Activities	21,416,130	13,664,671	14,279,656	19,388,814	2,086,187	9,369,490	9,106,682	7,523,035	13,531,609	11,721,139
Total Change in Net Position	\$ 27,452,539	\$ 17,472,101	\$ 40,715,130	\$ 25,076,464	\$ 5,155,582	\$ (9,639,753)	\$ 8,941,242	\$ 12,594,934	\$ 22,603,641	\$ 9,819,304

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

CITY OF RIO RANCHO, NEW MEXICO
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years

Schedule 3

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Revenues										
Taxes	\$ 44,647,539	\$ 43,369,647	\$ 44,037,406	\$ 46,975,454	\$ 47,720,554	\$ 47,388,395	\$ 48,818,310	\$ 53,622,680	\$ 40,647,987	\$ 41,507,757
Licenses and permits	362,924	309,310	335,490	595,520	470,789	347,319	360,856	424,379	337,255	348,097
Intergovernmental	7,160,889	8,302,542	23,581,048	22,738,572	8,524,385	6,849,622	6,947,391	8,854,167	24,640,228	22,878,734
Impact fees	1,969,502	1,312,729	2,251,932	1,262,121	447,021	350,561	286,417	608,278	1,032,838	716,638
Charges for services	5,798,568	5,383,534	5,487,067	5,555,463	6,116,083	6,141,128	5,075,417	6,676,432	7,004,161	6,713,192
Fines and forfeits	1,176,750	1,222,371	1,269,327	1,168,292	1,417,946	1,510,765	1,620,723	1,214,851	1,007,460	1,290,492
Franchise fees	2,898,700	2,988,269	2,995,701	3,219,655	3,552,461	3,615,212	3,526,365	3,551,726	3,399,256	3,481,784
Contributions and donations	35,554	81,493	65,298	71,202	182,263	51,323	47,766	-	-	-
Investment income	1,574,356	284,896	53,817	23,408	(2,913)	2,870	19,137	14,339	-	-
Other revenues	3,089,261	3,228,478	3,397,058	5,576,243	4,115,342	4,406,885	4,184,928	4,742,605	4,789,999	4,689,916
Total Revenues	68,714,043	66,483,269	83,474,144	87,185,930	72,543,931	70,664,080	70,887,310	79,709,457	82,859,184	81,626,610
Expenditures										
Current:										
General government	8,741,072	8,176,267	8,364,557	12,184,946	11,016,390	11,472,338	10,395,440	10,172,513	10,680,064	9,670,690
Public safety	26,644,563	26,989,915	34,893,280	34,260,842	28,048,592	28,412,480	28,682,657	30,291,203	30,730,532	31,282,885
Public works	10,584,274	8,885,685	7,378,256	17,248,448	9,166,030	7,096,798	8,049,846	8,015,682	8,122,916	8,661,744
Cultural and recreation	8,716,377	9,290,738	8,377,039	8,377,638	8,630,207	8,808,809	9,220,589	9,449,796	9,173,717	9,393,551
Economic development	3,467,383	3,428,467	2,652,601	2,261,268	2,397,408	2,447,343	2,267,103	2,508,773	2,789,229	2,773,880
Other expenses	-	11,500	3,000	43,874	-	-	-	-	-	-
Capital outlay	23,399,838	12,878,264	30,832,461	18,438,538	9,112,802	9,557,131	6,801,576	8,090,721	15,472,501	13,688,410
Debt service:										
Payment to bond escrow agent	-	-	-	-	-	-	-	-	-	-
Principal	2,097,825	4,790,762	4,464,510	5,285,055	5,087,639	4,712,283	4,922,232	5,584,002	5,531,081	5,835,594
Interest and fiscal charges	1,601,563	1,839,743	2,595,876	2,485,545	2,344,979	2,194,752	1,925,112	1,728,469	1,574,208	1,596,087
Bond issuance costs	-	85,097	50,249	-	-	-	-	-	168,159	-
Total Expenditures	85,252,895	76,376,438	99,611,829	100,586,154	75,804,047	74,701,934	72,264,555	75,841,159	84,242,407	82,902,841
Excess (Deficiency) of Revenues over Expenditures	(16,538,852)	(9,893,169)	(16,137,685)	(13,400,224)	(3,260,116)	(4,037,854)	(1,377,245)	3,868,298	(1,383,223)	(1,276,231)
Other Financing Sources (Uses)										
Issuance of general obligation bonds	-	25,554,472	-	-	-	-	-	-	11,310,000	-
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	-	(2,390,736)	-
Loan proceeds	231,639	9,886,100	337,259	5,179,765	-	795,925	2,034,000	-	259,950	-
Premium on bonds issued	-	-	-	-	-	-	-	-	604,340	-
Sale of land proceeds	-	-	202,690	-	-	-	-	-	-	-
Transfer in	7,204,181	2,987,569	4,740,124	1,485,408	922,012	1,274,104	289,148	1,368,908	4,810,068	3,251,201
Payment to refunding escrow	-	-	-	-	-	-	-	-	-	-
Transfer out	(7,204,181)	(2,987,569)	(4,740,124)	(1,485,408)	(922,012)	(1,274,104)	(1,386,200)	(2,443,768)	(5,798,813)	(4,219,516)
Total other Financing Sources (Uses)	231,639	35,440,572	539,949	5,179,765	-	795,925	936,948	(1,074,860)	8,794,809	(968,315)
Net Change in fund balances	\$ (16,307,213)	\$ 25,547,403	\$ (15,597,736)	\$ (8,220,459)	\$ (3,260,116)	\$ (3,241,929)	\$ (440,297)	\$ 2,793,438	\$ 7,411,586	\$ (2,244,546)
Debt service as a percentage of noncapital expenditures	5.98%	10.44%	10.27%	9.46%	11.14%	10.60%	10.46%	10.79%	10.33%	10.84%

CITY OF RIO RANCHO, NEW MEXICO
Fund Balances of Governmental Funds
Last Ten Fiscal Years

Schedule 4

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011 (A)</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
General Fund										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	282,630	58,279	137,120	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	18,424	2	3	-	-	-	-
Unassigned	-	-	-	13,013,702	14,611,124	14,067,789	13,724,452	15,325,622	16,011,877	16,464,883
Unreserved	13,787,854	9,600,869	10,925,800	-	-	-	-	-	-	-
Total general fund	\$ 13,787,854	\$ 9,600,869	\$ 10,925,800	\$ 13,314,756	\$ 14,669,405	\$ 14,204,912	\$ 13,724,452	\$ 15,325,622	\$ 16,011,877	\$ 16,464,883
All other Governmental Funds										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	25,791,554	20,486,621	17,311,487	18,085,520	19,601,439	27,439,409	24,423,773
Committed	-	-	-	122,462	87,381	76,479	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	(409,895)	(1,295)	(150,767)	(474,418)	(486,956)	(168,873)
Unreserved, reported in:	-	-	-	(2,609,260)	-	-	-	-	-	-
Special revenue funds	5,754,154	7,222,212	9,592,523	-	-	-	-	-	-	-
Capital project funds	11,381,019	39,219,423	20,129,681	-	-	-	-	-	-	-
Debt service funds	3,848,464	4,276,390	4,191,966	-	-	-	-	-	-	-
Total all other governmental funds	\$ 20,983,637	\$ 50,718,025	\$ 33,914,170	\$ 23,304,756	\$ 20,164,107	\$ 17,386,671	\$ 17,934,753	\$ 19,127,021	\$ 26,952,453	\$ 24,254,900

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

CITY OF RIO RANCHO, NEW MEXICO
Taxable and Full Value of Taxable Property
Last Ten Fiscal Years

Schedule 5

Fiscal Year	Residential property		Commercial Property			Total		Net Taxable Value as a Percentage of Full Value
	Taxable Value	Full Value	Taxable Value	Full Value	Less: Tax-exempt Property	Net Taxable Value	Full Value	
2008	1,559,397,277	6,237,589,576	671,867,798	2,687,471,394	126,743,476	2,104,521,599	8,418,087,027	25.00%
2009	1,698,427,954	6,793,712,326	619,403,825	2,477,615,486	132,470,213	2,185,361,566	8,741,446,920	25.00%
2010	1,708,132,373	6,832,530,004	674,206,382	2,696,825,730	155,971,338	2,226,367,417	8,905,470,336	25.00%
2011	1,650,124,698	6,600,499,287	582,585,052	2,330,340,383	168,557,342	2,064,152,408	8,256,610,251	25.00%
2012	1,621,435,904	6,485,744,102	588,373,899	2,353,495,773	200,251,777	2,009,558,026	8,038,232,707	25.00%
2013	1,641,169,056	6,564,676,716	572,179,464	2,288,718,028	202,734,054	2,010,614,466	8,042,458,467	25.00%
2014	1,675,774,509	6,703,098,539	549,149,647	2,196,598,753	210,570,008	2,014,354,148	8,057,417,196	25.00%
2015	1,703,300,535	6,813,202,651	568,496,769	2,273,987,247	254,795,026	2,017,002,278	8,068,009,717	25.00%
2016	1,746,050,994	6,984,204,500	603,035,018	2,412,140,253	285,761,783	2,063,324,229	8,253,297,535	25.00%
2017	1,816,428,452	7,265,714,353	621,708,598	2,486,834,579	307,468,656	2,130,668,394	8,522,674,215	25.00%

Source: Sandoval County Assessor's Office Abstract 2008 through 2017.

Note: The difference in the net taxable value listed in this schedule and schedule 13, is likely due to processed disputes.

CITY OF RIO RANCHO, NEW MEXICO
Property Tax Levies and Collections
Last Ten Fiscal Years

Schedule 6

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage		Amount	Percentage of Levy
2007	12,293,753	12,226,476	99.45%	54,546	12,281,022	99.90%
2008	14,656,315	13,790,591	94.09%	842,434	14,633,025	99.84%
2009	16,328,702	15,231,543	93.28%	1,052,724	16,284,267	99.73%
2010	17,227,219	15,498,538	89.97%	1,689,475	17,188,013	99.77%
2011	15,890,258	15,206,260	95.70%	639,842	15,846,102	99.72%
2012	16,504,482	15,951,790	96.65%	496,810	16,448,600	99.66%
2013	17,440,514	16,801,608	96.34%	529,217	17,330,825	99.37%
2014	18,188,145	17,592,907	96.73%	385,149	17,978,057	98.84%
2015	18,665,557	18,171,992	97.36%	-	18,171,992	97.36%
2016	19,677,778	19,207,650	97.61%	-	19,207,650	97.61%

Source: Sandoval and Bernalillo County Treasurer's Offices (small portion of Rio Rancho is in Bernalillo County)

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 7

Fiscal Year	City of Rio Rancho			Overlapping Rates						
	General Fund	Debt Service Fund	Total	State	County	School District	Central NM Comm. College	Pres. Hospital (A)	SSCAFCA (B)	Total
2008	5.847	2.060	7.907	1.250	5.368	10.899	2.989	-	1.482	29.895
2009	5.944	2.067	8.011	1.150	5.809	10.635	3.046	4.250	1.623	34.524
2010	6.113	2.060	8.173	1.530	5.952	10.694	3.158	4.250	1.654	35.411
2011	6.518	1.645	8.163	1.362	6.659	10.773	3.237	4.250	1.867	36.311
2012	6.990	1.617	8.607	1.360	6.995	10.785	3.344	4.250	1.851	37.192
2013	7.181	1.789	8.970	1.360	7.167	10.791	3.392	4.250	2.076	38.006
2014	7.307	1.881	9.188	1.360	6.779	10.795	3.377	4.250	2.076	37.825
2015	7.426	1.848	9.274	1.360	7.191	10.802	3.381	4.250	2.076	38.334
2016	7.449	2.016	9.465	1.360	7.401	10.803	3.776	4.250	2.077	39.132
2017	7.492	2.051	9.543	1.360	7.367	10.804	3.789	-	2.194	35.057

Source: State of New Mexico Department of Finance and Administration

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

(B)-Southern Sandoval County Arroyo Flood Control Authority added and prior years restated to include on schedule.

CITY OF RIO RANCHO, NEW MEXICO
Principal Property Taxpayers
Current Year and Nine Years Ago

Schedule 8

Tax Payer	2016 (A)			2007		
	Taxable Assessed Value	Rank	Percent of Total Taxable Valuation	Taxable Assessed Value	Rank	Percent of Total Taxable Valuation
Public Service Company of New Mexico	\$ 19,653,110	1	0.93%			
Presbyterian Healthcare	14,460,115	2	0.69%			
The Neighborhood in Rio Rancho	10,662,964	3	0.51%			
New Mexico Gas Company	7,433,519	4	0.35%			
Walmart Stores	5,147,491	5	0.24%			
De High Resort LLC Etal	4,904,690	6	0.23%			
Rio Rancho Retirement Residence	4,833,342	7	0.23%			
Tri-State Generation & Transmission	4,728,918	8	0.22%			
Enchanted 528 Development	4,696,796	9	0.22%			
Sandia View LLC	4,682,814	10	0.22%			
PNM				\$ 58,046,311	1	2.77%
Mid-America Pipeline Co.				46,423,688	2	2.22%
Arrowhead Ridge Apartments				23,294,282	3	1.11%
Mid-America Pipeline Co.				22,111,626	4	1.06%
Qwest				18,680,877	5	0.89%
Wal-Mart Stores				16,814,281	6	0.80%
Lafarge Southwest, Inc.				16,140,156	7	0.77%
Total	\$ 81,203,759		3.85%	\$ 201,511,221		9.61%

Source: Sandoval County Assessor's Offices

Note: (A) The fiscal year for collection is November through October; this schedule uses the 2016 collection year valuation.

CITY OF RIO RANCHO, NEW MEXICO
Taxable Gross Receipts by Type of Trade
Last Ten Fiscal Years

Schedule 9

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Construction	\$ 375,570,976	\$ 266,089,467	\$ 160,792,616	\$ 249,844,125	\$ 176,706,959	\$ 152,623,955	\$ 121,401,829	\$ 196,513,109	\$ 211,929,733	\$ 193,486,366
Manufacturing	10,518,506	12,671,847	5,160,066	7,616,958	8,932,464	20,637,604	35,061,412	27,719,740	27,684,862	21,608,927
Transportation, Communication and Utility	98,640,371	107,587,644	97,909,454	102,451,897	122,637,955	106,060,766	79,347,221	87,485,170	96,101,438	83,335,054
Wholesale	11,301,564	9,110,123	9,326,176	8,763,818	10,740,203	9,903,257	9,852,041	12,538,155	11,928,600	16,886,192
Retail	455,834,662	380,784,663	396,763,790	399,295,852	418,644,640	412,419,647	420,470,058	344,409,473	379,546,317	397,721,110
Finance, Insurance and Real Estate	29,108,506	20,584,655	25,015,494	24,603,362	25,000,526	20,857,006	21,650,905	26,836,442	45,237,733	31,902,564
Services	199,175,032	193,070,878	226,829,005	255,388,681	278,055,736	283,096,347	290,050,737	281,890,937	302,294,622	330,824,194
Other (A)	(102,518,633)	(20,924,025)	-	1,213,942	2,650,447	2,763,517	4,547,528	14,093,065	12,480,530	5,646,659
Total Taxable Gross Receipts	\$ 1,077,630,984	\$ 968,975,252	\$ 921,796,601	\$ 1,049,178,635	\$ 1,043,368,930	\$ 1,008,362,099	\$ 982,381,731	\$ 991,486,091	\$ 1,087,203,835	\$ 1,081,411,066
City direct sales tax rate	6.6875%	6.9375%	7.0625%	7.4375%	7.4375%	7.4375%	7.4375%	7.4375%	7.4375%	7.4375%
Sandoval County direct sales tax rate	6.0000%	6.0000%	6.1250%	6.2500%	6.2500%	6.2500%	6.2500%	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			
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%	2,548
2011	30,124,384	17,340,884	15,918,080	149,252,148	16,513,872	229,149,368	1.93%	2,565
2012	26,374,440	16,707,249	15,115,441	142,080,510	27,558,858	227,836,498	2.02%	2,509
2013	23,739,496	16,847,314	14,769,084	137,968,590	31,564,398	224,888,882	2.09%	2,446
2014	21,293,643	15,512,187	15,410,852	130,575,210	34,307,146	217,099,038	2.31%	2,396
2015	18,258,113	14,364,139	13,786,850	122,398,275	38,969,846	207,777,223	2.54%	2,209
2016	24,594,126	13,124,725	12,775,719	113,518,055	41,050,115	205,062,740	2.29%	2,135
2017	21,152,337	11,850,311	11,425,125	154,536,112	16,423,197	215,387,082	2.33%	N/A

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

(A) - This information uses Sandoval County Personal Income through 2013, this information is not available for 2014 through 2016.

(B)- Population for the City of Rio Rancho is unavailable for 2015-2016, therefore no per capita amount is calculated.

CITY OF RIO RANCHO, NEW MEXICO
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Schedule 11

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property	Per Capita (B)
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%	329.47
2011	30,124,384	4,180,471	25,943,913	1.27%	290.46
2012	26,374,440	3,045,519	23,328,921	1.17%	256.88
2013	23,739,496	2,878,113	20,861,383	1.05%	226.86
2014	21,293,643	3,451,041	17,842,602	0.89%	196.88
2015	18,258,113	3,615,233	14,642,880	0.73%	155.70
2016	24,594,126	3,937,721	20,656,405	1.01%	215.11
2017	21,152,337	4,167,419	16,984,918	0.81%	N/A

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.

(B) - Population for the City of Rio Rancho is unavailable for 2015-2016, therefore no per capita amount is calculated.

CITY OF RIO RANCHO, NEW MEXICO
Direct and Overlapping Debt
Last Ten Fiscal Years

Schedule 12

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Applicable Percentage (A)</u>	<u>Estimated Share Applicable to City</u>
Debt repaid with property taxes			
State of New Mexico	\$ 403,170,000	3.85%	\$ 15,540,274
Sandoval County	7,045,000	63.85%	4,498,247
Central NM Community College	90,340,000	12.09%	10,922,106
SSCAFCA	18,800,000	98.78%	18,570,186
Rio Rancho School District	120,735,000	100.00%	120,735,000
Bernalillo County	94,700,000	0.27%	255,690
Subtotal, overlapping debt			170,521,503
City direct debt			<u>44,427,773</u>
Total direct & overlapping debt			<u>\$ 214,949,276</u>

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 Percentage of debt limit</u>
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%
2014	\$ 79,963,344	\$ 17,263,959	21.59%
2015	\$ 80,187,646	\$ 14,144,767	17.64%
2016	\$ 82,532,969	\$ 19,667,279	23.83%
2017	\$ 84,324,343	\$ 16,132,581	19.13%

Legal Debt Margin Calculation for Fiscal Year 2017:

Assessed value	\$2,108,108,583
Debt limit (4% of assessed value)	84,324,343
Debt applicable to limit:	
General obligation bonds	20,300,000
Less: Amount set aside for repayment of general obligation debt	(4,167,419)
Total net debt applicable to limit	<u>16,132,581</u>
Legal debt margin	<u><u>\$68,191,762</u></u>

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

CITY OF RIO RANCHO, NEW MEXICO
Demographic and Economic Statistics
Last Ten Fiscal Years

Schedule 14

Year	City Population	County Population	Personal Income	Per Capita Personal Income			Unemployment Rate		
				U.S. (A)	New Mexico (B)	Sandoval County	U.S.	New Mexico	Sandoval County
2008	75,978	117,583	3,986,250	41,082	33,447	31,907	5.60%	4.20%	5.60%
2009	79,655	122,298	3,992,904	39,376	32,523	32,172	9.50%	8.00%	9.90%
2010	87,521	131,561	4,187,920	40,277	33,109	25,979	9.40%	8.30%	9.40%
2011	89,320	134,259	4,421,270	42,453	34,729	26,757	8.70%	8.20%	7.50%
2012	90,818	135,588	4,600,835	44,267	35,410	26,848	9.30%	9.10%	8.10%
2013	91,956	136,575	4,689,809	44,462	34,724	26,924	9.70%	9.70%	9.00%
2014	90,627	135,191	5,017,133	46,414	36,656	26,916	9.20%	9.60%	9.20%
2015	94,043	154,048	5,280,960	48,112	37,938	26,742	6.30%	7.40%	7.90%
2016	96,028	142,025	N/A	N/A	N/A	N/A	4.90%	6.70%	7.10%
2017	N/A	N/A	N/A	N/A	N/A	N/A	4.40%	6.30%	6.80%

Source: U.S. Census Bureau, U.S. Bureau of Labor Statistics, American Community Survey

Notes: Personal income, per capita income and unemployment rates are only available for the county, not for the city. Limited data available for many of the categories.

CITY OF RIO RANCHO, NEW MEXICO
Principal Employers
Current Year and Nine Years Ago

Schedule 15

<u>Employer</u>	<u>2017</u>			<u>2008</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
Rio Rancho Public Schools	2,213	1	4%	1,838	2	3%
Intel Corporation	1,200	2	2%	5,000	1	9%
Presbyterian Healthcare Services	800	3	1%			
City of Rio Rancho	653	4	1%	651	6	1%
HP, Inc.	650	5	1%			
Safelite Solutions, LLC	600	6	1%			
University of NM Hospitals	425	7	1%			
S & P Data, LLC	375	8	1%			
Walmart (A)	250	9	0%			
Veterans of Foreign Wars (B)	250	10	0%			
Intel Subcontractors				1,300	3	2%
Sprint PCS				800	4	1%
Bank of America				700	5	1%
eTelecare Global Solutions				600	7	1%
Brycon Construction				422	8	1%
Sandoval County				406	9	1%
Victoria's Secret Catalogue				400	10	1%
Total Major Employers-Sandoval County *	<u>7,416</u>			<u>12,117</u>		
Total Sandoval County Employment **	<u>58,868</u>			<u>53,681</u>		

Sources: (*) Albuquerque Economic Development and City of Rio Rancho Budget document
(**) Bureau of Business & Economic Research (BBER) and U.S. Census Bureau

Notes:

- (A) Used low end of employment range reported
- (B) Used low end of employment range reported

CITY OF RIO RANCHO, NEW MEXICO
Full-time-Equivalent Employees by Function/Program
Last Ten Fiscal Years

Schedule 16

<u>Function/Program</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
General Government										
City Administration	5	6	5	5	5	5	5	5	5	7
Human Resources	10	9	8	6	6	6	6	7	7	6
City Clerk	4	4	4	4	3	3	3	3	3	3
City Attorney	7	7	6	6	6	6	6	6	6	8
Municipal Court	13	13	12	12	11	11	11	13	13	13
Finance/IT	35	29	34	34	34	34	33	32	33	34
Public Safety										
Police	124	127	127	127	129	129	133	136	136	133
Firefighters	100	101	100	99	100	100	104	105	107	104
Civilians	88	86	87	88	90	90	88	39	37	43
Public Works										
Engineering	25	27	25	21	17	17	18	18	18	18
Others	75	74	71	68	68	68	71	69	69	72
Parks and Recreation	132	139	115	92	91	91	88	89	89	91
Senior Services	17	8	15	8	8	8	7	8	8	8
Library and Information Services	36	38	35	36	36	36	35	35	35	37
City Development	42	36	32	29	30	30	29	28	28	28
Special Funds	14	20	5	15	18	18	15	71	71	69
Water and Wastewater	42	38	35	35	33	33	33	35	35	35
Total	769	762	716	685	685	685	685	699	700	709

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 Four Fiscal Years

Schedule 17

Function/Program	Fiscal Year									
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<u>Police</u>										
Total Violent Crimes (A)	886	920	946	935	717	726	588	419	491	405
Total Property Crimes (B)	1,961	1,709	1,686	1,426	1,816	1,891	1,760	1,723	2,147	2,512
Total Warnings & Citations (C)	27,250	21,082	19,898	15,777	19,055	22,382	22,005	19,320	21,886	19,600
Total Arrests (D)	3,620	3,613	3,477	3,269	4,073	3,895	6,258	6,396	7,215	6,941
Total Traffic Crashes	1,856	1,576	1,593	1,844	1,591	1,581	1,532	1,058	1,642	1,877
Total Incident Reports (E)	9,045	9,485	8,716	8,099	9,113	8,915	9,132	7,149	9,725	9,556
Total Calls for Service	49,842	44,651	43,618	45,928	45,598	43,725	38,984	40,465	41,966	36,352
<u>Fire</u>										
Total Structural Fires	46	54	59	62	51	68	40	46	46	59
Total Fire Inspections	1,049	736	1,087	1,148	1,650	1,564	1,460	1,670	1,510	1,535
Total Calls for Service	1,693	1,508	9,505	10,261	8,116	8,113	8,165	9,372	10,122	10,335
<u>EMS</u>										
Total EMS Patients	—	—	—	—	—	—	7,357	4,821	7,861	6,704
Total Patient Transports	4,129	4,122	4,089	—	—	4,644	4,218	8,087	5,118	5,099
Total Calls for Service	6,330	7,481	5,896	5,956	5,971	7,797	7,357	6,829	7,861	7,240
<u>Animal Control (F)</u>										
Total Impounds	2,543	2,584	2,308	2,201	2,128	1,786	2,100	2,184	2,391	2,291
Total Claims	830	914	856	736	758	626	661	817	889	911
Total Adoptions	988	854	830	781	741	623	679	573	633	590
Total Euthanasia	663	758	574	684	579	515	661	545	474	401
Total Complaints	5,193	5,821	5,666	5,658	4,580	4,634	4,944	4,217	5,032	4,591
<u>Code Enforcement (G)</u>										
Total Inspections	7,055	6,989	9,430	8,884	8,259	7,374	6,729	8,058	6,580	4,617
Total Citations	479	369	489	511	524	408	371	368	607	385
<u>Public Works</u>										
Total Utility Cuts	—	—	—	—	—	—	—	—	—	—
Total Potholes Repaired	1,385	592	590	1,041	1,926	708	352	1,643	493	612
<u>Parks & Recreation (A)</u>										
Total Program Participation-Youth	22,620	9,149	8,311	13,221	—	—	—	—	—	—
Total Program Participation-Adult	6,621	3,969	8,581	1,672	—	—	—	—	—	—
Total Program Participation-Aquatics	2,935	4,321	3,966	3,865	—	—	—	—	—	—

CITY OF RIO RANCHO, NEW MEXICO
Operating Indicators by Function/Program (Continued)
Last Four Fiscal Years

Schedule 17
(Continued)

<u>Function/Program</u>	<u>Fiscal Year</u>									
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<u>Parks & Recreation (cont)</u>										
Total Summer Camp Participants	—	—	—	—	2,370	2,972	2,869	2,911	2,742	3,305
Total KidsZone Participants	—	—	—	—	93	145	201	726	606	408
Total Youth Sports League Participants	—	—	—	—	748	1,288	1,198	740	699	679
Total Adult Sports League Participants	—	—	—	—	280	271	231	230	212	180
Total Indoor/Outdoor Aquatics Participants	—	—	—	—	3,397	3,975	3,812	3,234	2,605	2,985
Total Free Summer Meals Served	—	—	—	—	42,901	35,616	45,373	42,959	26,884	40,262
Total Student Attendance of										
Keep Rio Rancho Beautiful Program	—	—	—	—	4,227	5,072	4,072	6,491	3,984	3,339
<u>Meadowlark Senior Center</u>										
Average # of Daily Participants per Employee	—	—	—	—	126	170	125	111	141	149
Total Volunteer Hours	—	—	—	—	23,439	24,658	23,826	24,669	26,922	29,132
<u>Library</u>										
Total Collection	166,857	174,388	183,554	188,065	195,688	192,493	186,392	176,100	169,508	160,476
New Items Added	23,501	23,800	24,351	23,490	26,453	24,705	22,354	21,405	18,886	18,334
Items Withdrawn	10,902	16,269	15,185	18,979	18,830	27,900	28,455	31,697	25,478	27,366
Collection Growth/Decrease	12,599	7,531	9,166	4,511	7,623	(3,195)	(6,101)	(10,292)	(6,592)	(9,032)
<u>Circulation Stats:</u>										
Visitors	256,734	354,985	354,411	340,070	336,647	335,018	336,057	315,405	297,565	309,529
Circulation	426,653	543,528	605,737	654,031	674,227	680,672	686,638	648,683	657,939	682,086
Computer Usage	61,358	85,938	95,998	84,480	81,089	76,904	74,767	69,532	63,319	59,957
Program Attendance	24,074	26,016	25,489	25,297	30,403	20,396	18,122	24,646	26,776	36,966
<u>Transit (B)</u>										
Total Clients Registered	309	599	873	—	—	—	—	—	—	—
New Clients Registered	290	274	88	—	—	—	—	—	—	—
Total Fare Cards Sold (C)	1,999	2,052	929	1,764	1,760	1,837	1,925	1,927	1,998	1,982
Total Trips in Rio Rancho	13,633	16,037	7,609	—	—	—	—	—	—	—
Total Trips to Albuquerque	2,983	2,310	692	—	—	—	—	—	—	—
<u>Purpose of Trips:</u>										
Medical	4,538	4,442	2,060	—	—	—	—	—	—	—
Personal Errands	2,830	4,936	2,118	—	—	—	—	—	—	—
Work	6,067	6,359	3,199	—	—	—	—	—	—	—
City Facilities	1,725	1,769	843	—	—	—	—	—	—	—
Education	1,456	944	76	—	—	—	—	—	—	—
Total Miles Traveled	127,576	132,971	—	—	—	—	—	—	—	—

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) Parks & Recreation changed all operating indicators beginning fiscal year 2012.

(B) Beginning in January 2010, the City of Rio Rancho no longer operates the transit system.

(C) Selling fare cards for the Rio Metro Transit system is the only function that the City currently continues to do with regards to transit.

CITY OF RIO RANCHO, NEW MEXICO
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years¹

Schedule 18

<u>Function/Program</u>	<u>Fiscal Year</u>									
	<u>2008</u>	<u>2009</u>	<u>2010</u> ²	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u> ³	<u>2016</u>	<u>2017</u>
<u>Police</u>										
Main Stations	1	1	1	1	1	1	1	1	1	1
Substations (A)										
Law Enforcement Units (B)	181	180	126	139	160	160	186	174	190	192
<u>Fire</u>										
Main Stations	6	5	5	5	6	6	6	6	6	6
Substations	1	1	1	1	1	1	1	1	1	1
Firetrucks	15	15	17	19	17	17	13	14	14	14
<u>EMS</u>										
Ambulances	9	9	11	11	11	12	11	11	12	12
<u>Animal Control</u>										
Patrol Units	7	7	7	7	7	7	8	7	8	8
<u>Public Works</u>										
Streets (centerline miles) (C)	837	846	428	449	454	455	456	462	444	446
Streetlights	2,604	2,710	2,770	2,859	2,930	2,941	2,972	2,972	3,002	3,002
Traffic Signals (Signalized Intersections)	45	45	49	49	53	53	55	54	59	59
Sidewalks & Paths (D)	123	134								
<u>Parks & Recreation</u>										
New/Renovated Park Facilities	2	1	10	1	5	7	1	0	1	2
Developed Parkland (acres) (E)	304	311	298	300	303	306	306	308	285	285
Constructed Trailways (linear feet) (F)	64,380	64,380	64,380	65,150	65,150	65,150	65,150	65,150	68,821	68,821
<u>Transit</u>										
Mini buses (G)	8	8	0	0	0	0	0	0	0	0
<u>Water</u>										
Water mains (miles)	395	403	552	563	565	567	570	569	573	579
Fire hydrants	25,866	25,939	3,768	3,870	3,871	3,890	3,928	4,282	4,273	4,213
New Connections (H)	1,040	668	472	348	375	503	504	435	334	485
Water main breaks (I)	39	37	43	49	32	36	41	31	40	42
Storage capacity (thousands of gallons) (J)			34,500	34,500	34,500	34,500	34,500	41,350	44,350	44,350
Average daily consumption (thousands of gallons) (K)	11,745	11,814	10,616	11,621	12,610	13,137	10,635	9,710	9,636	9,761
Booster Stations (L)			8	8	9	10	10	11	10	11
Wells (in production) (M)			19	17	17	17	17	15	14	15
Storage Tanks (N)			18	18	18	18	18	18	19	19
Arsenic Treatment Facilities (O)			8	10	10	10	10	10	10	10
<u>Wastewater</u>										
Sanitary sewers (miles)	343	351	355	368	371	377	378	382	382	386
Average daily treatment (thousands of gallons) (P)	4,954	4,863	4,875	4,324	4,626	4,398	4,889	4,595	4,532	4,236
Wastewater Treatment Plants (in operation) (Q)			6	5	5	5	5	4	4	4
Lift Stations (R)			28	28	28	28	26	26	26	26

Sources: Various City Departments

CITY OF RIO RANCHO, NEW MEXICO
Capital Asset Statistics by Function/Program (Continued)
Last Ten Fiscal Years¹

Schedule 18
(Continued)

Notes:

1. The city chose to use the prospective method of reporting for this schedule as the data was not tracked prior to GASB 44 implementation.
 2. The city established a baseline year 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).
 3. The city established a second baseline year for restatement of capital asset statistics for Fiscal Year ending June 30, 2015. Baseline figures were obtained from the city's Geographic Information System (GIS) and staff facility inventories.
- (A) Substation numbers for the then consolidated Department of Public Safety (Fire and Police) were reported in error under the Police heading. A restatement to reflect no Police substations was made for Fiscal Year ending June 30, 2008.
- (B) Amended the number of patrol units to correctly state the baseline point for Fiscal Year ending June 30, 2010. Law Enforcement Units include Marked, Unmarked, Administrative, Pool, and Special Use vehicles.
- (C) Amended the number of centerline miles of paved roadway to correctly state the baseline point for Fiscal Year ending June 30, 2010. Previous year's reporting was presumably based on a lane mile unit of measure. The number of centerline miles of paved roadway is based on full build out classification and does not include state roads for which the city is not responsible for maintenance.
- (D) The Public Works Department discontinued tracking sidewalks in Fiscal Year ending June 30, 2010. Sidewalks are considered part of the roadway/street infrastructure.
- (E) Amended the number of developed parkland acreage to correctly state the baseline point for Fiscal Year ending June 30, 2010.
- (F) Amended the number of linear feet of constructed trailways to correctly state the baseline point for Fiscal Year ending June 30, 2006.
- (G) 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.
- (H) The city began tracking new connections in the CAFR beginning in Fiscal Year ending June 30, 2007
- (I) The city began tracking water main breaks in the CAFR beginning in Fiscal Year ending June 30, 2007
- (J) The city discontinued tracking water storage capacity in the CAFR for Fiscal Years 2008 and 2009.
- (K) The city began tracking average daily water consumption in the CAFR beginning in Fiscal Year ending June 30, 2007.
- (L) The city began tracking the number of booster stations in the CAFR beginning in Fiscal Year ending June 30, 2010.
- (M) The city began tracking the number of wells in the CAFR beginning in Fiscal Year ending June 30, 2010.
- (N) The city began tracking the number of water storage tanks in the CAFR beginning in Fiscal Year ending June 30, 2010.
- (O) The city began tracking the number of arsenic treatment facilities in the CAFR beginning in Fiscal Year ending June 30, 2010.
- (P) The city discontinued tracking wastewater treatment capacity and began tracking average daily treatment capacity in thousands of gallons in the CAFR beginning in Fiscal Year ending June 30, 2006.
- (Q) The city began tracking the number of wastewater treatment plants (WWTP) in operation in the CAFR beginning in Fiscal Year ending June 30, 2010. Amended the number of wastewater treatment plants in operation to correctly state the baseline point for Fiscal Year ending June 30, 2015. WWTP#3 is in reserve status and is not in active operation. WWTP#4 has been permanently abandoned.
- (R) The city began tracking the number of lift stations in the CAFR beginning in Fiscal Year ending June 30, 2010.



Single Audit Section



**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
City of Rio Rancho, New Mexico and
Mr. Wayne A. Johnson, New Mexico State Auditor

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information and the budgetary comparison for the general fund of City of Rio Rancho, New Mexico, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise City of Rio Rancho, New Mexico's basic financial statements, and have issued our report thereon dated December 15, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Rio Rancho, New Mexico'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 City of Rio Rancho, New Mexico's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Rio Rancho, New Mexico's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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 have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs to be material weaknesses listed as number 2017-001.

Honorable Mayor and Members of the City Council
City of Rio Rancho, New Mexico
and Mr. Wayne A. Johnson, New Mexico State Auditor

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs to be significant deficiencies listed as number 2017-002.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Rio Rancho, New Mexico'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 instances 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 items 2017-003, 2017-004, and 2017-005.

City of Rio Rancho, New Mexico's Response to Findings

City of Rio Rancho, New Mexico's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. City of Rio Rancho, New Mexico'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
December 15, 2017

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

Honorable Mayor and Members of the City Council
City of Rio Rancho, New Mexico and
Mr. Wayne A. Johnson, New Mexico State Auditor

Report on Compliance for Each Major Federal Program

We have audited City of Rio Rancho, New Mexico's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of City of Rio Rancho, New Mexico's major federal programs for the year ended June 30, 2017. City of Rio Rancho, New Mexico'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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of City of Rio Rancho, New Mexico'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 the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 City of Rio Rancho, New Mexico'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 City of Rio Rancho, New Mexico's compliance.

Opinion on Each Major Federal Program

In our opinion, City of Rio Rancho, New Mexico 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, 2017.

Honorable Mayor and Members of the City Council
City of Rio Rancho, New Mexico
and Mr. Wayne A. Johnson, New Mexico State Auditor

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as items 2017-001. Our opinion on each major federal program is not modified with respect to this matter.

City of Rio Rancho, New Mexico's response to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. City of Rio Rancho, New Mexico's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of City of Rio Rancho, New Mexico 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 City of Rio Rancho, New Mexico'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 the Uniform Guidance, 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 City of Rio Rancho, New Mexico'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 a 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2017-001 that we consider to be material weaknesses.

City of Rio Rancho, New Mexico's response to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. City of Rio Rancho, New Mexico's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Honorable Mayor and Members of the City Council
City of Rio Rancho, New Mexico
and Mr. Wayne A. Johnson, New Mexico State Auditor

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 results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Albuquerque, New Mexico
December 15, 2017

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2017

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Grantor or Pass-Through Number</u>	<u>Expenditures</u>	<u>Passed Through to Subrecipients</u>
<u>U.S. Department of Health and Human Services</u>				
Passed through New Mexico Department of Health:				
Public Health Emergency Preparedness	93.069	16/665.0300.19256	\$ 5,588	
Total U.S. Department of Health and Human Services			<u>5,588</u>	
<u>U.S. Department of Homeland Security</u>				
Passed through New Mexico Department of Homeland Security:				
Emergency Management Performance Grants	97.042	EMW-2014-EP-00039-S01	54,571	
Emergency Management Performance Grants	97.042	EMW-2015-EP-00066-S01	20,861	
			<u>75,432</u>	
Homeland Security Grant Program	97.067	EMW-2015-SS-00110-RIO	13,823	
Homeland Security Grant Program	97.067	EMW-2015-SS-00110	23,128	
Homeland Security Grant Program	97.067	EMW-2015-SS-00110-RIO	34,978	
Homeland Security Grant Program	97.067	EMW-2015-SS-00110	8,768	
Homeland Security Grant Program	97.067	EMW-2016-SS-00105	12,111	
			<u>92,808</u>	
Total U.S. Department of Homeland Security			<u>168,240</u>	
<u>U.S. Department of Justice</u>				
Direct Program:				
FBI Crime Laboratory Support	16.301	N/A	1,043	
FBI Crime Laboratory Support	16.301	N/A	5,215	
			<u>6,258</u>	
Project Safe Neighborhoods	16.609	N/A	2,857	
Project Safe Neighborhoods	16.609	N/A	13,153	
			<u>16,011</u>	
Federal Surplus Property Transfer Program	16.578	N/A	4,856	
Crime Victims Assistance	16.575	2016-VA-414	13,951	
Crime Victims Assistance	16.575	2016-VA-518	20,474	
Crime Victims Assistance	16.575	2016-VA-414	35,117	
Crime Victims Assistance	16.575	2016-VA-518	42,730	
			<u>112,271</u>	
Violence Against Women Formula Grants	16.588	2013-WF-AX-0039	(1,216)	
Violence Against Women Formula Grants	16.588	2015-WF-AX-0014	14,082	
			<u>12,866</u>	
Public Safety Partnership and Community Policing Grants	16.710	2013UMWX0186	118,993	
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2016-DJ-BX-0967	2,297	
Passed through New Mexico Department of Public Safety Grant Management Bureau:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15-JAG-NMGTF-SFY16-1	67,291	
Edward Byrne Memorial Justice Assistance Grant Program	16.738	16-JAG-NGTF-SFY17	43,870	
			<u>111,161</u>	
Equitable Sharing Program	16.922	M-16-D51-O-000079	3,008	
Equitable Sharing Program	16.922	N/A	1,978	
Equitable Sharing Program	16.922	N/A	4,836	
			<u>9,822</u>	
Total U.S. Department of Justice			<u>394,534</u>	
<u>U.S. Department of Agriculture</u>				
Passed through New Mexico Department of Children Youth and Family:				
National School Lunch Program:	10.555	3185	107,938	
Total U.S. Department of Agriculture			<u>107,938</u>	
<u>U.S. Department of Housing and Urban Development</u>				
Direct Program:				
Community Development Block Grant/Entitlement Grants	14.218	B-15-MC-35-0004	75,845	52,826
Community Development Block Grant/Entitlement Grants	14.218	B-16-MC-35-0004	264,428	153,676
Total U.S. Department of Housing and Urban Development			<u>340,273</u>	<u>206,502</u>

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2017

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Grantor or Pass-Through Number</u>	<u>Expenditures</u>	<u>Passed Through to Subrecipients</u>
U.S. Department of Transportation				
Passed through New Mexico Department of Transportation:				
Highway Planning and Construction	20.205	CN #A300520	\$ 624,182	
Highway Planning and Construction	20.205	CN #A300200	2,075,863	
Highway Planning and Construction	20.205	CN #A301320	136,855	
			<u>2,836,900</u>	
State and Community Highway Safety	20.600	16-DD-02-081	13,419	
State and Community Highway Safety	20.600	16-OP-02-081	28,045	
State and Community Highway Safety	20.600	17-ST-02-081	24,511	
			<u>65,975</u>	
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	16-AL-64-081	44,517	
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	TS04185	(428)	
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	17-AL-64-081	37,560	
			<u>81,650</u>	
			<u>2,984,525</u>	
Total U.S. Department of Transportation				
Executive Office of the President				
Passed through City of Albuquerque, New Mexico:				
High Intensity Drug Trafficking Areas Program	95.001	N/A	2,985	
High Intensity Drug Trafficking Areas Program	95.001	N/A	6,721	
			<u>9,706</u>	
Total Executive Office of the President				
U.S. Department of Interior:				
Direct Program:				
Water Conservation Field Services Program	15.530	R16AP00069	27,559	
			<u>27,559</u>	
Total U.S. Department of Interior				
			<u>\$ 4,038,363</u>	<u>\$ 206,502</u>
Total Expenditures				

NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal grant activity of the City of Rio Rancho under programs of the federal government for the year ended June 30, 2017. The information in the schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position or cash flows of the City.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the applicable Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Any negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

NOTE 3 – CATALOG OF FEDERAL DOMESTIC ASSISTANCE (CFDA) NUMBERS

The program titles and CFDA numbers were obtained from the federal or pass-through grantors or the 2017 *Catalog of Federal Domestic Assistance*.

NOTE 4 – INDIRECT COST RATE

The City did not elect to use the 10% de minimis indirect cost rate as covered in 2 CFR §200.414.

**CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2017**

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? yes none reported

Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? yes no
- Significant deficiencies identified that are not considered to be material weakness(es)? yes none reported

Type of auditor’s report issued on compliance for major program: Unmodified

Any audit findings, disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? yes no

Identification of major programs:

CFDA Numbers

20.507

Name of Federal Program

Federal Transit Formula Grants

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? yes no

**CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2017**

Section II – Financial Statement Findings

Reference Number: NMSA-2017-001

Repeat Finding: No

Type of Finding: Material Weakness

Description: Financial Close and Reporting Process

CONDITION

During our testwork, we identified the following matters related to the City's financial close and reporting process:

During testwork over the City's Schedule of Expenditures of Federal Awards (SEFA), it was identified that the City did not properly accrue for FY16 amounts due from the Federal Government related to its Federal grants. A restatement entry to increase the FY17 beginning governmental activities net position to correct the errors totaled \$910,750.

This also created challenges with the City's current year SEFA and related expenditures because we received multiple versions of the SEFA. Final federal expenditures were adjusted by approximately \$856,000. The SEFA was corrected before the single audit was submitted.

During testwork over construction in process, CLA noted the following:

- 9 out of 24 projects reviewed should have been transferred in the current or prior years. The amount that should have been transferred in the prior year was included in the restatement amount noted below.
- 2 out of 9 transfers reviewed should have occurred in prior years.
- 3 out of 6 write-offs should have been expensed to repairs and maintenance in prior years.
- During testwork over the capital asset rollforward for enterprise funds, we noted 2 assets totaling approximately \$400,000 that were duplicated on the City's general ledger. This did not impact the restatement, rather required reconciliation of current activity.

The aggregate amount of the restatement is \$4,054,757.

See Note 16 for restatement of beginning net position effect as a result of this finding.

CRITERIA

Per §200.510 Financial Statements, the auditee must prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements. At a minimum, the schedule must provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available.

City policy states projects should be evaluated at least annually for transfer/write-off and ending capital assets per the general ledger should agree to the rollforward and fixed asset records. In accordance with Generally Accepted Accounting Principles (GAAP), when constructed assets are completed and put into service, the City needs to transfer the completed project to depreciable assets to ensure appropriate depreciation is calculated on an annual basis.

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2017

Section II – Financial Statement Findings (Continued)

Reference Number: NMSA-2017-001 (Continued)

EFFECT/POTENTIAL EFFECT

Restatement of \$910,750 related to federal accounts receivable and revenue that was not recorded.

Untimely closeout of construction in process as part of the financial close and reporting results in improper delay of depreciation and repairs and maintenance expenditures. The aggregate amount of the restatement related to capital assets is \$4,054,757.

CAUSE

Employee turnover and inadequate staffing in both grants and compliance and capital asset accounting.

RECOMMENDATION

We recommend the City reconcile their SEFA activity as it relates to outstanding reimbursement requests on a more regular basis, at least quarterly.

We recommend the City evaluate construction in process for closeout at least annually as part of financial close and reporting process and to ensure ending amounts in the general ledger agree to the capital asset rollforward and underlying fixed asset records.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS

Management agrees with this finding. While preparing the rollforward of the Federal accounts receivable management identified issues which were discussed with the audit team. Procedures and controls have been implemented to ensure the proper reporting of federal accruals and reconciliation of the City's SEFA. Moving forward, grants staff will maintain an updated spreadsheet that includes timing of expenditures, date of reimbursement request and the date when revenue was received. This spreadsheet will be reviewed by the Budget and Grants Division Manager, in conjunction with the Accounting Division Manager, on a monthly basis. This data will also be reconciled to the City's accounting software to ensure accuracy and timely receipt of revenue. Additionally, the accounting staff will work closely with the grants team during year-end closing to ensure all revenues and expenditures are reported in the financial statements and the SEFA. These procedures and controls will ensure the City is maintaining compliance with the GAAP matching principle and will increase the accuracy of reporting.

In late fiscal year 2017, additional staff resources were permanently assigned to capital accounting. Areas of concern noted were identified by management and corrective measures began prior to the year-end close process. In addition, the following procedures and controls will be implemented to strengthen the City's reporting of capital assets and construction projects:

1. Quarterly meetings will be held between the Capital Asset Accountant and the Senior Financial Analyst (as necessary) to review construction projects and update project status based on progress and completion dates. At this time, completed projects will be identified and converted to capital assets and stalled projects will be written-off and charged to an expenditure account as deemed necessary.

**CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2017**

Section II – Financial Statement Findings (Continued)

Reference Number: NMSA-2017-001 (Continued)

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS (CONTINUED)

2. A complete physical inventory of all capital assets and construction projects will be completed on a yearly basis by the Capital Asset Accountant and Accounting Division Manager. These inventories will be reviewed and certified by the Accounting Division Manager and Director of Financial Services.
3. The year-end closing process will include a review of the prior year ending capital asset balances found in the CAFR. These prior year ending balances will be used as the beginning balance for the current year. The Accounting Division Manager will review and ensure these balances tie to the previous report.

Timeline: The updated procedures and internal controls for federal accruals and reconciliation of the City's SEFA will begin immediately and will be an ongoing part of the grant administration process. The capital asset and construction quarterly meetings will begin in the 2nd quarter of fiscal year 2018 and continue forward on a quarterly basis. The physical inventory of capital assets will be conducted on a yearly basis beginning in fiscal year 2018.

Responsible parties: The Grants Administrator will be responsible for updating the federal grants expenditures and reimbursement spreadsheet and ensuring the timely reporting of revenues and expenditures. The Budget and Grants Manager and Accounting Division Manager will work together to ensure that accruals are properly reported in the financial statements and on the SEFA. The Capital Asset Accountant will be responsible for ensuring that capital assets and construction projects are properly reported in the financial statements by conducting quarterly meetings and annual inventories. The Accounting Division Manager will oversee this process and certify that all capital assets and construction projects are being reviewed quarterly and updated accordingly.

Reference Number: NMSA-2017-002

Repeat Finding: No

Type of Finding: Significant Deficiency

Description: Year-end Cutoff Procedures

CONDITION

During our cutoff procedures, we noted the following:

- Expenditures and the related accounts payable in the amount of \$83,472 were improperly accrued for goods received in the subsequent fiscal year.
- Revenue and the related accounts receivable in the amount of \$97,907 were improperly duplicated.

CRITERIA

Per the matching principle of GAAP, expenditures/revenues are to be recorded in the period the related good or service is exchanged.

**CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2017**

Section II – Financial Statement Findings (Continued)

Reference Number: NMSA-2017-002 (Continued)

EFFECT/POTENTIAL EFFECT

Overstatement of accounts payable, expenditures, accounts receivable, and revenue. This activity has been corrected in the City's CAFR after we brought it to its attention.

CAUSE

Expenditures were recorded based on the date of purchase order rather than date the assets were received. Revenue was duplicated during year-end accruals, however it had already been recorded.

RECOMMENDATION

We recommend the City review year end activity more closely to ensure appropriate cutoff procedures are followed.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS

Management agrees with this finding. Procedures and additional controls have been established to ensure the city properly records accruals in the correct fiscal year. Moving forward, revenues will be reported as they are earned and expenditures as they are incurred. Additionally, the accounting staff, in conjunction with other departments, will be responsible for reviewing all revenues and expenditures to ensure they are being recorded properly. The Accounting Division Manager will oversee this process and certify that the matching principle of GAAP is followed and that all revenues and expenditures are reported in the proper period.

Timeline: The matching principle will be followed at all times during the fiscal year and will be reviewed and certified during the year-end closing process.

Responsible parties: The accounting staff will be responsible for implementing the matching principle and ensuring that revenues and expenditures are recorded in the proper period. The Accounting Division Manager will be responsible for oversight, review and certification of these actions.

**CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2017**

Section III – Federal Findings

Reference Number: NMSA-2017-001

Repeat Finding: No

Type of Finding: Material Weakness and Other Matter

Description: Financial Close and Reporting Process

Federal Program: Highway Planning and Construction

Federal Agency: US Department of Transportation (Federal Highway and Administration)

Federal Award Number: CN#A300520, A300200, A301140, A301320

Questioned Costs: None

CONDITION

During our testwork, we identified the following matters related to the City's financial close and reporting process:

During testwork over the City's Schedule of Expenditures of Federal Awards (SEFA), it was identified that the City did not properly accrue for FY16 amounts due from the Federal Government related to its Federal grants. A restatement entry to increase the FY17 beginning governmental activities net position to correct the errors totaled \$910,750.

This also created challenges with the City's current year SEFA and related expenditures because we received multiple versions of the SEFA. Final federal expenditures were adjusted by approximately \$856,000. The SEFA was corrected before the single audit was submitted.

See Note 16 for restatement of beginning net position effect as a result of this finding.

CONTEXT

We reviewed underlying reimbursement requests to substantiate current year and prior year amounts.

CRITERIA

Per §200.510 Financial Statements, the auditee must prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements. At a minimum, the schedule must provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available.

EFFECT/POTENTIAL EFFECT

Restatement of \$910,750 related to federal accounts receivable and revenue that was not recorded.

Current year expenditures on the SEFA were adjusted by approximately \$856,000.

CAUSE

Employee turnover and inadequate staffing in both grants and compliance and capital asset accounting.

**CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2017**

Section III – Federal Findings (Continued)

Reference Number: NMSA-2017-001 (Continued)

RECOMMENDATION

We recommend the City reconcile their SEFA activity as it relates to outstanding reimbursement requests on a more regular basis, at least quarterly.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS

Management agrees with this finding. While preparing the rollforward of the Federal accounts receivable management identified issues which were discussed with the audit team. Procedures and controls have been implemented to ensure the proper reporting of federal accruals and reconciliation of the City's SEFA. Moving forward, grants staff will maintain an updated spreadsheet that includes timing of expenditures, date of reimbursement request and the date when revenue was received. This spreadsheet will be reviewed by the Budget and Grants Division Manager, in conjunction with the Accounting Division Manager, on a monthly basis. This data will also be reconciled to the City's accounting software to ensure accuracy and timely receipt of revenue. Further, the accounting staff will work closely with the grants team during year-end closing to ensure all revenues and expenditures are reported in the financial statements and the SEFA. Additional training will be provided to the grant and accounting staff to ensure continuity of the above processes in the event that there is a significant staff turnover in the future. These procedures and controls will ensure the City is maintaining compliance with the GAAP matching principle and will increase the accuracy of reporting.

Timeline: The updated procedures monitoring and review of federal expenditures, revenue and reconciliation of the City's SEFA will begin immediately and will be an ongoing part of the grant administration process. Training will be on-going and completed with current staff by June 30, 2018.

Responsible parties: The Grants Administrator will be responsible for updating the federal grants expenditures and reimbursement spreadsheet and ensuring the timely reporting of revenues and expenditures. The Budget and Grants Manager and Accounting Division Manager will work together to ensure that accruals are properly reported in the financial statements and on the SEFA.

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2017

Section IV – Other Matters

Reference Number: NMSA-2017-003

Repeat Finding: No

Type of Finding: Findings That Do Not Rise to the Level of a Significant Deficiency

Description: Security Deposits

CONDITION

During testwork over utility deposits, CLA noted the following:

- 3 out of 10 deposits selected for review were not refunded to the customer in accordance with the City's municipal code. The deposits selected for review were those held in excess of 12 months.
- 2 out of 10 deposits selected for review were improperly added to the listing due to system related issues.

CRITERIA

Per Municipal Code Section 51.06 (D) (1), any customer who has not been chronically delinquent during the 12-month period from the date of deposit shall promptly receive a credit in the amount of the deposit. If the customer fails to qualify for a refund of the deposit on the first anniversary, that account shall be reviewed in future audit periods for qualification.

EFFECT/POTENTIAL EFFECT

Customers did not receive refunds for security deposits in which they were entitled, totaling approximately \$3,000, in accordance with the City's municipal code.

CAUSE

Lack of review of the aging of customer deposits by the Utilities Department.

RECOMMENDATION

To ensure deposits are returned in a timely manner, we recommend the City perform an internal inspection of these records at least annually.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS

Management agrees with this finding. In 2015 the Utilities Department implemented automated deposit refunding to Utilities' customers eligible for refund within the Sunguard system. During that transition, some customer deposits were not refunded properly. Once brought to the attention of management, the unrefunded deposits noted above were processed immediately. The Utilities Department will review all accounts to ensure that deposits eligible for refunding are returned to the customer. To ensure that all eligible deposits are refunded moving forward, the Utilities Department will implement a monthly review of customer deposits. Immediately upon determination that a refund is due the refund will be processed.

Timeline: Review of customer deposits will begin immediately and will be performed on a monthly basis going forward. Any refunds found to be due at the time of this review will be made processed promptly.

Responsible Parties: The Utilities Service Specialist II will be responsible for reviewing these deposits, with secondary review by the Utilities Customer Service Supervisor to ensure that any refunds due are made promptly.

**CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2017**

Section IV – Other Matters (Continued)

Reference Number: NMSA-2017-004

Repeat Finding: No

Type of Finding: Findings That Do Not Rise to the Level of a Significant Deficiency

Description: Bank Reconciliation Review Process

CONDITION

During our testwork over bank reconciliations, we noted there was no documentation of the City's review.

CRITERIA

Internal control best practices state that bank reconciliations should be reviewed by someone other than the preparer on a monthly basis and in a timely manner.

EFFECT/POTENTIAL EFFECT

No evidence the review was performed.

CAUSE

No physical documentation of review on the bank reconciliation.

RECOMMENDATION

We recommend the City physically document reviews, as applicable.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS

Management agrees with this finding. Procedures and additional controls have been established to ensure that review of monthly bank reconciliations by management is performed and documented. Currently, a staff accountant is responsible for preparing the book-to-bank reconciliation. Supporting documentation is provided and bank reconciliations agree to the bank balance and general ledger. Moving forward, this reconciliation and supporting documentation will be reviewed, approved and documented by the Accounting Division Manager and on a monthly basis.

Timeline: Management will ensure that review and documented approval of monthly bank reconciliations will begin immediately and continue into the future.

Responsible parties: A staff accountant will prepare the bank reconciliation and the Accounting Division Manager will review and approve them. Evidence of this approval will be documented by reviewer signature.

Reference Number: NMSA-2017-005

Repeat Finding: No

Type of Finding: Findings That Do Not Rise to the Level of a Significant Deficiency

Description: Credit Card Approvals

CONDITION

During internal control testwork over credit cards, we noted 1 out of 10 monthly statements tested were not approved.

**CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2017**

Section IV – Other Matters (Continued)

Reference Number: NMSA-2017-005 (Continued)

CRITERIA

Per City policy, all monthly statements for credit cards are subject to review and approval by an appropriate level of management.

EFFECT/POTENTIAL EFFECT

Failure to ensure purchases are consistent with City policy.

CAUSE

Oversight by approver during review and approval process.

RECOMMENDATION

We recommend designated approvers ensure complete review of monthly credit card statements and document approvals appropriately.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS

Management agrees with this finding. Currently, there are written policies and procedures that govern P-Cards which state that “P-Card Approvers shall be limited to Supervisors/Managers/ Directors.” The designated Approver for each cardholder receives an e-mail generated from the P-Card processing provider when a statement is available for approval. Designated Approvers have four days to review and approve statements. If the Approver is unavailable, an assigned secondary Approver, which may be the next level of management in the cardholder’s command chain or may be the purchasing manager, is responsible for reviewing and approving P-Card statements.

A review of the non-compliant P-Card statement in the sample indicated that a secondary Approver was not assigned to the cardholder. Management will do a complete review of each P-Card holder’s profile to ensure that appropriate primary and secondary Approvers are established within the processing system. Further, the Purchasing Manager will provide additional training on P-Card management to all Approvers (primary and secondary) to ensure that each is thoroughly knowledgeable about her/his responsibilities within the P-Card management process. Purchasing staff will send out e-mail reminders to Approvers who have outstanding statements to review. If an “out-of-office” notice comes back as a result of a reminder the secondary Approver will be notified. At the end of each P-Card cycle, the Purchasing Manager will review the approval status of each statement and provide a list of non-compliant statements, if any, to the Director of Financial Services for additional action which may include cancellation of the cardholder’s P-Card.

Timeline: Purchasing staff has begun sending out e-mail reminders to Approvers who have outstanding statements to review. Review of P-Card profiles and assignment of secondary Approvers to all cardholders will begin immediately. Additional training of Approvers will be completed by June 30, 2018.

Responsible Parties: Secondary Approvers will be Supervisory, Manager or Director level personnel in the command chain of the cardholder. The Purchasing Division office assistant is responsible for sending out e-mail reminders to Approvers. The Purchasing and Contracts Manager will be responsible for training primary and secondary Approvers.

**CITY OF RIO RANCHO, NEW MEXICO
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2017**

Section II – Financial Statement Findings

Finding Reference		Status
2016-001	Exceeded Budget Authority	Resolved
2016-002	Payroll Documentation	Resolved

**CITY OF RIO RANCHO, NEW MEXICO
EXIT CONFERENCE
YEAR ENDED JUNE 30, 2017**

An exit conference was held at a closed meeting on December 12, 2017, to discuss the preceding findings. Attending were the following persons:

City of Rio Rancho:

Greggory D. Hull, Mayor
John Craig, Deputy City Manager
Carole H. Jaramillo, Director of Financial Services
Mark Melhoff, Accounting Division Manager

CliftonLarsonAllen LLP:

Raul J. Anaya, CPA, CFE, CGFM, Principal
Roger A. Lilly, CPA, Senior



**City of Rio Rancho
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