

# CITY OF RIO RANCHO NEW MEXICO

## Comprehensive Annual Financial Report For the Year Ended June 30, 2018



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**CITY OF RIO RANCHO, NEW MEXICO**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**For the Year Ended June 30, 2018**

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**MAYOR AND CITY COUNCIL**

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

**CITY ADMINISTRATION**

John Craig.....	Acting City Manager
Stephen Ruger.....	City Clerk

**ACKNOWLEDGMENTS**

This report is prepared by the Department of Financial Services:  
Carole H. Jaramillo, Director of Financial Services  
Bryson Frazier, Deputy Director of Financial Services  
Susan Adams  
Kerri Larkin  
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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Department of Financial Services

December 11, 2018

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, 2018. 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.

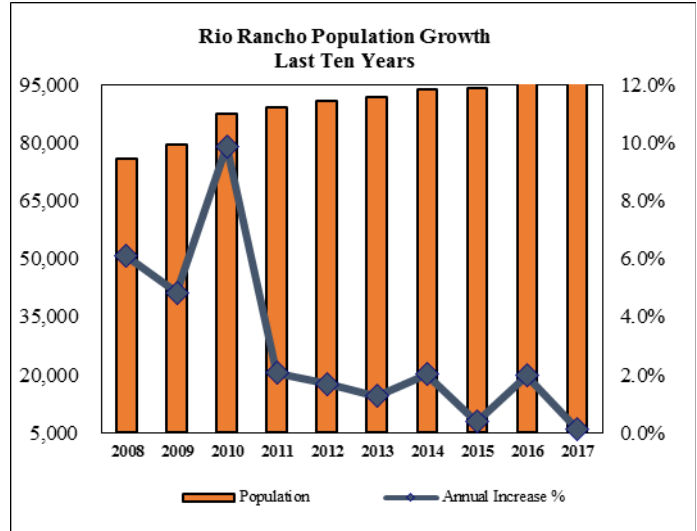
Federal and state regulations also require the City to undergo an annual "single audit" in conformance with the Federal Single Audit Act of 1984, as amended, and the U.S. Office of Management and Budget 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, 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 205.

**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 2017, the City’s population was 96,159 according to the most recent estimates by the U.S. Census Bureau.

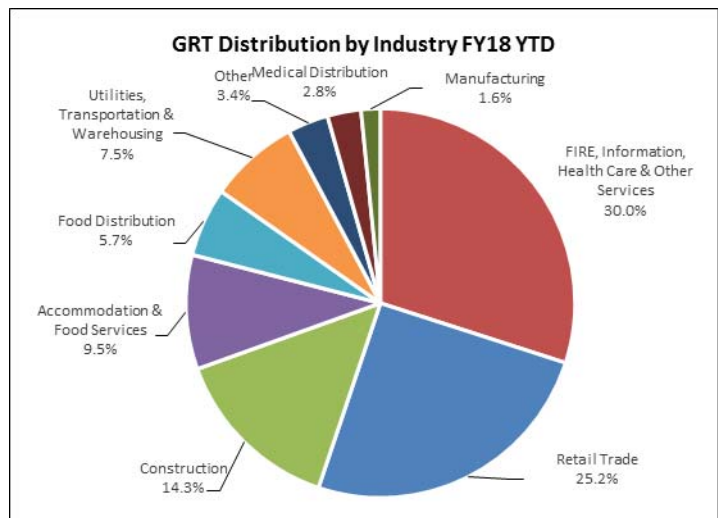


**Government Structure.** The City was incorporated in 1981 and adopted a municipal charter as a “home rule” city in 1991. The City has a hybrid Council/Manager form of government in which the Mayor is a member of the Governing Body. The City Manager is the Chief Administrative Officer, appointed by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

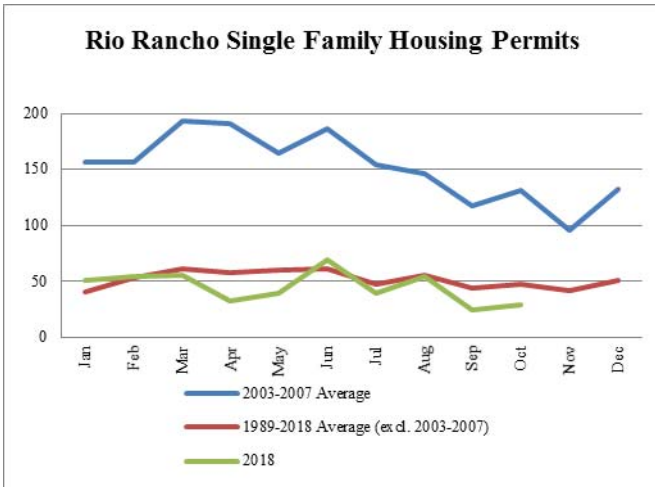
**ECONOMIC CONDITION AND OUTLOOK**

**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





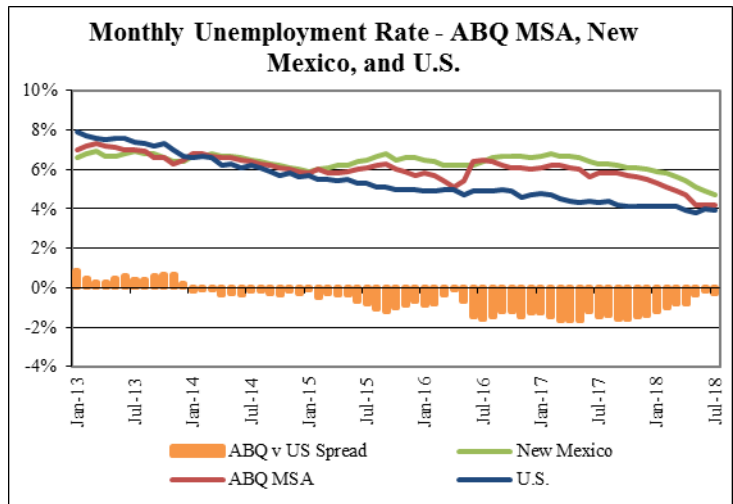
continue to seek opportunities to diversify the City’s economic base. Having a diverse mix of construction, retail, and service industries will help buffer the City’s budget against future downturns in any one sector.



The City’s current financial condition reflects a local economy that is slowly improving. Single-family building permits are declining in calendar year 2017 compared to 2016, however in 2018 they are on pace to rebound to 2016 levels. Gross receipts tax revenue is expected to increase 2.0% in fiscal year 2019 from fiscal year 2018 actuals. The increase is due, in part, to modest increases in business activities. The City also anticipates implementing an additional increment of gross receipts taxes.

Personal income growth in the Albuquerque Metropolitan Statistical Area (MSA) is forecasted to be fairly slow. It is expected to average 3.0% in 2018, increase to 3.9% in 2019 and 4.1% and 5.0% in 2020 and 2021 respectively.

The unemployment rate in the metro area has declined over the last two years, averaging 5.7% since July 2016 going as high as 6.4% in August 2016 and as low as 4.2% in May 2018 where it remained as of July 2018. While this improvement is positive for the area, the unemployment rate is still above the national rate although the gap is closing. The metro area unemployment rate is less than the Stat’s rate as a whole, reflecting the higher unemployment rates in other MSAs and rural areas. The Bureau of Business and Economic Research projects that the Albuquerque MSA will add 5,005 jobs in calendar 2018, a 1.3% increase for the year. Sectors leading the job growth include construction (5.2%), professional and technical services (3.2%), accommodation and food service (1.6%), healthcare and social assistance sector (1.1%), administrative and waste services (1.7%) and transportation, warehousing and utilities (3.0%). Information, which contracted in 2016 and 2017, should bounce back in 2018 increasing 4.1%. In the longer term, through 2023 (using 2018 as the base year), the Albuquerque MSA economy is forecasted to add 25,833 jobs at an average annual growth (AAG) rate of 1.4%.



**Local Economic Growth Highlights.** The local housing market is stable with an average of 486 housing permits being issued each calendar year (5-year average 2013-2017). During the past fiscal year, 511 new single-family home permits were issued. However, several new housing developments are under construction making way for infrastructure installation, and it is expected that homebuilders will be increasing their inventories in fiscal year 2019.

Over the past year, employers and retailers continued to grow and hire in the City of Rio Rancho. Bosque Brewing Company announced in June 2018 that it will relocate its headquarters into Rio Rancho, housing 15 management staff. Safelite Auto Glass, which opened a Rio Rancho contact center in 2017, has hired over 475 full-time employees and is on track to meet their eventual hiring target of 900. Warhammer/Games Workshop, Elevate Trampoline Park, and Dollar General each opened locations in the City in FY 2018.

FY 2019 will see continued public and private investments being made to revitalize business corridors, remodel and make use of existing or vacant retail/commercial space. Several new businesses are also slated to open in Rio Rancho, including: Fish Factory Swim School, La Esperanza Daycare, Extra Space Storage, Eduro Healthcare, 1933 Brewing Company, Advantage Assisted Living, Verizon Wireless, O’Reilly’s Auto Parts, and Morningstar Senior Living.

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 2018 with an unassigned fund balance of \$13.7 million, which equals 25.5% 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 15.7% of expenditures (excluding transfers out), which exceeds the State of New Mexico requirement of 1/12<sup>th</sup> (8.3%) of expenditures and meets the City’s policy target of 15%. This is a decrease from the prior year level due to funds expended in advance of a bond issuance was reimbursed once the bonds were issued.

The City continues to budget and spend within its means. The fiscal year 2019 General Fund budget compared to actual fiscal year 2018 includes a \$2.3 million (3.4%) increase in expenditures and other uses. This includes a 1.0% cost of living increase for employees. For all other governmental funds, fiscal year 2019 budgeted operating expenditures compared to actual expenditures in fiscal year 2018 are increasing \$2.8 million (4.1%). 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, 2017. This was the 13th 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,



John C. Craig  
Acting 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**

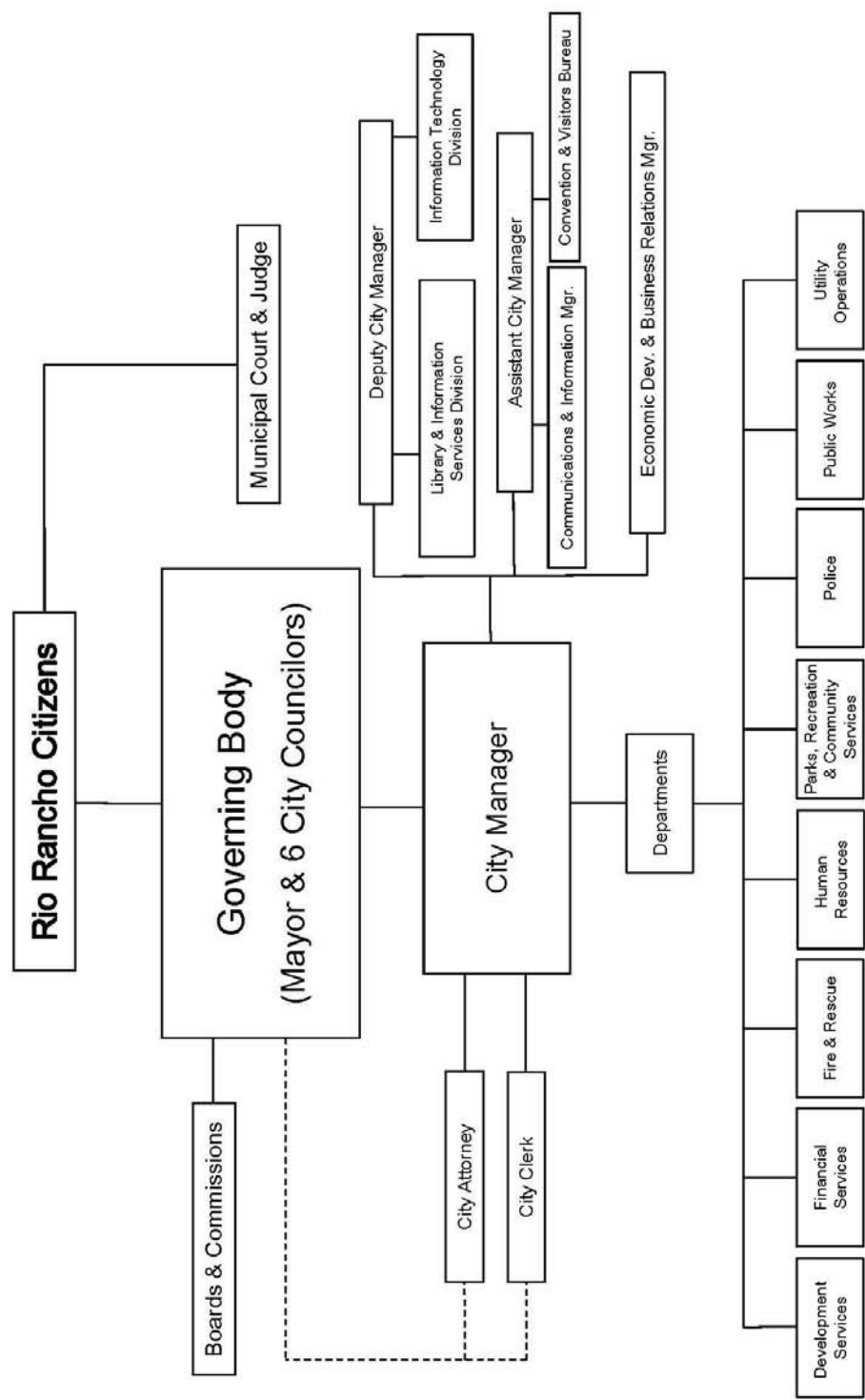
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2017**

*Christopher P. Morill*

Executive Director/CEO

# City of Rio Rancho Organizational Structure



# Financial Section

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## 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, the aggregate remaining fund information, and the budgetary comparison schedule for the general fund of the City of Rio Rancho, New Mexico, as of and for the year ended June 30, 2018, 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, the aggregate remaining fund information, and the budgetary comparison schedule for the general fund of the City of Rio Rancho, New Mexico as of June 30, 2018, and the respective changes in financial position 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**

During fiscal year ended June 30, 2018, the City adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* As a result of the implementation of this standard, the City reported a restatement discussed in Note 16. Our auditors' opinion was not modified with respect to the restatement.

### **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 - 24 and the schedule of the City's proportionate share of the net pension liability, OPEB liability, and the schedules of the City's contributions on pages 88 - 92 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 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 included as other supplement information required by the New Mexico State Auditor as list on the table of contents are 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 included as other supplement information required by the New Mexico State Auditor as list 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



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

records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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 11, 2018, 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 11, 2018

**CITY OF RIO RANCHO, NEW MEXICO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
Year Ended June 30, 2018

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## **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, 2018. 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 decreased \$25.2 million (5.7%) from the prior year primarily due to a restatement resulting from recording OPEB items which negatively impacted combined net position by \$40.6 million, and an increase in net position resulting from increasing net revenues in business-type activities.

### **Capital Assets and Long-term Liabilities**

- The City added \$5.4 million in new capital assets including \$1.26 million in water rights, well site security improvements, and rights of way purchases for major road improvements including Broadmoor Boulevard, Idalia Road, Unser Boulevard, and Lincoln Avenue. Reductions in machinery and equipment due to disposal of a number of assets offset some of the above additions.
- During FY2018, the City advance refunded two infrastructure loans, the HP Infrastructure Loan (\$3.5 million) and the HS Infrastructure Loans (\$3.4 million) held by the New Mexico Finance Authority (NMFA). These transactions resulted in a net present value savings of \$393,736 and \$385,992 and a total average annual debt service savings of \$39,083 and \$38,375 on those loans respectively.
- As of June 30, 2018, the City's share of the New Mexico Public Employees Retirement Association (PERA) net pension liability was \$68.0 million, which is 1.8%, 3.2%, 4.3% of PERA's total net pension liability for Muni General, Police, and Fire, respectively.
- In FY18, the City implemented new accounting standards related to other post-employment benefits (OPEB) reporting its proportionate share of the New Mexico Retiree Health Care Authority (RHC) net OPEB liability. The City's share for fiscal year 2018 was \$34.2 million combined governmental and business-type activities. Adding these liabilities to the Statement of Net Position contributed \$32.5 to a deficit unrestricted net position for governmental activities in fiscal year 2018, while the business-type activities had sufficient unrestricted net position to absorb its \$1.7 million share of the liability.

### **Fund Level**

- The General Fund ended the year with an unassigned fund balance of \$13.7 million, which equals 25.5% 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 \$683,000 (1.2%) above budget and General Fund expenditures were \$2.3 million (4.0%) below the final budget.
- The Utility Fund net position increased \$14.3 million (6.6%) over the prior year and ended the year at \$231.7 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

**CITY OF RIO RANCHO, NEW MEXICO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
Year Ended June 30, 2018

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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.

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, pension, and OPEB 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.

**CITY OF RIO RANCHO, NEW MEXICO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
Year Ended June 30, 2018

**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.

**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.

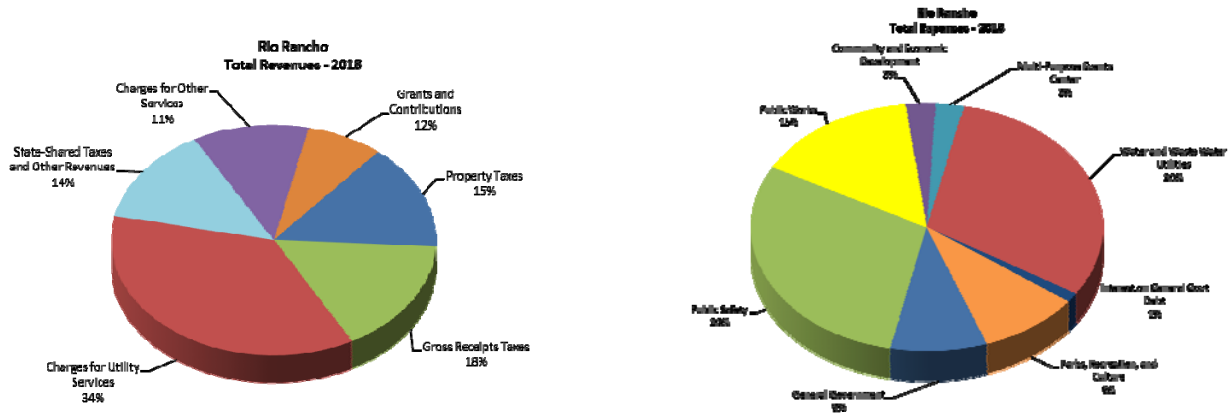
*Restricted net position* comprises 14.7% of total net position and is subject to external restrictions on how the resources may be used. The remaining balance of net position is *unrestricted* and may be used at the City's discretion to meet its ongoing obligations to citizens and creditors. The following table compares the current year's net position to the prior year.

<b>City of Rio Rancho</b>						
<b>Net Position as of June 30</b>						
	Governmental		Business-type		Total	
	Activities		Activities			
	2018	2017	2018	2017	2018	2017
Current and Other Assets.....	\$ 50,241,057	\$ 46,042,818	\$ 72,815,939	\$ 63,845,013	\$ 123,056,996	\$ 109,887,831
Capital Assets.....	269,864,533	275,732,497	333,758,343	335,808,729	603,622,876	611,541,226
<b>Total Assets.....</b>	<b>320,105,590</b>	<b>321,775,315</b>	<b>406,574,282</b>	<b>399,653,742</b>	<b>726,679,872</b>	<b>721,429,057</b>
<b>Total Deferred Outflows</b>						
<b>of Resources.....</b>	<b>16,231,133</b>	<b>25,548,174</b>	<b>8,826,227</b>	<b>9,773,437</b>	<b>25,057,360</b>	<b>35,321,611</b>
Current and Other Liabilities.....	13,239,211	12,533,512	14,732,930	13,203,520	27,972,141	25,737,032
Long-term Liabilities.....	132,745,194	119,818,175	153,477,540	164,000,472	286,222,734	283,818,647
<b>Total Liabilities.....</b>	<b>145,984,405</b>	<b>132,351,687</b>	<b>168,210,470</b>	<b>177,203,992</b>	<b>314,194,875</b>	<b>309,555,679</b>
<b>Total Deferred Inflows</b>						
<b>of Resources.....</b>	<b>16,173,087</b>	<b>1,214,425</b>	<b>664,607</b>	<b>41,664</b>	<b>16,837,694</b>	<b>1,256,089</b>
Net Position:						
Net Investment in Capital Assets.....	261,320,063	236,219,807	181,184,997	196,738,317	442,505,060	432,958,124
Restricted.....	31,606,304	24,423,773	30,336,244	5,488,791	61,942,548	29,912,564
Unrestricted.....	(118,747,136)	(46,886,203)	35,004,191	29,954,415	(83,742,945)	(16,931,788)
<b>Total Net Position.....</b>	<b>\$ 174,179,231</b>	<b>\$ 213,757,377</b>	<b>\$ 246,525,432</b>	<b>\$ 232,181,523</b>	<b>\$ 420,704,663</b>	<b>\$ 445,938,900</b>
Percent change from prior year	(18.5)%	(1.4)%	6.2%	4.3%	(5.7)%	1.5%

**CITY OF RIO RANCHO, NEW MEXICO**  
**MANAGEMENT’S DISCUSSION AND ANALYSIS**  
Year Ended June 30, 2018

**Changes in Net Position**

The City’s combined net position decreased by \$25.2 million (5.6%) from the prior year. Net position of governmental activities decreased \$39.6 million (18.5%) while net position of business-type activities increased \$14.3 million (6.1%). The following charts and schedules summarize the City’s revenues and expenses relative to each other and to the prior year.



**Governmental Activities**

In total, actual revenues for all governmental activities decreased \$3.9 million (4.6%) 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 \$5.2 million (46.5%) primarily because large grant funded projects were completed or largely completed in the prior year. Total property tax revenue increased \$636,978 due to a combination of new properties and improvements added to the tax rolls, a modest 1.54 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 the previous fiscal year. Other general revenues remained essentially flat. Charges for services increased \$639,856 (4.3%) primarily due to increases in impact fee revenue resulting from increasing construction activity.

City of Rio Rancho  
Changes in Net Position  
For the Year Ended June 30

	Governmental Activities		Business-type Activities		Total		Total Percent Change 2017 to 2018
	2018	2017	2018	2017	2018	2017	
<b>Revenues</b>							
General Revenues:							
Taxes.....	\$ 45,625,149	\$ 44,968,868	\$ —	\$ —	\$ 45,625,149	\$ 44,968,868	1.5 %
Other General Revenues.....	14,642,182	14,709,543	262,579	215,419	14,904,761	14,924,962	(0.1)
Program Revenues:							
Charges for Services.....	15,358,082	14,718,226	49,785,185	48,451,522	65,143,267	63,169,748	3.1
Operating Grants.....	2,211,030	2,617,284	4,444,620	4,293,003	6,655,650	6,910,287	(3.7)
Capital Grants.....	3,717,761	8,461,804	76,684	1,312,903	3,794,445	9,774,707	(61.2)
<b>Total Revenues</b>	<b>81,554,204</b>	<b>85,475,725</b>	<b>54,569,068</b>	<b>54,272,847</b>	<b>136,123,272</b>	<b>139,748,572</b>	<b>(2.6)</b>
<b>Expenses</b>							
General Government.....	10,816,403	12,432,806	—	—	10,816,403	12,432,806	(13.0)
Public Safety.....	35,731,849	37,240,153	—	—	35,731,849	37,240,153	(4.1)
Public Works.....	18,218,656	20,649,955	—	—	18,218,656	20,649,955	(11.8)
Parks, Recreation, and Culture.....	11,171,626	11,564,343	—	—	11,171,626	11,564,343	(3.4)
Community and Econ. Development.....	3,326,414	2,934,292	—	—	3,326,414	2,934,292	13.4
Interest on General Govt Debt.....	1,522,115	1,587,696	—	—	1,522,115	1,587,696	(4.1)
Water and Waste Water Utilities.....	—	—	36,836,367	40,596,342	36,836,367	40,596,342	(9.3)
Multi-Purpose Events Center.....	—	—	3,157,283	2,923,681	3,157,283	2,923,681	8.0
<b>Total Expenses</b>	<b>80,787,063</b>	<b>86,409,245</b>	<b>39,993,650</b>	<b>43,520,023</b>	<b>120,780,713</b>	<b>129,929,268</b>	<b>(7.0)</b>
Excess (Deficiency)	767,141	(933,520)	14,575,418	10,752,824	15,342,559	9,819,304	
Transfers.....	(1,797,331)	(968,315)	1,797,331	968,315	—	—	
<b>Change in Net Position.....</b>	<b>(1,030,190)</b>	<b>(1,901,835)</b>	<b>16,372,749</b>	<b>11,721,139</b>	<b>15,342,559</b>	<b>9,819,304</b>	
Net Position - Beginning.....	213,757,377	216,714,096	232,181,523	222,549,507	445,938,900	439,263,603	
Restatement.....	(38,547,956)	(1,054,884)	(2,028,840)	(2,089,123)	(40,576,796)	(3,144,007)	
Net Position - Beginning, as restated.....	175,209,421	215,659,212	230,152,683	220,460,384	405,362,104	436,119,596	
<b>Net Position - Ending.....</b>	<b>\$ 174,179,231</b>	<b>\$ 213,757,377</b>	<b>\$ 246,525,432</b>	<b>\$ 232,181,523</b>	<b>\$ 420,704,663</b>	<b>\$ 445,938,900</b>	<b>(5.7) %</b>

**CITY OF RIO RANCHO, NEW MEXICO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
Year Ended June 30, 2018

Total governmental activities expenses decreased \$5.6 million (6.5%) compared to the prior year. All categories of activity decreased with the exception of Community and Economic Development which increased \$392,122 (13.4%). A 2.4 percent wage increase was given to City personnel and a 10 percent increase in health insurance premiums was implemented. In addition, implementation of a career development plan for the Police Department was completed in fiscal year 2018 with a cost of \$114,000. Despite these increases, there were adjustments the net of which resulted in decreases in each category of activity from fiscal year 2017 to fiscal year 2018. These are primarily associated with recognition of full accrual items in the government-wide statements related to capital assets, debt and net pension and OPEB liabilities.

The following table shows to what extent the City's governmental activities relied on self-generated revenues to cover program costs. For 2018, these activities covered \$21.3 million (26.1%) of their total expenses through grants and charges for services. Taxes and other general revenues covered the remaining 73.7% of expenses.

**City of Rio Rancho**  
**Net Cost of Governmental Activities**  
**For the Year Ended June 30**

	Program Expenses	Less Program Revenues	Net Program Costs		Program Revenues as a Percentage of Program Expenses	
			2018	2017	2018	2017
			2018	2018	2018	2017
<b>Activities:</b>						
General Government.....	\$ 10,816,403	\$ (6,785,577)	\$ 4,030,826	\$ 5,850,254	62.7 %	52.9 %
Public Safety.....	35,731,849	(5,907,761)	29,824,089	30,905,279	16.5	17.0
Public Works.....	18,218,656	(3,188,275)	15,030,382	14,046,334	17.5	32.0
Parks, Recreation, and Culture.....	11,171,626	(2,862,918)	8,308,708	7,724,499	25.6	33.2
Community and Economic Development....	3,326,414	(2,542,344)	784,070	497,869	76.4	83.0
Interest on Long-term Debt.....	1,522,115	—	1,522,115	1,587,696	—	—
Total Governmental Activities.....	<u>\$ 80,787,063</u>	<u>\$ (21,286,875)</u>	<u>\$ 59,500,190</u>	<u>\$ 60,611,931</u>	<u>26.3 %</u>	<u>29.9 %</u>

**Business-type Activities**

Overall, net position for business-type activities increased \$14.3 million (6.1%) and ended the year at \$246.5 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. These planned rate increases were completed in fiscal year 2017 and no rate increase took place in fiscal year 2018. Utility operating revenues grew \$1.4 million (2.8%) in fiscal year 2018 due to slight increases to the customer base (1.9% and 1.5% for water and wastewater respectively) and increased water consumption driven primarily by increased demand in the single-family account classification.

Total Utility production cost expenses increased \$2.4 million (12.6%) for various reasons including: increases to the system operator contract, and costs associated with the Supervisory Control and Data Acquisition (SCADA) system increased, as did repair and maintenance costs for transmission and distribution compared to the prior year. Also, a wastewater master plan study was performed which increased the contract services costs over the prior year, and fiscal year 2018 was the first full year of operation of the aquifer recharge system, thus costs associated with the recycled water system increased from the prior year. The general and administration expenses decreased by \$3.1 million (49.7%) due to a one-time adjusting entry that was made in fiscal year 2017 to expense costs of projects classified in construction while in progress, but not expected to move forward. Net position increased \$14.3 million (6.6%) and ended the year at \$231.7 million.

**Multi-Purpose Events Center (MPEC).** Operating revenues for the MPEC decreased by \$26,643 (8.6%) due to fewer events held and resulting reduction in ticket sales. Operating expenses increased \$237,322 (25.9%) compared to the prior year. This increase is primarily the result of an expenditures related to large maintenance projects. Net position of the MPEC Fund increased \$80,014 (0.5%) to end the year at \$14.8 million.

**CITY OF RIO RANCHO, NEW MEXICO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
Year Ended June 30, 2018

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**CAPITAL ASSETS, LONG-TERM DEBT, AND PENSIONS**

**Capital Assets**

The City added \$5.36 million in new capital assets including \$1.26 million in water rights, rights of way purchases for major road improvements including Broadmoor Boulevard, Idalia Road, Unser Boulevard, and Lincoln Avenue, well site security improvements. Reductions in machinery and equipment due to disposal of a number of assets offset some of the above additions.

The City ended the year with \$15.7 million of projects still under various phases of design or construction including a booster station at tank #8, Lincoln Avenue improvements, Southern Boulevard preliminary design and final design, High Resort Boulevard reconstruction and water line improvements, improvements to the wastewater treatment plant #1 system.

The City's total capital assets ended the year at \$603.6 million, a decrease of \$7.9 million (1.3%) over the prior year due mostly the disposal of equipment and machinery, which took place after a comprehensive City-wide inventory, in addition to depreciation of existing assets. Note 8 provides more information about the City's capital assets.

**Long-term Debt**

In October 2017 the City advance refunded two 2008 New Mexico Finance Authority infrastructure loans within the governmental funds. The first, with a principal amount of \$3,515,000 and which originally funded infrastructure for the Hewlett Packard business campus, resulted in a total net present value savings of \$393,736 and an average annual debt service savings of \$39,083. The second, with a principal amount of \$3,370,000 and which originally funded infrastructure associated with a new high school campus, resulted in a total net present value savings of \$385,992 and an average annual debt service savings of \$38,375. Each of the refunded loans is governmental debt and will result in savings to the general fund.

No new enterprise debt was issued during fiscal year 2018.

**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 2018, the City's share was \$65.7 million for governmental activities and \$2.3 million for business-type activities. 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.

**Other Post-employment Benefits**

In FY18, the City implemented new accounting standards related to other post-employment benefits (OPEB). The new standards require the City to report its proportionate share of the New Mexico Retiree Health Care Authority (RHC) net OPEB liability. For fiscal year 2018, the City's share was \$32.5 million for governmental activities and \$1.7 million for business-type activities. Adding these liabilities to the Statement of Net Position contributed to a deficit unrestricted net position for governmental activities of \$118.7 million in fiscal year 2018, while the business-type activities / Utility Enterprise Fund had sufficient unrestricted net position to absorb its share of the liability. The City's OPEB liability was calculated based on information provided by RHC in conformance with GASB standards. The City does not control or influence any of the factors that determine the City's net OPEB liability except to the extent the City hires employees who are covered by RHC.

**CITY OF RIO RANCHO, NEW MEXICO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
Year Ended June 30, 2018

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.

	Governmental Activities		Business-type Activities		Total		Total Percent Change 2017 to 2018
	2018	2017	2018	2017	2018	2017	
General Obligation Bonds, net....	\$ 17,670,548	\$ 21,152,337	\$ —	\$ —	\$ 17,670,548	\$ 21,152,337	(16.5) %
GRT Revenue Bonds, net.....	10,540,897	11,850,311	24,000,000	25,385,000	34,540,897	37,235,311	(7.2)
Utility Revenue Bonds, net.....	—	—	120,838,055	129,151,112	120,838,055	129,151,112	(6.4)
Notes Payable.....	10,413,645	11,425,125	15,484,861	16,423,197	25,898,506	27,848,322	(7.0)
Compensated Absences.....	5,043,457	4,760,806	110,013	105,460	5,153,470	4,866,266	5.9
Net Pension Liability.....	65,686,651	79,407,226	2,299,950	2,724,298	67,986,601	82,131,524	(17.2)
Net OPEB Liability.....	32,452,122	—	1,708,006	—	34,160,128	—	#DIV/0!
<b>Total.....</b>	<b>\$ 141,807,320</b>	<b>\$ 128,595,805</b>	<b>\$ 164,440,885</b>	<b>\$ 173,789,067</b>	<b>\$ 306,248,205</b>	<b>\$ 302,384,872</b>	<b>1.3 %</b>

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

**Fund Balances**

At June 30, the City's governmental funds reported combined fund balances of \$45.3 million, an increase of \$4.6 million (11.2%) from 2017. Of the total fund balances, \$31.6 million (69.8%) is restricted for various purposes, such as debt service and future capital projects, and is therefore unavailable for discretionary spending. The remaining \$13.7 million (30.1%) is unassigned and available for new spending. The following table presents the City's 2018 ending governmental fund balances.

	General Fund	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total
Restricted.....	—	15,551,221	4,952,077	11,103,006	31,606,304
Unassigned.....	13,739,208	(70,314)	—	—	13,668,894
<b>Total.....</b>	<b>\$ 13,739,208</b>	<b>\$ 15,480,907</b>	<b>\$ 4,952,077</b>	<b>\$ 11,103,006</b>	<b>\$ 45,275,198</b>
Percent change from prior year....	(16.6)%	24.5%	6.3%	55.0%	11.2%

**General Fund**

During 2018, fund balance in the General Fund decreased \$2.7 million (16.6%) mostly due to a \$3.2 million transfer to the 2018 General Obligation Bond fund which was reimbursed by the 2018 General Obligation Bond proceeds once the bonds were issued in August of 2018.

**Revenues.** Municipal and state-shared gross receipts taxes remained consistent with the prior year. Property tax revenues grew \$482,000 (3.1%) due to a combination of new properties and improvements added to the tax rolls by the county assessor and a modest 1.54 percent inflationary factor applied under New Mexico's "yield control" formula. In total, actual General Fund revenues increased \$412,000 (0.7%) over the prior year.

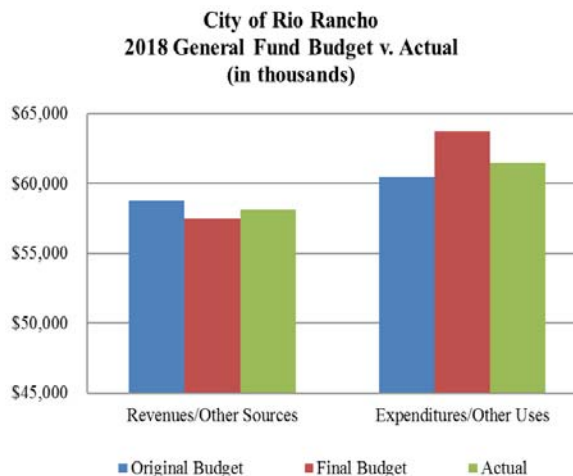
**Expenditures and Transfers.** Total expenditures increased \$1.1 million (2%) and transfers made to other funds increased by 2.5 million (60.3%) in 2018. Personnel expenditures increased because of a variety of factors. The City gave a 2.4 percent wage increase to staff, and certain public safety personnel saw a larger increase due to changes negotiated in their bargaining unit contracts. In addition, premium charges for the City's self-insured health insurance plan increased by 10 percent to offset increased claims activity. Transfers were significantly higher than in the prior fiscal year due to a transfer made to fund the purchase of a fire engine and fire ladder truck as well as design work for the Abrazo Road, Rockaway Boulevard, Meadowlark Lane, Sundt Road, and Montreal Loop projects to be funded by the 2018 general obligation bonds. Once issued in August 2018 the bond fund reimbursed the General Fund for the transfer.



**CITY OF RIO RANCHO, NEW MEXICO**  
**MANAGEMENT’S DISCUSSION AND ANALYSIS**  
Year Ended June 30, 2018

**Budgetary Highlights.** On a budgetary (cash) basis, the original 2018 General Fund budget estimated a \$1.8 million decrease in fund balance; however, fund balance actually decreased \$3.3 million. This decrease resulted from the transfer of funds from the General Fund for the above noted assets purchases and projects. The transfer out was made to the 2018 General Obligation Bond Fund in order to expedite the assets purchases and projects to be funded from the bond proceeds. The General Fund was reimbursed for the transfer in August 2018 when the Series 2018 General Obligation Bonds were issued. Following are other amendments to the General Fund budget and comparisons of actual results to the budget for the fiscal year:

- The General Fund revenue budget was reduced during the year from \$57.5 million to \$56.9 million. This reduction was necessitated by lower than projected gross receipts tax revenue early in the year. General Fund revenues ended the year \$0.7 million (1.3%) higher than the final amended budget projection. A rebound in gross receipts taxes in certain trades such as retail and “other” services contributed to the positive variance. Property tax revenue, fines and forfeitures revenue as well as charges for services in the areas of alarm fees, ambulance billing, certain development fees, and parks and recreation activities fees also contributed to the positive variance. Some of this positive variance was offset a by a negative variance in Franchise Fees and State grants which were lower than projected.



- Franchise tax revenue projections were increased during the year by \$134,300 but ultimately came in \$40,000 (1.1%) less than the final amended budget.
- Actual Fines and forfeitures revenue exceeded final estimates by \$25,000 (2.8%).
- Actual Property tax revenues were \$217,000 (1.4%) more than projected.
- Construction related revenues other than GRT were more than estimated by \$55,000 (3.1%).

On a budgetary basis, total General Fund revenues were \$75,000 under (.1%) under the original budget and \$683,000 (1.2%) above the final budget. Total expenditures were \$1.6 million (2.9%) and \$2.3 million (4.0%) 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 increased a total of \$7.3 million (29.3%), primarily due to the accumulation of cash for future funding of projects as well as a transfer from the General Fund to the 2018 General Obligation Bond fund, which was reimbursed in August 2018 when the bonds were issued. Following are the most significant activities within the City’s nonmajor governmental funds.

**Special Revenue Funds.** Special Revenue expenses decreased \$2.2 million (17.9%) from prior year due to the completion of a project funded by the Higher Education Gross Receipts Tax in fiscal year 2017. While the decrease in the Higher Education Gross Receipts Tax could account for the entire \$2.2 million reduction in Special Revenue expenses there were other changes in Special Revenue funds to note. Special Revenue funds related to public safety increased in total, as did the Special Revenue funds related to public works. These increases were offset by reductions in Special Revenue fund expenses related to general government, parks, recreation and culture, and community and economic development.

Fund balances of all special revenue funds ended the year at \$15.5 million, most of which is restricted for the specific purposes of the funds in which the balances reside.

**CITY OF RIO RANCHO, NEW MEXICO**  
**MANAGEMENT’S DISCUSSION AND ANALYSIS**  
Year Ended June 30, 2018

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**Debt Service Funds.** Debt service expenditures increased \$211,000 (3.2%) primarily due to issuance costs for two refunded New Mexico Finance Authority loans and a small increase in general obligation debt service which occur as result of the debt’s structure. While there is a one-time issuance cost on the refunded loans, the refunding will result in a reduction of the annual debt service expenses over the remaining life of the loans. Fund balances ended the year at \$5.0 million, all of which is restricted for future debt service payments.

**Capital Projects Funds.** Total capital projects funds expenditures decreased \$8.9 million (79.7%) from the prior year due to the completion of several major road projects in fiscal year 2017. Rights of way purchases for future road improvements were made during fiscal year 2018. The next planned major road improvements will begin in fiscal year 2019. These will be funded primarily by federal grants and proceeds from the Series 2018 General Obligation Bonds. Fund balances ended the year at \$11.1 million, all of which is restricted for specific projects.

**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 2018 were as follows.

**Health Self-Insurance Fund**

Expenses for claims and administration expenses remained consistent with the prior year. Revenues increased \$577,000 (10.1%) due to a 10% increase in health insurance premiums for both the City and employees in 2018 in an effort to bolster the funds reserves. Net position of the health insurance increased \$53,000 (8.2%), and ended the year at \$690,000.

**Dental Self-Insurance Fund**

Charges to departments and employees for dental insurance remained consistent with the prior year. Expenses for claims and administration expenses decreased \$19,000 (4.2%) due to reduced claims activity. Net position increased 100,147 (59.1%), and ended the year at \$269,710.

**OTHER MATTERS**

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

On March 6, 2018, voters overwhelmingly approved the issuance of \$14.1 million in general obligation debt for road improvements (\$10.0 million) and public safety equipment and improvements (\$4.1 million). The Series 2018 General Obligation Bonds were issued in August 2018. In anticipation of issuing the bonds, the City Council approved a reimbursement resolution allowing for the City to undertake the projects and equipment acquisitions in advance of the issuance of the bonds. As noted in the analysis above, a \$3,234,913 transfer from the general fund was made to the 2018 General Obligation Bond fund in fiscal year 2018 to cover expenses and encumbrances incurred prior to the bond issuance and reimbursable by the bonds. This transaction is reflected as a Due To/From on the fund financials. Once the bonds were issued in August, 2018, the general fund was reimbursed via a transfer from the 2018 General Obligation Bond fund. The additional general obligation debt will be reflected in the fiscal year 2019 financial statements as will the capital assets purchased from the proceeds.

**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

# Basic Financial Statements

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# CITY OF RIO RANCHO, NEW MEXICO

## Statement of Net Position June 30, 2018

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and Cash Equivalents.....	\$ 26,774,276	\$ 22,315,922	\$ 49,090,198
Receivables:			
Accounts, net.....	1,258,375	6,321,560	7,579,935
Interest .....	480,480	96,447	576,927
Property Taxes.....	519,213	—	519,213
Gross Receipt Taxes.....	3,540,615	—	3,540,615
Due From Other Governments.....	3,222,426	362,590	3,585,016
Prepaid Bond Insurance.....	29,170	220,334	249,504
Restricted Cash .....	4,814,597	28,353,814	33,168,411
Investments.....	9,601,905	13,165,498	22,767,403
Restricted Investments.....	—	1,979,774	1,979,774
Capital Assets:			
Land.....	65,735,425	55,107,257	120,842,682
Construction-in-Progress.....	8,251,088	7,445,961	15,697,049
Infrastructure.....	321,975,382	201,471,726	523,447,108
Buildings and Improvements.....	54,515,216	99,773,389	154,288,605
Land Improvements.....	21,001,584	15,435,203	36,436,787
Machinery and Equipment.....	29,210,069	54,542,830	83,752,899
Less: Accumulated Depreciation.....	<u>(230,824,231)</u>	<u>(100,018,023)</u>	<u>(330,842,254)</u>
Total Capital Assets.....	<u>269,864,533</u>	<u>333,758,343</u>	<u>603,622,876</u>
Total Assets.....	<u>320,105,590</u>	<u>406,574,282</u>	<u>726,679,872</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Amount on Bond Refundings.....	997,607	5,227,205	6,224,812
Deferred OPEB Items.....	607,840	28,945	636,785
Deferred Pension Plan Items.....	14,625,686	536,331	15,162,017
Excess Consideration Provided for Acquisition.....	—	3,033,746	3,033,746
Total Deferred Outflows of Resources.....	<u>16,231,133</u>	<u>8,826,227</u>	<u>25,057,360</u>
<b>LIABILITIES</b>			
Accounts Payable .....	2,440,323	2,040,081	4,480,404
Accrued Liabilities.....	1,717,470	678,721	2,396,191
Unearned Revenue.....	19,292	—	19,292
Deposits.....	—	1,050,783	1,050,783
Long-term Liabilities:			
Due Within One Year.....	9,062,126	10,963,345	20,025,471
Due in More Than One Year.....	34,606,421	149,469,584	184,076,005
Net OPEB Liability.....	32,452,122	1,708,006	34,160,128
Net Pension Liability.....	65,686,651	2,299,950	67,986,601
Total Liabilities.....	<u>145,984,405</u>	<u>168,210,470</u>	<u>314,194,875</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred OPEB Items.....	7,386,027	388,738	7,774,765
Deferred Pension Plan Items.....	8,787,060	275,869	9,062,929
Total Deferred Inflows of Resources.....	<u>16,173,087</u>	<u>664,607</u>	<u>16,837,694</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets.....	261,320,063	181,184,997	442,505,060
Restricted for:			
Debt Service.....	5,552,607	30,336,244	35,888,851
Capital Improvements.....	21,191,159	—	21,191,159
Other.....	4,862,538	—	4,862,538
Unrestricted.....	<u>(118,747,136)</u>	<u>35,004,191</u>	<u>(83,742,945)</u>
Total Net Position.....	<u>\$ 174,179,231</u>	<u>\$ 246,525,432</u>	<u>\$ 420,704,663</u>

See accompanying Notes to the Schedule.

# CITY OF RIO RANCHO, NEW MEXICO

## Statement of Activities Year Ended June 30, 2018

Activities:	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services and Court Fines	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Primary Government:</b>							
Governmental Activities:							
General Government.....	\$ 10,816,403	\$ 6,677,226	\$ 57,764	\$ 50,587	\$ (4,030,826)	\$ —	\$ (4,030,826)
Public Safety.....	35,731,849	4,208,386	1,433,696	265,679	(29,824,089)	—	(29,824,089)
Public Works.....	18,218,656	205,216	350,296	2,632,763	(15,030,382)	—	(15,030,382)
Parks, Recreation, and Culture.....	11,171,626	1,724,911	369,274	768,733	(8,308,708)	—	(8,308,708)
Community and							
Economic Development.....	3,326,414	2,542,344	—	—	(784,070)	—	(784,070)
Interest on Long-Term Debt.....	1,522,115	—	—	—	(1,522,115)	—	(1,522,115)
Total Governmental Activities.....	<u>80,787,063</u>	<u>15,358,082</u>	<u>2,211,030</u>	<u>3,717,761</u>	<u>(59,500,190)</u>	<u>—</u>	<u>(59,500,190)</u>
Business-type Activities:							
Water and Waste Water Utilities.....	36,836,367	49,479,965	2,538,377	76,684	—	15,258,659	15,258,659
Multi-Purpose Events Center.....	3,157,283	305,220	1,906,243	—	—	(945,820)	(945,820)
Total Business-type Activities.....	<u>39,993,650</u>	<u>49,785,185</u>	<u>4,444,620</u>	<u>76,684</u>	<u>—</u>	<u>14,312,839</u>	<u>14,312,839</u>
Total Primary Government.....	<u>\$ 120,780,713</u>	<u>\$ 65,143,267</u>	<u>\$ 6,655,650</u>	<u>\$ 3,794,445</u>	<u>(59,500,190)</u>	<u>14,312,839</u>	<u>(45,187,351)</u>
General Revenues and Transfers:							
Taxes:							
Property Taxes, General Purpose.....					15,800,034	—	15,800,034
Property Taxes, Debt Service.....					4,320,808	—	4,320,808
Gross Receipt Taxes.....					21,955,845	—	21,955,845
Franchise Taxes.....					3,548,462	—	3,548,462
Total Taxes.....					<u>45,625,149</u>	<u>—</u>	<u>45,625,149</u>
Unrestricted Grants, Aid, and State-Shared Revenue.....					13,825,706	—	13,825,706
Investment Income.....					54,575	262,579	317,154
Miscellaneous.....					761,901	—	761,901
Transfers.....					(1,797,331)	1,797,331	—
Total General Revenues and Transfers.....					<u>58,470,000</u>	<u>2,059,910</u>	<u>60,529,910</u>
Change in Net Position.....					(1,030,190)	16,372,749	15,342,559
Net Position - Beginning, As Previously Reported.....					213,757,377	232,181,523	445,938,900
Restatement.....					(38,547,956)	(2,028,840)	(40,576,796)
Net Position - Beginning, As Restated.....					<u>175,209,421</u>	<u>230,152,683</u>	<u>405,362,104</u>
Net Position - Ending.....					<u>\$ 174,179,231</u>	<u>\$ 246,525,432</u>	<u>\$ 420,704,663</u>

See accompanying Notes to the Schedule.

# CITY OF RIO RANCHO, NEW MEXICO

## Balance Sheet Governmental Funds June 30, 2018

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>			
Cash and Cash Equivalents.....	\$ 3,702,224	\$ 22,000,491	\$ 25,702,715
Receivables:			
Accounts, net.....	1,220,916	37,459	1,258,375
Interest.....	5,083	471,331	476,414
Property Taxes.....	483,078	36,135	519,213
Gross Receipt Taxes.....	3,337,520	203,095	3,540,615
Due From Federal Government.....	22,613	450,200	472,813
Due From State Government.....	2,017,497	714,393	2,731,890
Due From Local Governments.....	—	17,723	17,723
Due From Other Funds.....	3,669,932	—	3,669,932
Investments .....	1,237,359	7,374,659	8,612,018
Restricted Cash.....	—	4,814,597	4,814,597
Total Assets.....	<u>\$ 15,696,222</u>	<u>\$ 36,120,083</u>	<u>\$ 51,816,305</u>
<b>LIABILITIES</b>			
Accounts Payable.....	\$ 514,837	\$ 819,782	\$ 1,334,619
Accrued Liabilities.....	1,074,638	70,214	1,144,852
Due To Other Funds.....	—	3,669,932	3,669,932
Unearned Revenue.....	—	19,292	19,292
Total Liabilities.....	<u>1,589,475</u>	<u>4,579,220</u>	<u>6,168,695</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable Revenue - Property Taxes.....	<u>367,539</u>	<u>4,873</u>	<u>372,412</u>
Total Deferred Inflows of Resources.....	<u>367,539</u>	<u>4,873</u>	<u>372,412</u>
<b>FUND BALANCES</b>			
Restricted.....	—	31,606,304	31,606,304
Unassigned.....	<u>13,739,208</u>	<u>(70,314)</u>	<u>13,668,894</u>
Total Fund Balances.....	<u>13,739,208</u>	<u>31,535,990</u>	<u>45,275,198</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances.....	<u>\$ 15,696,222</u>	<u>\$ 36,120,083</u>	<u>\$ 51,816,305</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, 2018

**Total Fund Balances – Governmental Funds.....** \$ 45,275,198

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.....	\$ 65,735,425	
Infrastructure.....	321,975,382	
Other capital assets.....	112,977,957	
Accumulated depreciation.....	(230,824,231)	269,864,533

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..... 372,412

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.....

(572,618)

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.....

959,810

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.....	(37,248,645)	
Unamortized premiums and discounts on bonds.....	(1,376,445)	
Deferred amount on bond refundings.....	997,607	
Prepaid bond insurance costs.....	29,170	
Deferred OPEB items, net.....	(6,778,187)	
Net OPEB liability.....	(32,452,122)	
Net pension liability.....	(65,686,651)	
Deferred pension plan items, net.....	5,838,626	
Compensated absences.....	(5,043,457)	(141,720,104)

**Net Position of Governmental Activities.....** \$ 174,179,231

# CITY OF RIO RANCHO, NEW MEXICO

## Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds Year Ended June 30, 2018

	General	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>			
Property Taxes.....	\$ 15,850,889	\$ 4,320,808	\$ 20,171,697
Municipal Taxes.....	18,124,627	3,831,218	21,955,845
Franchise Taxes.....	3,491,594	56,868	3,548,462
Licenses and Permits.....	328,867	—	328,867
Intergovernmental - Federal.....	90,085	1,739,223	1,829,308
Intergovernmental - State.....	10,878,756	4,794,555	15,673,311
Intergovernmental - Local.....	109,769	712,974	822,743
Impact Fees.....	—	922,489	922,489
Investment Income (Loss).....	2,178	52,398	54,576
Charges for Services.....	6,054,697	701,563	6,756,260
Fines and Forfeitures.....	919,182	408,171	1,327,353
Miscellaneous.....	2,160,394	2,961,909	5,122,303
Total Revenues.....	<u>58,011,038</u>	<u>20,502,176</u>	<u>78,513,214</u>
<b>EXPENDITURES</b>			
Current:			
General Government.....	8,176,600	780,761	8,957,361
Public Safety.....	26,718,536	4,234,084	30,952,620
Public Works.....	7,318,832	1,388,139	8,706,971
Parks, Recreation, and Culture.....	8,354,398	1,082,902	9,437,300
Community and Economic Development.....	2,602,796	516,976	3,119,772
Capital Outlay.....	805,444	3,547,250	4,352,694
Debt Service:			
Principal.....	—	6,152,480	6,152,480
Interest and Other Charges.....	—	1,251,320	1,251,320
Bond Issuance Costs.....	—	174,284	174,284
Total Expenditures.....	<u>53,976,606</u>	<u>19,128,196</u>	<u>73,104,802</u>
Revenues Over (Under) Expenditures.....	4,034,432	1,373,980	5,408,412
<b>OTHER FINANCING SOURCES (USES)</b>			
Issuance of Refunding Bonds.....	—	6,885,000	6,885,000
Payment to Refunding Escrow.....	—	(6,703,013)	(6,703,013)
Transfers In.....	3,443	5,728,566	5,732,009
Transfers Out.....	(6,763,550)	(3,443)	(6,766,993)
Total Other Financing Sources (Uses).....	<u>(6,760,107)</u>	<u>5,907,110</u>	<u>(852,997)</u>
Net Change in Fund Balances.....	(2,725,675)	7,281,090	4,555,415
Fund Balances - Beginning.....	16,464,883	24,254,900	40,719,783
Fund Balances - Ending.....	<u>\$ 13,739,208</u>	<u>\$ 31,535,990</u>	<u>\$ 45,275,198</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, 2018

Net Change in Fund Balances – Total Governmental Funds..... \$ 4,555,415

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.....	\$ 4,352,694	
Assets received from developers and others.....	2,040,629	
Capital assets transfers to Utilities Fund.....	(762,347)	
Depreciation expense.....	<u>(11,070,995)</u>	(5,440,019)

Expenses related to the net OPEB liability not reported in the funds..... (682,353)

Expenses related to the net Pension liability not reported in the funds..... (4,074,909)

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

Bond and note principal payments.....	6,152,480	
Issuance of refunding bonds.....	(6,885,000)	
Payment to Refunding Escrow.....	<u>6,703,013</u>	<u>5,970,493</u>

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..... 152,741

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.....	(50,855)	
Intergovernmental.....	<u>(653,596)</u>	<u>(704,451)</u>

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.....	122,866	
Change in accrued interest on long-term debt.....	(219,377)	
Change in compensated absences.....	(282,651)	
Loss on disposal of assets.....	<u>(427,945)</u>	<u>(807,107)</u>

Change in Net Position of Governmental Activities..... \$ (1,030,190)

# CITY OF RIO RANCHO, NEW MEXICO

## Statement of Revenues, Expenditures, and Changes in Fund Balances — Budget and Actual —General Fund Year Ended June 30, 2018

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
<b>REVENUES</b>				
Property Taxes.....	\$ 15,538,345	\$ 15,659,629	\$ 15,876,138	\$ 216,509
Municipal and State-Shared Taxes.....	29,532,413	28,265,440	28,571,387	305,947
Franchise Taxes.....	3,363,619	3,497,919	3,457,806	(40,113)
Licenses and Permits.....	319,345	320,745	328,867	8,122
Intergovernmental - Federal.....	45,000	105,566	112,608	7,042
Intergovernmental - Local.....	103,000	103,250	103,250	—
Charges for Services.....	5,816,953	5,822,394	5,994,362	171,968
Fines and Forfeitures.....	892,500	894,500	919,182	24,682
Miscellaneous.....	2,038,590	2,222,924	2,211,529	(11,395)
Total Revenues.....	<u>57,649,765</u>	<u>56,892,367</u>	<u>57,575,129</u>	<u>682,762</u>
<b>EXPENDITURES</b>				
Current:				
General Government.....	9,509,996	9,597,348	8,297,637	1,299,711
Public Safety.....	27,505,045	27,578,408	26,946,526	631,882
Public Works.....	7,921,673	7,946,285	7,350,689	595,596
Parks, Recreation, and Culture.....	8,421,267	8,591,650	8,378,868	212,782
Community and Economic Development.....	2,109,998	2,166,543	2,618,377	(451,834)
Capital Outlay.....	271,869	517,247	525,893	(8,646)
Total Expenditures.....	<u>55,739,848</u>	<u>56,397,481</u>	<u>54,117,990</u>	<u>2,279,491</u>
Revenues Over (Under) Expenditures.....	1,909,917	494,886	3,457,139	2,962,253
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In.....	1,110,339	578,150	565,271	(12,879)
Transfers Out.....	(4,773,060)	(7,339,392)	(7,325,378)	14,014
Total Other Financing Sources (Uses).....	<u>(3,662,721)</u>	<u>(6,761,242)</u>	<u>(6,760,107)</u>	<u>1,135</u>
Net Change in Fund Balances.....	(1,752,804)	(6,266,356)	(3,302,968)	2,963,388
Fund Balances - Beginning, Budgetary Basis.....	10,939,480	11,777,111	11,815,411	38,300
Fund Balances - Ending, Budgetary Basis.....	<u>\$ 9,186,676</u>	<u>\$ 5,510,755</u>	<u>\$ 8,512,443</u>	<u>\$ 3,001,688</u>

### Budget to GAAP Reconciliation

#### Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 57,575,129
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.....	6,984,608
Prior year accrued revenue.....	(6,548,699)
Total Actual Revenues - GAAP Basis.....	<u>\$ 58,011,038</u>

#### Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 54,117,990
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.....	1,409,274
Prior year accrued expenditures.....	(1,519,976)
Allowances for doubtful accounts are considered expenditures for financial reporting but not for budgetary reporting.....	(30,682)
Total Actual Expenditures - GAAP Basis.....	<u>\$ 53,976,606</u>

See accompanying Notes to the Schedule.

# CITY OF RIO RANCHO, NEW MEXICO

## Statement of Net Position — Proprietary Funds June 30, 2018

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Utilities Fund	Multi-Purpose Events Center Fund	Total	
<b>ASSETS</b>				
Current Assets:				
Cash and Cash Equivalents.....	\$ 22,180,667	\$ 135,255	\$ 22,315,922	\$ 1,071,561
Receivables:				
Accounts, net.....	6,313,824	7,736	6,321,560	—
Interest.....	88,314	8,133	96,447	4,066
Due From State Government.....	—	362,590	362,590	—
Total Current Assets.....	28,582,805	513,714	29,096,519	1,075,627
Noncurrent Assets:				
Restricted Cash.....	28,096,808	257,006	28,353,814	—
Investments.....	13,165,498	—	13,165,498	989,887
Restricted Investments.....	—	1,979,774	1,979,774	—
Prepaid Bond Insurance.....	220,334	—	220,334	—
Capital Assets:				
Land.....	54,774,757	332,500	55,107,257	—
Construction in Progress.....	7,445,961	—	7,445,961	—
Infrastructure.....	201,471,726	—	201,471,726	—
Buildings and Improvements.....	58,794,095	40,979,294	99,773,389	—
Land Improvements.....	15,001,962	433,241	15,435,203	—
Machinery and Equipment.....	53,241,524	1,301,306	54,542,830	—
Less: Accumulated Depreciation.....	(90,994,274)	(9,023,749)	(100,018,023)	—
Total Noncurrent Assets.....	341,218,391	36,259,372	377,477,763	989,887
Total Assets.....	369,801,196	36,773,086	406,574,282	2,065,514
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred Amount on Bond Refundings.....	3,131,213	2,095,992	5,227,205	—
Deferred OPEB Items.....	28,945	—	28,945	—
Deferred Pension Plan Items.....	536,331	—	536,331	—
Excess Consideration Provided for Acquisition.....	3,033,746	—	3,033,746	—
Total Deferred Outflows of Resources.....	6,730,235	2,095,992	8,826,227	—
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts Payable.....	2,038,472	1,609	2,040,081	—
Accrued Liabilities.....	613,175	65,546	678,721	—
Claims Payable.....	—	—	—	1,105,704
Deposits.....	1,050,783	—	1,050,783	—
Compensated Absences.....	94,504	—	94,504	—
Current Portion of Long-term Debt.....	9,458,841	1,410,000	10,868,841	—
Total Current Liabilities.....	13,255,775	1,477,155	14,732,930	1,105,704
Noncurrent Liabilities:				
Notes Payable.....	14,526,020	—	14,526,020	—
Bonds Payable, net.....	112,338,055	22,590,000	134,928,055	—
Net OPEB Liability.....	1,708,006	—	1,708,006	—
Net Pension Liability.....	2,299,950	—	2,299,950	—
Compensated Absences.....	15,509	—	15,509	—
Total Noncurrent Liabilities.....	130,887,540	22,590,000	153,477,540	—
Total Liabilities.....	144,143,315	24,067,155	168,210,470	1,105,704
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred OPEB Items.....	388,738	—	388,738	—
Deferred Pension Plan Items.....	275,869	—	275,869	—
Total Deferred Inflows of Resources.....	664,607	—	664,607	—
<b>NET POSITION</b>				
Net Investment in Capital Assets.....	169,066,414	12,118,583	181,184,997	—
Restricted for Debt Service.....	28,099,464	2,236,780	30,336,244	—
Unrestricted.....	34,557,631	446,560	35,004,191	959,810
Total Net Position.....	\$ 231,723,509	\$ 14,801,923	\$ 246,525,432	\$ 959,810

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, 2018

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Utilities Fund	Multi-Purpose Events Center Fund	Total	
<b>OPERATING REVENUES</b>				
Charges for Services.....	\$ 49,178,159	\$ 283,905	\$ 49,462,064	\$ 6,854,823
Total Revenues.....	<u>49,178,159</u>	<u>283,905</u>	<u>49,462,064</u>	<u>6,854,823</u>
<b>OPERATING EXPENSES</b>				
General and Administrative.....	3,130,774	1,153,873	4,284,647	485,739
Production Costs.....	21,227,908	—	21,227,908	—
Depreciation.....	7,412,725	923,231	8,335,956	—
Claims and Premiums.....	—	—	—	6,212,006
Total Expenses.....	<u>31,771,407</u>	<u>2,077,104</u>	<u>33,848,511</u>	<u>6,697,745</u>
Operating Income (Loss).....	<u>17,406,752</u>	<u>(1,793,199)</u>	<u>15,613,553</u>	<u>157,078</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Intergovernmental Revenue - Federal.....	513,341	—	513,341	—
Intergovernmental Revenue - State.....	1,133,982	1,906,243	3,040,225	—
Intergovernmental Revenue - Local.....	-	—	—	—
Impact Fees.....	891,054	—	891,054	—
Other Revenues.....	301,806	21,315	323,121	—
Interest Expense.....	(6,036,077)	(847,291)	(6,883,368)	—
Amortization of Deferred Bond Items.....	1,150,012	(232,888)	917,124	—
Amortization of Excess Consideration.....	(178,895)	—	(178,895)	—
Investment Income (Loss).....	271,729	(9,150)	262,579	(4,337)
Total Non-Operating Revenues (Expenses).....	<u>(1,953,048)</u>	<u>838,229</u>	<u>(1,114,819)</u>	<u>(4,337)</u>
Income (Loss) Before				
Capital Contributions and Transfers.....	15,453,704	(954,970)	14,498,734	152,741
Capital Grants and Contributions.....	1,098,851	—	1,098,851	—
Loss on Disposition of Capital Assets.....	(259,820)	—	(259,820)	—
Transfers In.....	—	1,034,984	1,034,984	—
Change in Net Position.....	<u>16,292,735</u>	<u>80,014</u>	<u>16,372,749</u>	<u>152,741</u>
Net Position - Beginning.....	217,459,614	14,721,909	232,181,523	807,069
Restatement.....	(2,028,840)	—	(2,028,840)	—
Net Position - Beginning, as restated.....	<u>215,430,774</u>	<u>14,721,909</u>	<u>230,152,683</u>	<u>—</u>
Net Position - Ending.....	<u>\$ 231,723,509</u>	<u>\$ 14,801,923</u>	<u>\$ 246,525,432</u>	<u>\$ 959,810</u>

See accompanying Notes to the Schedule.

# CITY OF RIO RANCHO, NEW MEXICO

## Statement of Cash Flows — Proprietary Funds Year Ended June 30, 2018

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Utilities Fund	Multi-Purpose Events Center Fund	Total	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from Customers and Users.....	\$ 48,899,255	\$ 276,381	\$ 49,175,636	\$ 6,854,823
Payments to Suppliers and Contractors.....	(22,712,578)	(1,161,659)	(23,874,237)	(6,588,425)
Payments to Employees.....	4,553	—	4,553	—
Net Cash Provided (Used) by Operating Activities.....	<u>26,191,230</u>	<u>(885,278)</u>	<u>25,305,952</u>	<u>266,398</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>				
Transfers (To) From Other Funds.....	—	1,034,984	1,034,984	—
Intergovernmental Revenues.....	1,647,323	1,906,243	3,553,566	—
Net Cash Provided (Used) by Non-Capital Financing Activities.....	<u>1,647,323</u>	<u>2,941,227</u>	<u>4,588,550</u>	<u>—</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Development Impact Fees.....	891,054	—	891,054	—
Capital Grants.....	1,098,851	—	1,098,851	—
Acquisition of Capital Assets.....	(5,277,082)	—	(5,277,082)	—
Principal Paid on Bonds and Notes.....	(9,691,669)	(1,385,000)	(11,076,669)	—
Interest and Other Charges Paid on Bonds and Notes.....	(5,064,960)	(1,080,179)	(6,145,139)	—
Net Cash Provided (Used) by Capital and Related Financing Activities.....	<u>(18,043,806)</u>	<u>(2,465,179)</u>	<u>(20,508,985)</u>	<u>—</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase of Investments.....	(13,260,399)	(2,294,045)	(15,554,444)	(997,023)
Proceeds from Sale of Investments.....	304,500	596,878	901,378	—
Reinvested Earnings.....	(461,637)	(24,555)	(486,192)	(1,267)
Net Cash Provided (Used) by Investing Activities.....	<u>(13,417,536)</u>	<u>(1,721,722)</u>	<u>(15,139,258)</u>	<u>(998,290)</u>
Net Cash Provided (Used) - All Activities.....	(3,622,789)	(2,130,952)	(5,753,741)	(731,892)
Cash and Cash Equivalents - Beginning.....	53,900,264	2,523,213	56,423,477	1,803,453
Cash and Cash Equivalents - Ending.....	<u>\$ 50,277,475</u>	<u>\$ 392,261</u>	<u>\$ 50,669,736</u>	<u>\$ 1,071,561</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>				
Operating Income (Loss).....	\$ 17,406,752	\$ (1,793,199)	\$ 15,613,553	\$ 157,078
Adjustments to Reconcile Operating Income (Loss):				
Depreciation Expense.....	7,412,725	923,231	8,335,956	—
(Increase) Decrease in Accounts Receivable.....	(278,904)	(7,524)	(286,428)	—
(Increase) Decrease in Prepaid Expense.....	—	—	—	—
(Increase) Decrease in Due from Other Governments.....	—	—	—	—
Increase (Decrease) in Accounts Payable.....	434,888	(5,860)	429,028	—
Increase (Decrease) in Accrued Liabilities.....	(139,542)	(1,926)	(141,468)	109,320
Increase (Decrease) in Deposits.....	67,100	—	67,100	—
Increase (Decrease) in Compensated Absences.....	4,553	—	4,553	—
Increase (Decrease) in Net Pension Items.....	1,283,658	—	1,283,658	—
Net Cash Provided (Used) by Operating Activities.....	<u>\$ 26,191,230</u>	<u>\$ (885,278)</u>	<u>\$ 25,305,952</u>	<u>\$ 266,398</u>
<b>NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</b>				
Capital Contributions from Developers and Others.....	\$ 1,098,851	\$ —	\$ 1,098,851	\$ —
Gain (Loss) on Sale of Capital Assets.....	(259,820)	—	(259,820)	—
Total Non-Cash Investing, Capital and Financing Activities.....	<u>\$ 839,031</u>	<u>\$ —</u>	<u>\$ 839,031</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, 2018

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	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash .....	\$ 6,365,698
Total Assets.....	<u>\$ 6,365,698</u>
<b>LIABILITIES</b>	
Deposits Held for Others.....	\$ 6,365,698
Total Liabilities.....	<u>\$ 6,365,698</u>

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

Year Ended June 30, 2018

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**NOTES TO THE FINANCIAL STATEMENTS**  
Year Ended June 30, 2018

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

Year Ended June 30, 2018

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**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, 2018

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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, 2018

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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 Utility customers in excess of 187 days comprise an allowance for uncollectibles in the Utilities Enterprise Fund, while historical collections rates are used to determine the allowance for Ambulance accounts receivable in the General Governmental 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 mills (\$20 per \$1,000 assessed valuation), of which the City's portion, by state regulation, is limited to 5.151 mills.

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.

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

Year Ended June 30, 2018

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

***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, 2018

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**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 \$57,495,948 and the bank balance was \$59,733,634. The difference represents outstanding checks, deposits, and other reconciling items. The City also had \$15,708 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, 2018

**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.....	\$ 59,751,606
less FDIC insured amount.....	(250,000)
Total uninsured deposits.....	<u>59,501,606</u>
50% collateral requirement.....	29,750,803
Pledged securities, fair value.....	<u>67,520,247</u>
Pledged in excess of requirement.....	<u>\$ 37,769,444</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:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity</u>	<u>Category</u>
State Treasurer's Investment Pool.....	\$ 6,594	N/A	N/A
US Bank .....	24,747,177	273.77	Level 1
Bank of New York Mellon Money Market.....	502,402	N/A	Level 1
US Treasuries held by NMFA.....	26,375,545	N/A	Level 1
BAQ Short-Term Cash Investments.....	4,231,110	N/A	Level 1
Total.....	<u>\$ 55,862,828</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, 2018

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**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 .....	4.19%
US Treasuries and Federal Securities .....	45.09%
Collateralized demand deposits .....	50.71%

**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 273.77 days.

**CITY OF RIO RANCHO, NEW MEXICO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
Year Ended June 30, 2018

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**NOTE 3. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

For fiscal year 2018, 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:

	<b>Due From Other Funds - General Fund</b>
<b>Due To Other Funds reported in:</b>	
Nonmajor Special Revenue Funds:	
Public Safety and Other Grants Fund.....	\$ 216,016
Library Fund.....	82,368
Keep Rio Rancho Beautiful Fund.....	24,462
HUD CDBG Grant Fund.....	22,860
Crime Victim Assistance Fund.....	17,413
NM Gang Task Force Grant Fund.....	593
Nonmajor Capital Project Funds:	
State Appropriation Capital Projects Fund.....	71,307
2018 GO Bond Construction Fund.....	3,234,913
Total.....	\$ 3,669,932



**CITY OF RIO RANCHO, NEW MEXICO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
Year Ended June 30, 2018

**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:

	<b>Transfers Out reported in:</b>		
	<b>General Fund</b>	<b>Nonmajor Special Revenue Funds</b>	<b>Total Transfers In</b>
<b>Transfers In reported in:</b>			
Nonmajor Special Revenue Funds:			
Regional Emergency Comm Center.....	\$ 1,778,449	\$ —	\$ 1,778,449
Local Govt Corrections Fund.....	182,787	—	182,787
Promotion and Marketing Fund.....	51,600	—	51,600
Crime Victim Assistance Fund.....	26,057	—	26,057
RioVision Cable Fund.....	2,722	—	2,722
General Fund.....	—	3,443	3,443
Nonmajor Capital Project Funds:			
2018 GO Bond Construction Fund.....	3,234,913	—	3,234,913
Infrastructure Fund.....	450,000	—	450,000
State Appropriation Capital Projects Fund.....	2,038	—	2,038
Total Transfers Out - Governmental Funds....	5,728,566		5,732,009
Enterprise Funds:			
MPEC Fund.....	1,034,984	—	1,034,984
<b>Total.....</b>	<b>\$ 6,763,550</b>	<b>\$ 3,443</b>	<b>\$ 6,766,993</b>

During the year ended June 30, 2018, transfers from the General Fund were primarily used for the following:

- 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
- CVB special events including the City's annual Pork and Brew
- 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					Business-type Activities / Enterprise Funds		
	General Fund	Rio Metro Fund	Rio Vision Cable Fund	Public Safety Enforcement Aid Fund	Total	Utility Fund	MPEC Fund	Total
Accounts Receivable.....	\$ 1,572,436	\$ —	\$ 14,352	\$ 23,107	\$ 1,609,895	\$ 9,328,153	\$ 7,736	\$ 9,335,889
Allowance for uncollectible accounts.....	(351,520)	—	—	—	(351,520)	(3,014,329)	—	(3,014,329)
Net Accounts Receivable....	\$ 1,220,916	\$ —	\$ 14,352	\$ 23,107	\$ 1,258,375	\$ 6,313,824	\$ 7,736	\$ 6,321,560

**CITY OF RIO RANCHO, NEW MEXICO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
Year Ended June 30, 2018

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**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 2018 were \$650,152. Future minimum lease commitments for non-cancelable operating leases as of June 30 are as follows:

<b>Future Commitments for Operating Leases</b>			
<b>Fiscal Year</b>	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
2019.....	\$ 322,408	\$ 17,637	\$ 340,045
2020.....	119,415	7,967	127,382
2021.....	57,807	—	57,807
2022.....	25,305	—	25,305
2023.....	24,192	—	24,192
Total.....	\$ 549,127	\$ 25,604	\$ 574,731

**NOTE 8. CAPITAL ASSETS**

**A. Depreciation – Governmental Activities**

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

General Government.....	\$	327,222
Public Safety.....		1,056,722
Public Works.....		8,770,085
Parks, Recreation, and Culture .....		914,113
Community and Economic Development.....		2,852
Total.....	\$	11,070,995

**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 \$51,349,329.

**CITY OF RIO RANCHO, NEW MEXICO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
Year Ended June 30, 2018

**C. Changes in Capital Assets**

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

		Capital Assets - Governmental Activities				
		Beginning Balance	Additions	Deletions	* Transfers	Ending Balance
<b>Governmental Activities:</b>						
<i>Capital assets not being depreciated:</i>						
Land and Related Assets.....	\$	65,273,819	\$ 248,933	\$ —	\$ 212,673	\$ 65,735,425
Construction-In-Progress.....		22,460,808	2,133,202	—	(16,342,922)	8,251,088
Total.....		87,734,627	2,382,135	—	(16,130,249)	73,986,513
<i>Capital assets being depreciated:</i>						
Infrastructure.....		305,781,394	1,965,629	—	14,228,359	321,975,382
Buildings and Improvements.....		54,661,117	—	(550,730)	404,829	54,515,216
Land Improvements.....		20,682,287	75,000	(442,988)	687,285	21,001,584
Equipment.....		30,362,617	1,970,559	(3,217,725)	94,618	29,210,069
Total.....		411,487,415	4,011,188	(4,211,443)	15,415,091	426,702,251
Less Accumulated Depreciation for:						
Infrastructure.....		(181,349,679)	(6,978,374)	—	—	(188,328,053)
Buildings and Improvements.....		(12,152,483)	(1,194,690)	193,540	—	(13,153,633)
Land Improvements.....		(7,810,641)	(1,105,060)	420,426	—	(8,495,275)
Equipment.....		(22,176,742)	(1,792,871)	3,169,532	(47,189)	(20,847,270)
Total.....		(223,489,545)	(11,070,995)	3,783,498	(47,189)	(230,824,231)
Capital assets being depreciated, net.....		187,997,870	(7,059,807)	(427,945)	15,367,902	195,878,020
Governmental Activities Capital Assets, Net.....	\$	275,732,497	\$ (4,677,672)	\$ (427,945)	\$ (762,347)	\$ 269,864,533
		Capital Assets - Business-type Activities				
		Beginning Balance	Additions	Deletions	* Transfers	Ending Balance
<b>Business-type Activities:</b>						
<i>Capital assets not being depreciated:</i>						
Land and Related Assets.....	\$	53,801,796	\$ 1,305,461	\$ —	\$ —	\$ 55,107,257
Construction-In-Progress.....		12,321,259	3,258,115	(23,838)	(8,109,575)	7,445,961
Total.....		66,123,055	4,563,576	(23,838)	(8,109,575)	62,553,218
<i>Capital assets being depreciated:</i>						
Infrastructure.....		192,247,471	348,230	—	8,876,025	201,471,726
Buildings and Improvements.....		100,046,439	—	(260,050)	(13,000)	99,773,389
Land Improvements.....		15,531,150	—	(104,844)	8,897	15,435,203
Equipment.....		55,932,604	713,506	(2,056,091)	(47,189)	54,542,830
Total.....		363,757,664	1,061,736	(2,420,985)	8,824,733	371,223,148
Less Accumulated Depreciation for:						
Infrastructure.....		(32,908,327)	(2,701,745)	—	—	(35,610,072)
Buildings and Improvements.....		(23,041,405)	(2,031,470)	140,833	—	(24,932,042)
Land Improvements.....		(4,172,727)	(677,487)	32,568	—	(4,817,646)
Equipment.....		(33,949,531)	(2,743,665)	1,987,744	47,189	(34,658,263)
Total.....		(94,071,990)	(8,154,367)	2,161,145	47,189	(100,018,023)
Capital assets being depreciated, net.....		269,685,674	(7,092,631)	(259,840)	8,871,922	271,205,125
Business-type Activities Capital Assets, Net.....	\$	335,808,729	\$ (2,529,055)	\$ (283,678)	\$ 762,347	\$ 333,758,343

\*During the year, assets with a net carrying value of \$762,347 were included in total capital contributions of \$1,098,851 to the Utilities Fund on the statement of revenues and expenses, but a transfer from government-wide to enterprise funds on the government-wide statement of activities.

**CITY OF RIO RANCHO, NEW MEXICO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
Year Ended June 30, 2018

**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
<b>Governmental Activities:</b>					
General Obligation Bonds.....	\$ 20,300,000	\$ —	(3,345,000)	\$ 16,955,000	\$ 3,705,000
Gross Receipts Tax Revenue Bonds.....	11,095,000	—	(1,215,000)	9,880,000	1,260,000
Unamortized Premiums.....	1,607,648	—	(231,203)	1,376,445	—
Notes Payable.....	11,425,125	6,885,000	(7,896,480)	10,413,645	1,211,788
Compensated Absences.....	4,760,806	3,120,388	(2,837,737)	5,043,457	2,885,338
Total Governmental Long-term Liabilities.....	\$ 49,188,579	\$ 10,005,388	\$ (15,525,420)	\$ 43,668,547	\$ 9,062,126
<b>Business-type Activities:</b>					
Utility Revenue Bonds.....	\$ 117,693,333	\$ —	(7,368,333)	\$ 110,325,000	\$ 8,500,000
MPEC Revenue Bonds.....	25,385,000	—	(1,385,000)	24,000,000	1,410,000
Unamortized Premiums.....	11,457,779	—	(944,724)	10,513,055	—
Notes Payable.....	16,423,197	—	(938,336)	15,484,861	958,841
Compensated Absences.....	105,460	99,830	(95,277)	110,013	94,504
Total Business-type Long-term Liabilities.....	\$ 171,064,769	\$ 99,830	\$ (10,731,670)	\$ 160,432,929	\$ 10,963,345

**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	
2019.....	\$ 3,705,000	\$ 500,625	\$ 1,260,000	\$ 316,238	\$ 1,211,788	\$ 234,686	\$ 7,228,336
2020.....	2,745,000	376,825	1,310,000	265,838	1,237,409	212,009	6,147,080
2021.....	2,745,000	274,475	1,365,000	213,438	1,215,386	187,111	6,000,409
2022.....	2,570,000	175,625	1,425,000	158,838	1,187,709	161,027	5,678,198
2023.....	745,000	116,775	1,480,000	101,838	1,058,565	133,039	3,635,217
2024 - 2028..	3,725,000	282,150	3,040,000	110,613	4,263,377	316,621	11,737,760
2029 - 2033..	720,000	8,100	—	—	239,411	25,784	993,295
2034 - 2038..	—	—	—	—	—	—	—
2039 - 2043..	—	—	—	—	—	—	—
Total.....	\$ 16,955,000	\$ 1,734,575	\$ 9,880,000	\$ 1,166,800	\$ 10,413,645	\$ 1,270,277	\$ 41,420,297

**CITY OF RIO RANCHO, NEW MEXICO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
Year Ended June 30, 2018

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	
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.....	5,812,500	2,878,525	1,550,000	684,123	1,055,909	406,841	12,387,897
2024 - 2028..	25,216,667	10,577,450	8,545,000	2,622,830	5,821,332	1,499,942	54,283,220
2029 - 2033..	23,688,333	5,764,034	8,080,000	855,928	4,060,736	425,228	42,874,258
2034 - 2038..	11,868,333	2,192,700	—	—	573,242	28,681	14,662,957
2039 - 2043..	7,171,667	421,550	—	—	—	—	7,593,217
Total.....	<u>\$ 110,325,000</u>	<u>\$ 37,857,626</u>	<u>\$ 24,000,000</u>	<u>\$ 7,277,218</u>	<u>\$ 15,484,861</u>	<u>\$ 4,252,222</u>	<u>\$ 199,196,927</u>

**C. General Obligation Bonds**

During 2018, the City did not issue any new General Obligation (GO) Bonds. GO Bonds Payable at June 30 consisted of the following:

General Obligation Bonds Payable					
	Issue Date	Maturity Date	Interest Rate	Original Amount	Balance June 30, 2018
Series 2009 Project Bonds.....	5/27/2009	8/1/2021	2.50% to 4.00%	25,000,000	\$ 7,825,000
Series 2016 Imprv/Refund Bonds....	5/25/2016	8/1/2028	2.00% to 5.00%	11,310,000	9,130,000
Total General Obligation Bonds Outstanding.....					16,955,000
Add Unamortized Premium.....					715,548
Total General Obligation Bonds Payable.....					<u>\$ 17,670,548</u>

**Debt Service Requirements to Maturity - General Obligation Bonds**

Fiscal Year	Series 2009			Series 2016 Improvement & Refunding		
	Principal	Interest	Total	Principal	Interest	Total
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.....	—	—	—	745,000	116,775	861,775
2024 - 2028..	—	—	—	3,725,000	282,150	4,007,150
2029 - 2033..	—	—	—	720,000	8,100	728,100
Total.....	<u>\$ 7,825,000</u>	<u>\$ 605,500</u>	<u>\$ 8,430,500</u>	<u>\$ 9,130,000</u>	<u>\$ 1,129,075</u>	<u>\$ 10,259,075</u>

**Total General Obligation Bonds**

Fiscal Year	Principal	Interest	Total
.....	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.....	745,000	116,775	861,775
2024 - 2028..	3,725,000	282,150	4,007,150
2029 - 2033..	720,000	8,100	728,100
Total.....	<u>\$ 16,955,000</u>	<u>\$ 1,734,575</u>	<u>\$ 18,689,575</u>

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

Year Ended June 30, 2018

**D. Gross Receipts Tax Revenue Bonds – Governmental Activities**

During 2018, the City did not issue any new Gross Receipts Tax (GRT) Revenue Bonds. GRT Revenue Bonds Payable at June 30 consisted of the following:

<b>Gross Receipts Tax Revenues Bonds Payable - Governmental Activities</b>					
	<b>Issue Date</b>	<b>Maturity Date</b>	<b>Interest Rate</b>	<b>Original Amount</b>	<b>Balance June 30, 2018</b>
Series 2013 Refunding Bonds.....	5/15/2013	6/1/2025	2.00% to 4.00%	13,420,000	\$ 9,880,000
Total Gross Receipts Tax Revenue Bonds Outstanding, Governmental Activities.....					9,880,000
Add Unamortized Premium.....					660,897
Total Gross Receipts Tax Revenue Bonds Payable, Governmental Activities.....					\$ 10,540,897

<b>Debt Service Requirements to Maturity</b>						
<b>Gross Receipts Tax Revenue Bonds, Governmental Activities</b>						
<b>Fiscal Year</b>	<b>Series 2013 Refunding</b>			<b>Total Gross Receipts Tax Revenue Bonds</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
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	158,838	1,583,838	1,425,000	158,838	1,583,838
2023.....	1,480,000	101,838	1,581,838	1,480,000	101,838	1,581,838
2024 - 2028..	3,040,000	110,613	3,150,613	3,040,000	110,613	3,150,613
Total.....	\$ 9,880,000	\$ 1,166,800	\$ 11,046,800	\$ 9,880,000	\$ 1,166,800	\$ 11,046,800

**E. Notes Payable – Governmental Activities**

During 2018, the City issued new 2018 HP and HS Loans to refund outstanding 2008 NMFA HP Project and 2008 NMFA High School Project Loans. Notes Payable for governmental activities at June 30 consisted of the following:

<b>Notes Payable - Governmental Activities</b>					
	<b>Issue Date</b>	<b>Maturity Date</b>	<b>Interest Rate</b>	<b>Original Amount</b>	<b>Balance June 30, 2018</b>
2007 NMFA Fire Apparatus.....	3/9/2007	5/1/2022	3.32% to 3.91%	\$ 1,649,286	\$ 552,459
2010 NMFA Fire Pumper & Equipment.....	1/15/2010	5/1/2020	0.98% to 3.22%	337,259	74,384
2010 NMFA Infrastructure Improvements....	8/12/2010	5/1/2025	3.460%	3,942,260	2,041,738
2013 NMFA Fire Admin Building.....	5/17/2013	5/1/2033	0.32% to 3.50%	795,925	626,143
2013 NMFA Fire Truck.....	12/20/2013	6/1/2023	0.18% to 2.75%	495,000	270,000
2016 NMFA Police Vehicles.....	5/20/2016	5/1/2021	0.69% to 1.16%	259,950	158,921
2018 HP Loan Refunding.....	10/6/2018	6/1/2028	1.81%	3,515,000	3,415,000
2018 HS Loan Refunding.....	10/6/2018	6/1/2028	1.78%	3,370,000	3,275,000
Total Notes Payable, Governmental Activities.....					\$ 10,413,645

**CITY OF RIO RANCHO, NEW MEXICO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
Year Ended June 30, 2018

**Debt Service Requirements to Maturity - Notes Payable, Governmental Activities**

Fiscal Year	2007 Fire Apparatus			2010 Fire Pumper and Equipment			2010 Infrastructure Improvements		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2019.....	\$ 130,109	\$ 22,729	\$ 152,838	\$ 36,653	2,293	38,946	\$ 262,414	\$ 77,283	\$ 339,697
2020.....	135,392	17,446	152,838	37,731	1,215	38,946	270,680	69,017	339,697
2021.....	140,943	11,895	152,838	—	—	—	279,666	60,030	339,696
2022.....	146,015	6,074	152,089	—	—	—	289,706	49,990	339,696
2023.....	—	—	—	—	—	—	300,744	38,952	339,696
2024 - 2028..	—	—	—	—	—	—	638,528	40,865	679,393
Total.....	\$ 552,459	\$ 58,144	\$ 610,603	\$ 74,384	\$ 3,507	\$ 77,891	\$ 2,041,738	\$ 336,136	\$ 2,377,874

Fiscal Year	2013 Fire Admin Building			2013 Fire Truck			2016 Police Vehicles		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2019.....	\$ 35,147	\$ 17,892	\$ 53,039	\$ 50,000	\$ 6,393	\$ 56,393	\$ 52,465	\$ 1,659	\$ 54,124
2020.....	35,653	17,386	53,039	55,000	5,528	60,528	52,953	1,171	54,124
2021.....	36,274	16,765	53,039	55,000	4,378	59,378	53,503	621	54,124
2022.....	36,988	16,051	53,039	55,000	3,031	58,031	—	—	—
2023.....	37,821	15,219	53,040	55,000	1,568	56,568	—	—	—
2024 - 2028..	204,849	60,347	265,196	—	—	—	—	—	—
2029 - 2033..	239,411	25,784	265,195	—	—	—	—	—	—
Total.....	\$ 626,143	\$ 169,443	\$ 795,586	\$ 270,000	\$ 20,896	\$ 290,896	\$ 158,921	\$ 3,451	\$ 162,372

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

Fiscal Year	2018 HP Loan Refunding			2018 HS Loan Refunding			Total Notes Payable		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2019.....	\$ 320,000	54,830	\$ 374,830	\$ 325,000	\$ 51,609	\$ 376,609	\$ 1,211,788	\$ 234,686	\$ 1,446,474
2020.....	325,000	51,758	376,758	325,000	48,489	373,489	1,237,409	212,009	1,449,418
2021.....	325,000	48,345	373,345	325,000	45,077	370,077	1,215,386	187,111	1,402,497
2022.....	330,000	44,575	374,575	330,000	41,307	371,307	1,187,709	161,027	1,348,736
2023.....	335,000	40,285	375,285	330,000	37,016	367,016	1,058,565	133,039	1,191,604
2024 - 2028..	1,780,000	114,858	1,894,858	1,640,000	100,552	1,740,552	4,263,377	316,621	4,579,998
2029 - 2033..	—	—	—	—	—	—	239,411	25,784	265,195
2034 - 2038..	—	—	—	—	—	—	—	—	—
Total.....	\$ 3,415,000	\$ 354,650	\$ 3,769,650	\$ 3,275,000	\$ 324,049	\$ 3,599,049	\$ 10,413,645	\$ 1,270,277	\$ 11,683,922

**CITY OF RIO RANCHO, NEW MEXICO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
Year Ended June 30, 2018

**F. Utility Revenue Bonds**

During 2018, the City did not issue any new Utility Revenue Bonds. 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, 2018
Series 2009 Refunding Bonds.....	6/17/2009	5/15/2022	2.50% to 5.00%	57,990,000	21,245,000
Series 2013 Refunding Bonds.....	5/30/2013	5/15/2025	2.00% to 5.00%	16,600,000	10,455,000
Series 2015 Refunding Bonds.....	9/22/2015	5/15/2032	2.00% to 5.00%	27,365,000	25,940,000
Series 2017 Senior Lien Bonds.....	7/13/2016	5/15/2041	3.59%	22,900,000	22,799,167
Series 2017 Senior Lien Refunding Bonds.....	7/13/2016	5/15/2034	3.59%	9,080,000	8,953,333
Series 2017 Subordinate Lien Refunding Bonds.....	7/13/2016	5/15/2041	3.56%	21,825,000	20,932,500
Total Utility Bonds Outstanding.....					110,325,000
Add Unamortized Premium.....					10,513,055
Total Utility Bonds Payable.....					\$ 120,838,055

Debt Service Requirements to Maturity - Utility Revenue Bonds									
Fiscal Year	Series 2009 Refunding			Series 2013 Refunding			Series 2015 Refunding		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2019.....	\$ 4,920,000	\$ 1,062,250	\$ 5,982,250	\$ 1,355,000	\$ 435,900	\$ 1,790,900	\$ 320,000	\$ 1,101,000	\$ 1,421,000
2020.....	5,170,000	816,250	5,986,250	1,410,000	381,700	1,791,700	335,000	1,091,400	1,426,400
2021.....	5,445,000	557,750	6,002,750	1,465,000	325,300	1,790,300	345,000	1,078,000	1,423,000
2022.....	5,710,000	285,500	5,995,500	1,525,000	266,700	1,791,700	360,000	1,064,200	1,424,200
2023.....	—	—	—	1,580,000	205,700	1,785,700	2,000,000	1,046,200	3,046,200
2024 - 2028.....	—	—	—	3,120,000	170,650	3,290,650	11,525,000	3,699,850	15,224,850
Total.....	\$ 21,245,000	\$ 2,721,750	\$ 23,966,750	\$ 10,455,000	\$ 1,785,950	\$ 12,240,950	\$ 25,940,000	\$ 10,207,850	\$ 36,147,850

Fiscal Year	Series 2017 Senior Lien			Series 2017 Senior Lien Refunding			Series 2017 Subordinate Lien Refunding		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2019.....	\$ 610,000	\$ 854,508	\$ 1,464,508	\$ 402,500	\$ 372,517	\$ 775,017	\$ 892,500	\$ 809,975	\$ 1,702,475
2020.....	640,833	824,008	1,464,842	419,167	352,392	771,558	937,500	765,350	1,702,850
2021.....	675,833	791,967	1,467,800	443,333	331,433	774,767	982,500	718,475	1,700,975
2022.....	710,833	758,175	1,469,008	464,167	309,267	773,433	1,028,333	669,350	1,697,683
2023.....	745,833	722,633	1,468,467	488,333	286,058	774,392	998,333	617,933	1,616,267
2024 - 2028.....	4,256,667	3,076,959	7,333,625	2,787,500	1,079,342	3,866,842	3,527,500	2,550,650	6,078,150
2029 - 2033.....	5,088,333	2,243,250	7,331,583	3,327,500	533,967	3,861,467	4,217,500	1,859,617	6,077,117
2034 - 2038.....	6,149,167	1,185,367	7,334,533	620,833	24,833	645,667	5,098,333	982,500	6,080,833
2039 - 2043.....	3,921,667	230,525	4,152,192	—	—	—	3,250,000	191,025	3,441,025
Total.....	\$ 22,799,167	\$ 10,687,392	\$ 33,486,559	\$ 8,953,333	\$ 3,289,808	\$ 12,243,141	\$ 20,932,500	\$ 9,164,875	\$ 30,097,375

Total Utility Revenue Bonds			
Fiscal Year	Principal	Interest	Total
2019.....	\$ 8,500,000	\$ 4,636,150	\$ 13,136,150
2020.....	8,912,500	4,231,100	13,143,600
2021.....	9,356,667	3,802,925	13,159,592
2022.....	9,798,333	3,353,192	13,151,525
2023.....	5,812,500	2,878,525	8,691,025
2024 - 2028.....	25,216,667	10,577,450	35,794,117
2029 - 2033.....	23,688,333	5,764,034	29,452,367
2034 - 2038.....	11,868,333	2,192,700	14,061,033
2039 - 2043.....	7,171,667	421,550	7,593,217
Total.....	\$ 110,325,000	\$ 37,857,626	\$ 148,182,625



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

Year Ended June 30, 2018

**G. Multi-Purpose Events Center Revenue Bonds**

During 2018, 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:

<b>Multi-Purpose Events Center Revenue Bonds Payable - Business-type Activities</b>					
	<b>Issue Date</b>	<b>Maturity Date</b>	<b>Interest Rate</b>	<b>Original Amount</b>	<b>Balance June 30, 2018</b>
Series 2013 Taxable Subordinate Lien					
GRT Revenue Refunding Bonds.....	5/30/2013	6/1/2032	1.15% to 4.25%	28,100,000	\$ 24,000,000
Total MPEC Revenue Bonds Payable.....					\$ 24,000,000

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

<b>Fiscal Year</b>	<b>Series 2013 Taxable Subordinate</b>			<b>Total MPEC Revenue Bonds</b>		
	<b>Lien GRT Refunding</b>			<b>Total MPEC Revenue Bonds</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
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.....	1,550,000	684,123	2,234,123	1,550,000	684,123	2,234,123
2024 - 2028..	8,545,000	2,622,830	11,167,830	8,545,000	2,622,830	11,167,830
2029 - 2033..	8,080,000	855,928	8,935,928	8,080,000	855,928	8,935,928
2034 - 2038..	—	—	—	—	—	—
Total.....	\$ 24,000,000	\$ 7,277,218	\$ 31,277,218	\$ 24,000,000	\$ 7,277,218	\$ 31,277,218

**H. Notes Payable – Business-type Activities**

During 2018, the City did not obtain any new business-type loans. Notes Payable for business-type activities at June 30 consisted of the following:

<b>Notes Payable - Business-type Activities</b>					
	<b>Issue Date</b>	<b>Maturity Date</b>	<b>Interest Rate</b>	<b>Original Amount</b>	<b>Balance June 30, 2018</b>
2011 NMFA Water Rights.....	1/21/2011	5/1/2030	4.028%	\$ 7,000,000	\$ 4,705,463
2011 NMFA Water Rights Acquisition....	12/23/2011	5/1/2031	3.197%	9,335,000	6,705,000
2015 NMFA Water Rights Acquisition....	4/17/2015	5/1/2035	2.777%	4,292,192	3,736,859
2016 NMFA Water Conserv/Treatmt.....	1/15/2016	6/1/2035	.25%	384,000	337,539
Total Notes Payable, Business-type Activities.....					\$ 15,484,861

**CITY OF RIO RANCHO, NEW MEXICO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**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
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.....	363,554	147,931	511,485	475,000	174,312	649,312	197,698	83,949	281,647
2024 - 2028..	2,056,278	501,148	2,557,426	2,620,000	634,088	3,254,088	1,046,032	362,203	1,408,235
2029 - 2033..	956,247	66,721	1,022,968	1,810,000	143,238	1,953,238	1,194,224	214,010	1,408,234
2034 - 2038..	—	—	—	—	—	—	532,784	28,529	561,313
Total.....	\$ 4,705,463	\$ 1,432,354	\$ 6,137,817	\$ 6,705,000	\$ 1,763,064	\$ 8,468,064	\$ 3,736,859	\$ 1,049,159	\$ 4,786,018

Fiscal Year	2016 Water Conservation/Treatment			Total Notes Payable		
	Principal	Interest	Total	Principal	Interest	Total
2018.....	\$ 19,461	\$ 844	\$ 20,305	\$ 958,841	\$ 506,615	\$ 1,465,456
2019.....	19,510	795	20,305	980,869	485,975	1,466,844
2020.....	19,559	746	20,305	1,004,483	462,482	1,466,965
2021.....	19,607	698	20,305	1,029,449	436,459	1,465,908
2022.....	19,657	649	20,306	1,055,909	406,841	1,462,750
2023 - 2027..	99,022	2,503	101,525	5,821,332	1,499,942	7,321,274
2028 - 2032..	100,265	1,259	101,524	4,060,736	425,228	4,485,964
2033 - 2037..	40,458	152	40,610	573,242	28,681	601,923
Total.....	\$ 337,539	\$ 7,645	\$ 345,184	\$ 15,484,861	\$ 4,252,222	\$ 19,737,083

**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 \$11 million and outstanding NMFA loans of \$3.6 million as of June 30, 2018. 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 revenues were \$14.2 million and the total principal and interest paid on the bonds and loans was \$1 million, or 5 percent of gross receipts tax revenues.

**Fire Protection Revenue.** The City has pledged future fire protection revenues to repay outstanding NMFA loans of \$1.5 million as of June 30, 2018. 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 32 percent of gross revenues. The current total fire protection revenues were \$776,745 and the total principal and interest paid on the loans was \$245,000 or 32 percent of gross revenues.

**Law Enforcement Protection Revenue.** The City has pledged future law enforcement protection revenues to repay an outstanding NMFA loan of \$162,000 as of June 30, 2018. 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 \$109,000, and the total principal and interest paid on the loan was approximately \$54,000 or 50 percent of gross revenues.

**Environmental Gross Receipt Tax.** The City has pledged future environmental gross receipt taxes to repay an outstanding NMFA loan of \$2.4 million as of June 30, 2018. 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 \$721,000 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, 2018

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**Municipal Gross Receipt Tax.** The City has pledged future municipal gross receipt taxes to repay an outstanding NMFA loans of \$3.8 million as of June 30, 2018. 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 \$21.9 million and the total principal and interest paid on the loan was \$394,000 or 1.8 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 \$31.3 million as of June 30, 2018. 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 \$14.2 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 \$148.2 million as of June 30, 2018. 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 \$23.9 million and the total principal and interest paid on the bonds and loans was \$12.3 million or 51 percent of net revenues.

**Water Rights Acquisition Fees.** The City has pledged future water rights acquisition fees to repay outstanding NMFA loans of \$19.4 million as of June 30, 2018. 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 \$3.0 million and the total principal and interest paid on the bonds and loans was \$1.4 million or 42 percent of gross revenues.

**J. Bond Refundings and Defeased Debt**

During the year ended June 30, 2018, the City issued the following:

- A loan agreement with the New Mexico Finance Authority in the amount of \$3,370,000 (2018 HS Loan Refunding) with a blended interest rate of 1.78%, for an advance refunding of the 2008 HS Loan balance of \$3,084,000 which resulted in an economic gain of \$385,991.
- A loan agreement with the New Mexico Finance Authority in the amount of \$3,515,000 (2018 HP Loan Refunding) with a blended interest rate of 1.81%, for an advance refunding of the 2008 HS Loan balance of \$3,220,000, which resulted in an economic gain of \$393,936.

**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.

**CITY OF RIO RANCHO, NEW MEXICO**  
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Year Ended June 30, 2018

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 \$7,909,176.

**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.....	\$	2,202,047,742
Debt Limit (4% of assessed value).....		88,081,910
<hr/>		
Debt Applicable to Limit:		
General Obligation Bonds Payable.....		16,955,000
Less amount restricted for repayment of General Obligation Bonds.....		(4,506,710)
Net Debt Applicable to Limit.....		12,448,290
Additional Bonding Capacity.....	\$	<u>75,633,620</u>

**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 \$118.7 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 and the New Mexico Retiree Health Care Authority net other post-employment benefit 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 \$31,606,304 of net position of governmental activities that is restricted by enabling legislation.

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**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.

	<b>Nonmajor Governmental Funds</b>			
	<b>Special Revenue</b>	<b>Debt Service</b>	<b>Capital Projects</b>	<b>Total</b>
<b>Fund Balances restricted for:</b>				
Roads and Public Improvements.....	\$ 10,088,153	\$ —	\$ 11,103,006	\$ 21,191,159
Community Programs.....	1,151,655	—	—	1,151,655
Parks and Recreation Programs.....	193,648	—	—	193,648
Public Safety Programs.....	2,052,762	—	—	2,052,762
Insurance Premiums and Claims.....	1,464,473	—	—	1,464,473
Debt Service.....	600,530	4,952,077	—	5,552,607
Total .....	15,551,221	4,952,077	11,103,006	31,606,304
Total.....	\$ 15,551,221	\$ 4,952,077	\$ 11,103,006	\$ 31,606,304

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**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 .....	(64,791)
Local Government Corrections Fund .....	(5,523)
NM Gang Task Force .....	(3,488)
State Appropriation Capital Projects Fund .....	<u>(15,310)</u>
Deficit Fund Balances .....	<u>\$(89,438)</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, 2017:

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	Municipal General Plan 2		Municipal Police Plan 5		Municipal Fire Plan 5	
	Tier I	Tier II	Tier I	Tier II	Tier I	Tier II
<b>Highest Average Salary</b>	3 Years	5 Years	3 Years	5 Years	3 Years	5 Years
<b>Years of Service and Age of Eligibility</b>	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
<b>Vesting Period</b>	5 years	8 years	5 years	8 years	5 years	8 years
<b>Benefit Percent per Year of Service</b>	2.5%	2.0%	3.5%	3.0%	3.5%	3.0%
<b>Maximum Benefit as Percent of Final Average Salary</b>	90%	90%	90%	90%	90%	90%
<b>Annual Cost of Living Adjustment</b>	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
<b>Required Contribution Rates</b>						
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, 2018 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, 2016. The PERA pension liability amounts for each division were rolled forward from the valuation date to the Plan year ending June 30, 2018, using generally accepted actuarial principles. Therefore, the employer's proportionate share was established as of the measurement date of June 30, 2017.

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, 2018. Only employer contributions for the pay period end dates that fell within the period of July 1, 2016 to June 30, 2017 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

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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, 2018 are shown in the table below.

PERA Plan	<b>Current Year Pension Expense and Net Pension Liability</b>				
	Employer Contributions	Pension Expense	Proportionate Share of Net Pension Liability	Percent of Net Pension Liability	Prior Year Percent of Net Pension Liability
Municipal General Plan 2..	\$ 1,547,590	\$ 3,092,345	\$ 25,354,609	1.8452%	1.8545%
Municipal Police Plan 5.....	1,262,779	2,307,405	18,010,324	3.2418%	3.2530%
Municipal Fire Plan 5.....	1,129,037	2,848,878	24,621,668	4.3034%	4.2724%
Total.....	<u>\$ 3,939,406</u>	<u>\$ 8,248,628</u>	<u>\$ 67,986,601</u>		

At June 30, 2018, 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:

	<b>Municipal General Plan 2</b>		<b>Municipal Police Plan 5</b>		<b>Municipal Fire Plan 5</b>	
	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.....	\$ 996,265	(1,298,589)	1,093,859	(3,365,052)	803,945	(3,083,039)
Changes of assumptions.....	1,169,224	(262,005)	1,071,553	(418,800)	973,393	(154,366)
Net difference between projected and actual earnings on pension plan investments.....	2,080,193	—	1,450,485	—	924,274	—
Changes in proportion and differences between City contributions and proportionate share of contributions.....	119,665	(178,976)	146,829	(66,401)	284,956	(235,701)
City contributions subsequent to the measurement date.....	1,584,490		1,283,648		1,179,238	
Total.....	<u>\$ 5,949,837</u>	<u>\$ (1,739,570)</u>	<u>\$ 5,046,374</u>	<u>\$ (3,850,253)</u>	<u>\$ 4,165,806</u>	<u>\$ (3,473,106)</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:

	<b>Municipal General Plan 2</b>	<b>Municipal Police Plan 5</b>	<b>Municipal Fire Plan 5</b>
Amount reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date of June 30, 2017 that will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2018.....	\$ 1,584,490	\$ 1,283,648	\$ 1,179,238

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

Year ended June 30:			
2018.....	\$ 743,465	\$ 24,042	109,281
2019.....	2,178,155	864,141	270,924
2020.....	312,081	(551,608)	(600,445)
2021.....	(607,924)	(424,102)	(266,298)
2022.....	—	—	—

**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, 2016 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, 2016.

Using the information from the June 30, 2016 valuation, each PERA Fund member group pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2017 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, 2018. The following actuarial methods and assumptions were adopted by the Board for use in the June 30, 2016 actuarial valuation:

Actuarial valuation date .....	June 30, 2016
Actuarial cost method .....	Entry-age normal
Amortization method .....	Level percentage of pay
Amortization period .....	Solved for based on statutory rates
Asset valuation method.....	4 Year smoothed Market Value
Actuarial assumptions:	
Investment rate of return .....	7.51%, net of investment expense
Projected benefit payment.....	100 years
Payroll growth .....	2.75% for first 10 years, then 3.25% annual rate
Projected salary increases .....	2.75% to 14.00% annual rate
Includes inflation at .....	2.25% annual rate first 9 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, 2016 (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.....	<u>100.00%</u>	

**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 7.51% 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 7.51%, 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 (6.51%) or one percentage point higher (8.51%) than the current discount rate.

Proportionate Share of Net Pension Liability:	Assumed Discount Rate		
	1% Decrease 6.51%	Current Rate 7.51%	1% Increase 8.51%
Municipal General Plan 2..	\$ 39,739,046	25,354,609	13,391,949
Municipal Police Plan 5.....	28,721,471	18,010,324	9,220,244
Municipal Fire Plan 5.....	32,999,407	24,621,668	17,717,646
Total.....	<u>\$ 101,459,924</u>	<u>\$ 67,986,601</u>	<u>\$ 40,329,839</u>

**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/CAFR-2017-Final.pdf>.

**H. Payables to the Pension Plan**

The City reported \$133,291 as payable to PERA at June 30, 2018. The liability is included in the City's accrued payroll adjustment for wages and benefits earned but not yet paid at year-end.

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**NOTE 12. POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTHCARE PLAN**

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

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

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

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

**Employees covered by benefit terms.** At June 30, 2017 the Fund’s measurement date, the following employees were covered by the benefit terms:

Plan membership	
Current retirees and surviving spouses	51,208
Inactive and eligible for deferred benefit	11,478
Current active members	97,349
	160,035
Active membership	
State general	19,593
State police and corrections	1,886
Municipal general	21,004
Municipal police	3,820
Municipal FTRE	2,290
Educational Retirement Board	48,756
	97,349

**Contributions.** Employer and employee contributions to the Fund total 3% for non-enhanced retirement plans and 3.75% of enhanced retirement plans of each participating employee’s salary as required by Section 10-7C-15 NMSA 1978. The contributions are established by statute and are not based on an actuarial calculation. All employer and employee contributions are non-refundable under any circumstances, including termination of the employer’s participation in the Fund. Contributions to the Fund from the City were \$636,785 for the year ended June 30, 2018.

**OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB.** At June 30, 2018, the City reported a liability of \$34,160,128 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The City’s proportion of the net OPEB liability was based on actual contributions provided to the Fund for the year ended June 30, 2017. At June 30, 2017, the City’s proportion was .75381%.

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For the year ended June 30, 2018, the City recognized OPEB expense of \$1,358,097. At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ -	\$ 1,310,885
Change of Assumptions	-	5,972,463
Differences Between Actual and Projected Earnings on OPEB Pplan Investments	-	491,417
City's Contributions Subsequent to the Measurement Date	636,785	-
	\$ 636,785	\$ 7,774,765

Deferred outflows of resources totaling \$636,785 represent the City's contributions to the Fund made subsequent to the measurement date and will be recognized as a reduction of net OPEB liability in the year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

Subsequent Recognition of Deferred Amounts	
Year	Amount
2019	\$ (1,652,969)
2020	(1,652,969)
2021	(1,652,969)
2022	(1,652,969)
2023	(1,162,889)

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

Valuation date	June 30, 2017
Actuarial cost method	Entry age normal, level percent of pay, calculated on individual employee basis
Asset valuation method	Market value of assets
Actuarial Assumptions:	
Inflation	2.50% for ERB, 2.25% for PERA
Projected payroll increase	3.50%
Investment rate of return	7.25%, net of OPEB plan investment expense and margin for adverse deviation including inflation
Health care cost trend rate	8% graded down to 4.5% over 14 years for Non-Medicare medical plan costs and 7.5% graded down to 4.5% over 12 for Medicare medical plan costs

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

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

Asset Class	Long-Term Rate of Return
U.S. core fixed income	4.1%
U.S. equity – large cap	9.1
Non U.S. – emerging markets	12.2
Non U.S. – developed equities	9.8
Private equity	13.8
Credit and structured finance	7.3
Real estate	6.9
Absolute return	6.1
U.S. equity – small/mid cap	9.1

**Discount rate.** The discount rate used to measure the Fund’s total OPEB liability is 3.81% as of June 30, 2017. The projection of cash flows used to determine the discount rate assumed that the employer contributions will be made at rates proportional to the actuary determined contribution rates. For this purpose, employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries are not included. Based on those assumptions, the Fund’s fiduciary net position was projected to be available to make all projected future benefit payments for current plan members through the fiscal year ending June 30, 2028. Thus, the 7.25% discount rate was used to calculate the net OPEB liability through 2029. Beyond 2029, the index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher. Thus, 3.81% is the blended discount rate.

**Sensitivity of the net OPEB liability to changes in the discount rate and healthcare cost trend rates.** The following presents the net OPEB liability of the City, as well as what the City’s net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.81%) or 1-percentage-point higher (4.81%) than the current discount rate:

1% Decrease	Current Rate	1% Increase
2.81	3.81	4.81
\$ 41,435,703	\$ 34,160,128	\$ 28,451,786

The following presents the net OPEB liability of the City, as well as what the City’s net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates;

1% Decrease	Current Rate	1% Increase
\$ 29,055,541	\$ 34,160,128	\$ 38,140,444

**OPEB plan fiduciary net position.** Detailed information about the OPEB plan’s fiduciary net position is available in NMRHCA’s audited financial statements for the year ended June 30, 2017.

**Payable changes in the Net OPEB liability.** At June 30, 2018, the City reported a payable of \$24,323 for outstanding contributions due to NMRHCA for the year ended June 30, 2018.

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**NOTE 13. TAX ABATEMENTS**

The City has entered into several agreements with entities pursuant to the NMSA 3-32-1 through 3-32-16 Municipal Industrial Revenue Bond 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.

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<b>Agency Number</b>	6147
<b>Agency Name</b>	City of Rio Rancho
<b>Agency Type</b>	Local Public Body (Home Rule Municipality)
<b>Tax Abatement Agreement Name</b>	Stonegate Tax Increment Development District (TIDD)
<b>Recipient(s) of tax abatement</b>	Stonegate TIDD
<b>Parent company(ies) of recipient(s) of tax abatement</b>	N/A
<b>Tax abatement program (name and brief description)</b>	Tax Increment Development District - The City has dedicated the tax increment revenues to the repayment of the TIDD bonds, being a dedication of 75% of the general purposes municipal GRT, municipal infrastructure GRT, and state shared grt generated within the District and distributed to the City.
<b>Specific Tax(es) Being Abated</b>	General purposes municipal GRT, municipal infrastructure GRT, and state shared grt generated within the District and distributed to the City.
<b>Legal authority under which tax abatement agreement was entered into</b>	Tax Increment Development Act, Sections 5-15-1, <i>et seq.</i> NMSA 1978 as amended.
<b>Criteria that make a recipient eligible to receive a tax abatement</b>	A developer must submit a petition and an application to form a TIDD pursuant to the Act and the City's TIDD Ordinance. The Developer will construct infrastructure within the TIDD. The TIDD will issue bonds, the proceeds of which will reimburse the Developer for costs associated with the construction of the infrastructure. Once completed, the developer will convey the TIDD Infrastructure, real and personal property which the City deems reasonably necessary to or on behalf of the District to the City.
<b>How are the tax abatement recipient's taxes reduced? (For example: through a reduction of assessed value)</b>	The City has dedicated the tax increment revenues to the repayment of the TIDD bonds, being a dedication of 75% of the general purposes municipal GRT, municipal infrastructure GRT, and state shared grt generated within the District and distributed to the City.
<b>How is the amount of the tax abatement determined? For example, this could be a specific dollar amount, a percentage of the tax liability, etc.</b>	The City has dedicated the tax increment revenues to the repayment of the TIDD bonds, being a dedication of 75% of the general purposes municipal GRT, municipal infrastructure GRT, and state shared grt generated within the District and distributed to the City. TIDD revenue is distributed by TRD.
<b>Are there provisions for recapturing abated taxes? (Yes or No)</b>	No
<b>If there are provisions for recapturing abated taxes, describe them, including the conditions under which abated taxes become eligible for recapture.</b>	N/A
<b>List each specific commitment made by the recipient of the abatement.</b>	The Developer will construct infrastructure within the TIDD. The TIDD will issue bonds, the proceeds of which will reimburse the Developer for costs associated with the construction of the infrastructure. Once completed, the Developer will convey the TIDD Infrastructure, real and personal property which the City deems reasonably necessary to or on behalf of the District to the City.
<b>Gross dollar amount, on an accrual basis, by which the government's tax revenues were reduced during the reporting period as a result of the tax abatement agreement.</b>	38,496.53
<b>For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by your agency or another agency in association with the foregone tax revenue, list the authority for and describe the payment, including the agency that is supposed to receive the payment</b>	N/A
<b>For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by your agency in association with the foregone tax revenue, list the amount of payments received in the current fiscal year</b>	N/A
<b>For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by a different agency in association with the foregone tax revenue, list the name of the agency and the amount of payments received in the current fiscal year</b>	N/A
<b>List each specific commitment made by your agency or any other government, other than the tax abatement.</b>	N/A
<b>Are any other governments affected by this tax abatement agreement? (Yes or No) If yes, list each affected agency and complete an intergovernmental disclosure for each such agency.</b>	No
<b>If your agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission.</b>	N/A

**CITY OF RIO RANCHO, NEW MEXICO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
Year Ended June 30, 2018

<b>Agency Number</b>	6147
<b>Agency Name</b>	City of Rio Rancho
<b>Agency Type</b>	Local Public Body (Home Rule Municipality)
<b>Tax Abatement Agreement Name</b>	The Village at Rio Rancho Tax Increment Development District (TIDD)
<b>Recipient(s) of tax abatement</b>	The Village at Rio Rancho TIDD
<b>Parent company(ies) of recipient(s) of tax abatement</b>	N/A
<b>Tax abatement program (name and brief description)</b>	Tax Increment Development District - The City has dedicated the tax increment revenues to the repayment of the TIDD bonds, being a dedication of 70% of the general purposes municipal GRT, municipal infrastructure GRT, and state shared grt generated within the District and distributed to the City.
<b>Specific Tax(es) Being Abated</b>	General purposes municipal GRT, municipal infrastructure GRT, and state shared grt generated within the District and distributed to the City.
<b>Legal authority under which tax abatement agreement was entered into</b>	Tax Increment Development Act, Sections 5-15-1, <i>et seq.</i> NMSA 1978 as amended.
<b>Criteria that make a recipient eligible to receive a tax abatement</b>	A developer must submit a petition and an application to form a TIDD pursuant to the Act and the City's TIDD Ordinance. The Developer will construct infrastructure within the TIDD. The TIDD will issue bonds, the proceeds of which will reimburse the Developer for costs associated with the construction of the infrastructure. Once completed, the developer will convey the TIDD Infrastructure, real and personal property which the City deems reasonably necessary to or on behalf of the District to the City.
<b>How are the tax abatement recipient's taxes reduced? (For example: through a reduction of assessed value)</b>	The City has dedicated the tax increment revenues to the repayment of the TIDD bonds, being a dedication of 70% of the general purposes municipal GRT, municipal infrastructure GRT, and state shared grt generated within the District and distributed to the City.
<b>How is the amount of the tax abatement determined? For example, this could be a specific dollar amount, a percentage of the tax liability, etc.</b>	The City has dedicated the tax increment revenues to the repayment of the TIDD bonds, being a dedication of 70% of the general purposes municipal GRT, municipal infrastructure GRT, and state shared grt generated within the District and distributed to the City. TIDD revenue is distributed by TRD.
<b>Are there provisions for recapturing abated taxes? (Yes or No)</b>	No
<b>If there are provisions for recapturing abated taxes, describe them, including the conditions under which abated taxes become eligible for recapture.</b>	N/A
<b>List each specific commitment made by the recipient of the abatement.</b>	The Developer will construct infrastructure within the TIDD. The TIDD will issue bonds, the proceeds of which will reimburse the Developer for costs associated with the construction of the infrastructure. Once completed, the Developer will convey the TIDD Infrastructure, real and personal property which the City deems reasonably necessary to or on behalf of the District to the City.
<b>Gross dollar amount, on an accrual basis, by which the government's tax revenues were reduced during the reporting period as a result of the tax abatement agreement.</b>	\$ 42,780.06
<b>For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by your agency or another agency in association with the foregone tax revenue, list the authority for and describe the payment, including the agency that is supposed to receive the payment</b>	N/A
<b>For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by your agency in association with the foregone tax revenue, list the amount of payments received in the current fiscal year</b>	N/A
<b>For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by a different agency in association with the foregone tax revenue, list the name of the agency and the amount of payments received in the current fiscal year</b>	N/A
<b>List each specific commitment made by your agency or any other government, other than the tax abatement.</b>	N/A
<b>Are any other governments affected by this tax abatement agreement? (Yes or No) If yes, list each affected agency and complete an intergovernmental disclosure for each such agency.</b>	No
<b>If your agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission.</b>	N/A



**CITY OF RIO RANCHO, NEW MEXICO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
Year Ended June 30, 2018

<b>Agency Number</b>	6147
<b>Agency Name</b>	City of Rio Rancho
<b>Agency Type</b>	Local Public Body (Home Rule Municipality)
<b>Tax Abatement Agreement Name</b>	Petroglyph Real Estate Development Gross Receipts Investment Policy (GRIP) Agreement
<b>Recipient(s) of tax abatement</b>	Petroglyph Real Estate Development, LLC
<b>Parent company(ies) of recipient(s) of tax abatement</b>	N/A
<b>Tax abatement program (name and brief description)</b>	Petroglyph GRIP - The City will refund one-half of the City's share of total gross receipts taxes directly attributable to the Petroglyph project's retail sales and professional services from the development project, less any amount dedicated to special purposes, received by the City each year for a period of no more than eleven years. Maximum refund: \$2,783,134.74.
<b>Specific Tax(es) Being Abated</b>	City's share of all gross receipts taxes directly attributable to the recipient project's retail sales and professional services, less any amount dedicated to special purposes.
<b>Legal authority under which tax abatement agreement was entered into</b>	City of Rio Rancho Gross Receipts Investment Policy Ordinance, Section 36.77(A)
<b>Criteria that make a recipient eligible to receive a tax abatement</b>	A business may qualify under the GRIP program if it demonstrates one of more of the following: 1. The retail or professional services will generate or draw regional customers or customers who reside beyond 20 miles from the municipal boundaries of the City; 2. The sales volume is projected to meet or exceed \$5,000,000 per year after three years of operation; 3. The business is a food service or restaurant with a seating capacity of not less than 200 persons; 4. The business is a full service hotel of not less than 200 rooms; 5. The business will provide employment for at least 50 employees; 6. The business is a car dealership with estimated minimum annual volume of sales of 600 units; or 7. The business represents a substantial expansion of an existing business operation within Rio Rancho, at least doubling existing square footage or increasing retail space by 50,000 square feet, whichever is less.
<b>How are the tax abatement recipient's taxes reduced? (For example: through a reduction of assessed value)</b>	The City refunds the taxes directly to the developer after the monthly GRT distribution is received from TRD.
<b>How is the amount of the tax abatement determined? For example, this could be a specific dollar amount, a percentage of the tax liability, etc.</b>	CRS-1 Reports are provided to the City by the businesses within the development. Taxable gross receipts reported on the CRS-1 forms multiplied by each grt increment percentage is used to determine the amount of GRIP eligible taxes. The State's administrative fee of 3.25% is deducted from the GRIP eligible taxes. 50% of the resulting amount is refunded to the developer by a direct payment from the City.
<b>Are there provisions for recapturing abated taxes? (Yes or No)</b>	No
<b>If there are provisions for recapturing abated taxes, describe them, including the conditions under which abated taxes become eligible for recapture.</b>	N/A
<b>List each specific commitment made by the recipient of the abatement.</b>	The recipient will construct public infrastructure related to the commercial development and dedicate it to the City.
<b>Gross dollar amount, on an accrual basis, by which the government's tax revenues were reduced during the reporting period as a result of the tax abatement agreement.</b>	\$ 106,557.75
<b>For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by your agency or another agency in association with the foregone tax revenue, list the authority for and describe the payment, including the agency that is supposed to receive the payment</b>	N/A
<b>For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by your agency in association with the foregone tax revenue, list the amount of payments received in the current fiscal year</b>	N/A
<b>For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by a different agency in association with the foregone tax revenue, list the name of the agency and the amount of payments received in the current fiscal year</b>	N/A
<b>List each specific commitment made by your agency or any other government, other than the tax abatement.</b>	N/A
<b>Are any other governments affected by this tax abatement agreement? (Yes or No) If yes, list each affected agency and complete an intergovernmental disclosure for each such agency.</b>	No
<b>If your agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission.</b>	N/A

**CITY OF RIO RANCHO, NEW MEXICO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
Year Ended June 30, 2018

<b>Agency Number</b>	6147
<b>Agency Name</b>	City of Rio Rancho
<b>Agency Type</b>	Local Public Body (Home Rule Municipality)
<b>Tax Abatement Agreement Name</b>	RR Premier Realty, LP Gross Receipts Investment Policy (GRIP) Agreement
<b>Recipient(s) of tax abatement</b>	RR Premier Realty, LP
<b>Parent company(ies) of recipient(s) of tax abatement</b>	N/A
<b>Tax abatement program (name and brief description)</b>	Premier Cinema GRIP -The City will refund one-half of the City's share of total gross receipts taxes directly attributable to the project's retail sales the development project, less any amount dedicated to special purposes, received by the City each year for a period of no more than eleven years. Maximum refund: \$539,237.74.
<b>Specific Tax(es) Being Abated</b>	City's share of all gross receipts taxes directly attributable to the recipient project's retail sales and professional services, less any amount dedicated to special purposes.
<b>Legal authority under which tax abatement agreement was entered into</b>	City of Rio Rancho Gross Receipts Investment Policy Ordinance, Section 36.77(A)
<b>Criteria that make a recipient eligible to receive a tax abatement</b>	A business may qualify under the GRIP program if it demonstrates one of more of the following: 1. The retail or professional services will generate or draw regional customers or customers who reside beyond 20 miles from the municipal boundaries of the City; 2. The sales volume is projected to meet or exceed \$5,000,000 per year after three years of operation; 3. The business is a food service or restaurant with a seating capacity of not less than 200 persons; 4. The business is a full service hotel of not less than 200 rooms; 5. The business will provide employment for at least 50 employees; 6. The business is a car dealership with estimated minimum annual volume of sales of 600 units; or 7. The business represents a substantial expansion of an existing business operation within Rio Rancho, at least doubling existing square footage or increasing retail space by 50,000 square feet, whichever is less.
<b>How are the tax abatement recipient's taxes reduced? (For example: through a reduction of assessed value)</b>	The City refunds the taxes directly to the developer after the monthly GRT distribution is received from TRD.
<b>How is the amount of the tax abatement determined? For example, this could be a specific dollar amount, a percentage of the tax liability, etc.</b>	CRS-1 Reports are provided to the City by the businesses within the development. Taxable gross receipts reported on the CRS-1 forms multiplied by each grt increment percentage is used to determine the amount of GRIP eligible taxes. The State's administrative fee of 3.25% is deducted from the GRIP eligible taxes. 50% of the resulting amount is refunded to the developer by a direct payment from the City.
<b>Are there provisions for recapturing abated taxes? (Yes or No)</b>	No
<b>If there are provisions for recapturing abated taxes, describe them, including the conditions under which abated taxes become eligible for recapture.</b>	N/A
<b>List each specific commitment made by the recipient of the abatement.</b>	The recipient will construct public infrastructure related to the commercial development and dedicate it to the City.
<b>Gross dollar amount, on an accrual basis, by which the government's tax revenues were reduced during the reporting period as a result of the tax abatement agreement.</b>	\$ 52,810.78
<b>For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by your agency or another agency in association with the foregone tax revenue, list the authority for and describe the payment, including the agency that is supposed to receive the payment</b>	N/A
<b>For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by your agency in association with the foregone tax revenue, list the amount of payments received in the current fiscal year</b>	N/A
<b>For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by a different agency in association with the foregone tax revenue, list the name of the agency and the amount of payments received in the current fiscal year</b>	N/A
<b>List each specific commitment made by your agency or any other government, other than the tax abatement.</b>	N/A
<b>Are any other governments affected by this tax abatement agreement? (Yes or No) If yes, list each affected agency and complete an intergovernmental disclosure for each such agency.</b>	No
<b>If your agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission.</b>	N/A

**CITY OF RIO RANCHO, NEW MEXICO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
Year Ended June 30, 2018

<b>Agency Number</b>	6147
<b>Agency Name</b>	City of Rio Rancho
<b>Agency Type</b>	Local Public Body (Home Rule Municipality)
<b>Tax Abatement Agreement Name</b>	Titan City Center, LLC Project - Industrial Revenue Bonds Series 2009
<b>Recipient(s) of tax abatement</b>	Titan City Center, LLC
<b>Parent company(ies) of recipient(s) of tax abatement</b>	N/A
<b>Tax abatement program (name and brief description)</b>	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.
<b>Specific Tax(es) Being Abated</b>	Property Taxes
<b>Legal authority under which tax abatement agreement was entered into</b>	Sections 3-32-1 through 3-32-16, NMSA 1978 Annotated, Exempt from Property Tax under Section 7-36-3(A) NMSA 1978 Annotated
<b>Criteria that make a recipient eligible to receive a tax abatement</b>	Recipient meets the criteria established under Sections 3-32-1 through 3-32-16, NMSA 1978 Annotated and Exempt from Property Tax under Section 7-36-3(A) NMSA 1978 Annotated. The recipient will sub-lease the property to Hewlett-Packard Company who will operate a client service and consulting center which will employ 1,350 people full-time by the end of 2012.
<b>How are the tax abatement recipient's taxes reduced? (For example: through a reduction of assessed value)</b>	City of Rio Rancho owns the property and leases it to Titan. No property tax is assessed because it is a City owned property.
<b>How is the amount of the tax abatement determined? For example, this could be a specific dollar amount, a percentage of the tax liability, etc.</b>	The property for which the IRB was issued is exempt from taxes because it is owned by the City. The property's value is assessed by the County assessor. The property tax mill rate is set by various taxing authorities and the Department of Finance and Administration. Property taxes would be calculated by multiplying the mill rate by the taxable value as determined by the County Assessor. Payment in lieu of taxes must be paid to the Rio Rancho school district.
<b>Are there provisions for recapturing abated taxes? (Yes or No)</b>	yes
<b>If there are provisions for recapturing abated taxes, describe them, including the conditions under which abated taxes become eligible for recapture.</b>	If the company ceases operation of the Facility within five years of the issuance of the Bonds, the Company will pay an amount equal to that percentage of the amount of taxes it would have been required to pay if the bonds had not been issued. Amount is calculated using mill levies and actual property tax valuations for each tax year.
<b>List each specific commitment made by the recipient of the abatement.</b>	Operate a client service and consulting center which will employ 1,350 people full-time by the end of 2012.
<b>Gross dollar amount, on an accrual basis, by which the government's tax revenues were reduced during the reporting period as a result of the tax abatement agreement.</b>	\$ 126,678.97
<b>For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by your agency or another agency in association with the foregone tax revenue, list the authority for and describe the payment, including the agency that is supposed to receive the payment</b>	City of Rio Rancho Ordinance 16 Enactment 09-19 and lease agreement between City of Rio Rancho and Titan City Center, LLC. Payment in Lieu of Taxes must be paid to the Rio Rancho School district.
<b>For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by your agency in association with the foregone tax revenue, list the amount of payments received in the current fiscal year</b>	N/A
<b>For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by a different agency in association with the foregone tax revenue, list the name of the agency and the amount of payments received in the current fiscal year</b>	Rio Rancho School District, \$144,164.08
<b>List each specific commitment made by your agency or any other government, other than the tax abatement.</b>	N/A
<b>Are any other governments affected by this tax abatement agreement? (Yes or No) If yes, list each affected agency and complete an intergovernmental disclosure for each such agency.</b>	Yes. State of New Mexico, Sandoval County, Rio Rancho School District, Central NM Community College, Southern Sandoval County Arroyo Flood Control Authority
<b>If your agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission.</b>	N/A

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

Year Ended June 30, 2018

<b>Agency Number</b>	6147
<b>Agency Name</b>	City of Rio Rancho
<b>Agency Type</b>	Local Public Body (Home Rule Municipality)
<b>Tax Abatement Agreement Name</b>	Call, LLC Project - Industrial Revenue Bonds Series 1998A
<b>Recipient(s) of tax abatement</b>	Call, LLC
<b>Parent company(ies) of recipient(s) of tax abatement</b>	N/A
<b>Tax abatement program (name and brief description)</b>	Safelite Solutions Improvement Project
<b>Specific Tax(es) Being Abated</b>	Property Taxes
<b>Legal authority under which tax abatement agreement was entered into</b>	Sections 3-32-1 through 3-32-16, NMSA 1978 Annotated, Exempt from Property Tax under Section 7-36-3(A) NMSA 1978 Annotated
<b>Criteria that make a recipient eligible to receive a tax abatement</b>	Recipient meets the criteria established under Sections 3-32-1 through 3-32-16, NMSA 1978 Annotated and Exempt from Property Tax under Section 7-36-3(A) NMSA 1978 Annotated. Make improvements to the facility and expand the parking capacity. Seb-lease the facility to Safelite Solutions LLC which will crate and maintain 600 full-time jobs.
<b>How are the tax abatement recipient's taxes reduced? (For example: through a reduction of assessed value)</b>	City of Rio Rancho owns the property and leases it to Call, LLC. No property tax is assessed because it is a City owned property.
<b>How is the amount of the tax abatement determined? For example, this could be a specific dollar amount, a percentage of the tax liability, etc.</b>	The property for which the IRB was issued is exempt from taxes because it is owned by the City. The property's value is assessed by the County assessor. The property tax mill rate is set by various taxing authorities and the Department of Finance and Administration. Property taxes would be calculated by multiplying the mill rate by the taxable value as determined by the County Assessor. Payment in lieu of taxes must be paid to the Rio Rancho school district.
<b>Are there provisions for recapturing abated taxes? (Yes or No)</b>	No
<b>If there are provisions for recapturing abated taxes, describe them, including the conditions under which abated taxes become eligible for recapture.</b>	N/A
<b>List each specific commitment made by the recipient of the abatement.</b>	Make improvements to the facility and expand the parking capacity. Sub-lease the facility to Safelite Solutions LLC which will create and maintain 600 full-time jobs.
<b>Gross dollar amount, on an accrual basis, by which the government's tax revenues were reduced during the reporting period as a result of the tax abatement agreement.</b>	\$ 45,901.47
<b>For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by your agency or another agency in association with the foregone tax revenue, list the authority for and describe the payment, including the agency that is supposed to receive the payment</b>	City of Rio Rancho Ordinance 0-15 Enactment 98-017 and Ordinance 35, Enactment 16-28 and lease agreement between City of Rio Rancho and Call, LLC and lease and and purchase agreement between City of Rio Rancho and Safelite Solutions, LLC. Payment in Lieu of Taxes must be paid to the Rio Rancho School district.
<b>For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by your agency in association with the foregone tax revenue, list the amount of payments received in the current fiscal year</b>	N/A
<b>For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by a different agency in association with the foregone tax revenue, list the name of the agency and the amount of payments received in the current fiscal year</b>	Rio Rancho School District, \$52,237.11
<b>List each specific commitment made by your agency or any other government, other than the tax abatement.</b>	N/A
<b>Are any other governments affected by this tax abatement agreement? (Yes or No) If yes, list each affected agency and complete an intergovernmental disclosure for each such agency.</b>	Yes. State of New Mexico, Sandoval County, Rio Rancho School District, Central NM Community College, Southern Sandoval County Arroyo Flood Control Authority
<b>If your agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission.</b>	N/A

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

Year Ended June 30, 2018

<b>Agency Number</b>	6147
<b>Agency Name</b>	City of Rio Rancho
<b>Agency Type</b>	Local Public Body (Home Rule Municipality)
<b>Tax Abatement Agreement Name</b>	Bank of America - Industrial Revenue Bonds Series 1998B
<b>Recipient(s) of tax abatement</b>	Bank of America
<b>Parent company(ies) of recipient(s) of tax abatement</b>	N/A
<b>Tax abatement program (name and brief description)</b>	Bank of America - IRB
<b>Specific Tax(es) Being Abated</b>	Property Taxes
<b>Legal authority under which tax abatement agreement was entered into</b>	Sections 3-32-1 through 3-32-16, NMSA 1978 Annotated, Exempt from Property Tax under Section 7-36-3(A) NMSA 1978 Annotated
<b>Criteria that make a recipient eligible to receive a tax abatement</b>	Recipient meets the criteria established under Sections 3-32-1 through 3-32-16, NMSA 1978 Annotated and Exempt from Property Tax under Section 7-36-3(A) NMSA 1978 Annotated. The Company intends to operate the facility to the later of the payment in full of the Bond/expiration of lease on May 1, 2023.
<b>How are the tax abatement recipient's taxes reduced? (For example: through a reduction of assessed value)</b>	City of Rio Rancho owns the property and leases it to Bank of America. Under the Lease and Purchase Agreement Series B the property remains exempt from property taxes as long as the lease is in effect until May 1, 2023.
<b>How is the amount of the tax abatement determined? For example, this could be a specific dollar amount, a percentage of the tax liability, etc.</b>	The property for which the IRB was issued is exempt from taxes because it is owned by the City. The property's value is assessed by the County assessor. The property tax mill rate is set by various taxing authorities and the Department of Finance and Administration. Property taxes would be calculated by multiplying the mill rate by the taxable value as determined by the County Assessor. Payment in lieu of taxes must be paid to the Rio Rancho school district.
<b>Are there provisions for recapturing abated taxes? (Yes or No)</b>	If the company ceases operation of the Facility within five years of the issuance of the Bonds, the Company will pay an amount equal to that percentage of the amount of taxes it would have been required to pay if the bonds had not been issued other than with respect to the Rio Rancho School District. Amount is calculated using mill levies and actual property tax valuations for each tax year.
<b>If there are provisions for recapturing abated taxes, describe them, including the conditions under which abated taxes become eligible for recapture.</b>	N/A
<b>List each specific commitment made by the recipient of the abatement.</b>	The Company intends to operate the facility to the later of the payment in full of the Bond/expiration of lease on May 1, 2023.
<b>Gross dollar amount, on an accrual basis, by which the government's tax revenues were reduced during the reporting period as a result of the tax abatement agreement.</b>	\$ 34,905.11
<b>For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by your agency or another agency in association with the foregone tax revenue, list the authority for and describe the payment, including the agency that is supposed to receive the payment</b>	City of Rio Rancho Ordinance 0-11 Enactment 98-04 and lease and purchase agreement between City of Rio Rancho and NationsBank (Bank of America). Payment in Lieu of Taxes must be paid to the Rio Rancho School district.
<b>For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by your agency in association with the foregone tax revenue, list the amount of payments received in the current fiscal year</b>	N/A
<b>For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by a different agency in association with the foregone tax revenue, list the name of the agency and the amount of payments received in the current fiscal year</b>	Rio Rancho School District, \$39,722.96
<b>List each specific commitment made by your agency or any other government, other than the tax abatement.</b>	None
<b>Are any other governments affected by this tax abatement agreement? (Yes or No) If yes, list each affected agency and complete an intergovernmental disclosure for each such agency.</b>	Yes. State of New Mexico, Sandoval County, Rio Rancho School District, Central NM Community College, Southern Sandoval County Arroyo Flood Control Authority
<b>If your agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission.</b>	N/A

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

Year Ended June 30, 2018

<b>Agency number for Agency making the disclosure (Abating Agency)</b>	6147
<b>Abating Agency Name</b>	City of Rio Rancho
<b>Abating Agency Type</b>	Municipality (Home Rule)
<b>Tax Abatement Agreement Name</b>	Industrial Revenue Bond Project-Lease Agreement
<b>Name of agency affected by abatement agreement (Affected Agency)</b>	State of New Mexico
<b>Agency number of Affected Agency</b>	333 - New Mexico Taxation & Revenue Department
<b>Agency type of Affected Agency</b>	State
<b>Recipient(s) of tax abatement</b>	Titan City Center, LLC
<b>Tax abatement program (name and brief description)</b>	Industrial Revenue Bonds -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.
<b>Specific Tax(es) Being Abated</b>	Property Taxes
<b>Authority under which abated tax would have been paid to Affected Agency</b>	Property Tax Code NMSA Chapter 7 Articles 35-38
<b>Gross dollar amount, on an accrual basis, by which the Affected Agency's tax revenues were reduced during the reporting period as a result of the tax abatement agreement</b>	\$ 17,759.34
<b>For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by the Affected Agency in association with the foregone tax revenue, list the amount of payments received in the current fiscal year</b>	N/A
<b>If the Abating Agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission</b>	N/A

<b>Agency number for Agency making the disclosure (Abating Agency)</b>	6147
<b>Abating Agency Name</b>	City of Rio Rancho
<b>Abating Agency Type</b>	Municipality (Home Rule)
<b>Tax Abatement Agreement Name</b>	Industrial Revenue Bond Project-Lease Agreement
<b>Name of agency affected by abatement agreement (Affected Agency)</b>	State of New Mexico
<b>Agency number of Affected Agency</b>	333 - New Mexico Taxation & Revenue Department
<b>Agency type of Affected Agency</b>	State
<b>Recipient(s) of tax abatement</b>	Call, LLC
<b>Tax abatement program (name and brief description)</b>	Industrial Revenue Bonds - Authorize \$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.
<b>Specific Tax(es) Being Abated</b>	Property Taxes
<b>Authority under which abated tax would have been paid to Affected Agency</b>	Property Tax Code NMSA Chapter 7 Articles 35-38
<b>Gross dollar amount, on an accrual basis, by which the Affected Agency's tax revenues were reduced during the reporting period as a result of the tax abatement agreement</b>	\$ 6,435.01
<b>For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by the Affected Agency in association with the foregone tax revenue, list the amount of payments received in the current fiscal year</b>	N/A
<b>If the Abating Agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission</b>	N/A

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

Year Ended June 30, 2018

<b>Agency number for Agency making the disclosure (Abating Agency)</b>	6147
<b>Abating Agency Name</b>	City of Rio Rancho
<b>Abating Agency Type</b>	Municipality (Home Rule)
<b>Tax Abatement Agreement Name</b>	Industrial Revenue Bond Project-Lease Agreement
<b>Name of agency affected by abatement agreement (Affected Agency)</b>	State of New Mexico
<b>Agency number of Affected Agency</b>	333 - New Mexico Taxation & Revenue Department
<b>Agency type of Affected Agency</b>	State
<b>Recipient(s) of tax abatement</b>	Bank of America
<b>Tax abatement program (name and brief description)</b>	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.
<b>Specific Tax(es) Being Abated</b>	Property Taxes
<b>Authority under which abated tax would have been paid to Affected Agency</b>	Property Tax Code NMSA Chapter 7 Articles 35-38
<b>Gross dollar amount, on an accrual basis, by which the Affected Agency's tax revenues were reduced during the reporting period as a result of the tax abatement agreement</b>	\$ 4,893.41
<b>For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by the Affected Agency in association with the foregone tax revenue, list the amount of payments received in the current fiscal year</b>	N/A
<b>If the Abating Agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission</b>	N/A

<b>Agency number for Agency making the disclosure (Abating Agency)</b>	6147
<b>Abating Agency Name</b>	City of Rio Rancho
<b>Abating Agency Type</b>	Municipality (Home Rule)
<b>Tax Abatement Agreement Name</b>	Industrial Revenue Bond Project - Lease Agreement
<b>Name of agency affected by abatement agreement (Affected Agency)</b>	Sandoval County
<b>Agency number of Affected Agency</b>	5025
<b>Agency type of Affected Agency</b>	County
<b>Recipient(s) of tax abatement</b>	Titan City Center, LLC
<b>Tax abatement program (name and brief description)</b>	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.
<b>Specific Tax(es) Being Abated</b>	Property Taxes
<b>Authority under which abated tax would have been paid to Affected Agency</b>	Property Tax Code NMSA Chapter 7 Articles 35-38
<b>Gross dollar amount, on an accrual basis, by which the Affected Agency's tax revenues were reduced during the reporting period as a result of the tax abatement agreement</b>	\$ 148,003.24
<b>For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by the Affected Agency in association with the foregone tax revenue, list the amount of payments received in the current fiscal year</b>	N/A
<b>If the Abating Agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission</b>	N/A

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

Year Ended June 30, 2018

<b>Agency number for Agency making the disclosure (Abating Agency)</b>	6147
<b>Abating Agency Name</b>	City of Rio Rancho
<b>Abating Agency Type</b>	Municipality (Home Rule)
<b>Tax Abatement Agreement Name</b>	Industrial Revenue Bond Project - Lease Agreement
<b>Name of agency affected by abatement agreement (Affected Agency)</b>	Sandoval County
<b>Agency number of Affected Agency</b>	5025
<b>Agency type of Affected Agency</b>	County
<b>Recipient(s) of tax abatement</b>	Call, LLC
<b>Tax abatement program (name and brief description)</b>	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.
<b>Specific Tax(es) Being Abated</b>	Property Taxes
<b>Authority under which abated tax would have been paid to Affected Agency</b>	Property Tax Code NMSA Chapter 7 Articles 35-38
<b>Gross dollar amount, on an accrual basis, by which the Affected Agency's tax revenues were reduced during the reporting period as a result of the tax abatement agreement</b>	\$ 53,628.20
<b>For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by the Affected Agency in association with the foregone tax revenue, list the amount of payments received in the current fiscal year</b>	N/A
<b>If the Abating Agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission</b>	N/A

<b>Agency number for Agency making the disclosure (Abating Agency)</b>	6147
<b>Abating Agency Name</b>	City of Rio Rancho
<b>Abating Agency Type</b>	Municipality (Home Rule)
<b>Tax Abatement Agreement Name</b>	Industrial Revenue Bond Project - Lease Agreement
<b>Name of agency affected by abatement agreement (Affected Agency)</b>	Sandoval County
<b>Agency number of Affected Agency</b>	5025
<b>Agency type of Affected Agency</b>	County
<b>Recipient(s) of tax abatement</b>	Bank of America
<b>Tax abatement program (name and brief description)</b>	Industrial Revenue Bonds - Authorize issuance of \$9,000,000 in industrial revenue bonds, Series 1998B, the proceeds of which will be used to finance the acquisition and construction of property. The property is leased to the Bank of America.
<b>Specific Tax(es) Being Abated</b>	Property Taxes
<b>Authority under which abated tax would have been paid to Affected Agency</b>	Property Tax Code NMSA Chapter 7 Articles 35-38
<b>Gross dollar amount, on an accrual basis, by which the Affected Agency's tax revenues were reduced during the reporting period as a result of the tax abatement agreement</b>	\$ 40,780.80
<b>For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by the Affected Agency in association with the foregone tax revenue, list the amount of payments received in the current fiscal year</b>	N/A
<b>If the Abating Agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission</b>	N/A



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

Year Ended June 30, 2018

<b>Agency number for Agency making the disclosure (Abating Agency)</b>	6147
<b>Abating Agency Name</b>	City of Rio Rancho
<b>Abating Agency Type</b>	Municipality (Home Rule)
<b>Tax Abatement Agreement Name</b>	Industrial Revenue Bond Project - Lease Agreement
<b>Name of agency affected by abatement agreement (Affected Agency)</b>	Rio Rancho Public Schools
<b>Agency number of Affected Agency</b>	7090
<b>Agency type of Affected Agency</b>	School District
<b>Recipient(s) of tax abatement</b>	Titan City Center, LLC
<b>Tax abatement program (name and brief description)</b>	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.
<b>Specific Tax(es) Being Abated</b>	Property Taxes
<b>Authority under which abated tax would have been paid to Affected Agency</b>	Property Tax Code NMSA Chapter 7 Articles 35-38
<b>Gross dollar amount, on an accrual basis, by which the Affected Agency's tax revenues were reduced during the reporting period as a result of the tax abatement agreement</b>	\$ 144,164.08
<b>For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by the Affected Agency in association with the foregone tax revenue, list the amount of payments received in the current fiscal year</b>	\$ 144,164.08
<b>If the Abating Agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission</b>	N/A

<b>Agency number for Agency making the disclosure (Abating Agency)</b>	6147
<b>Abating Agency Name</b>	City of Rio Rancho
<b>Abating Agency Type</b>	Municipality (Home Rule)
<b>Tax Abatement Agreement Name</b>	Industrial Revenue Bond Project - Lease Agreement
<b>Name of agency affected by abatement agreement (Affected Agency)</b>	Rio Rancho Public Schools
<b>Agency number of Affected Agency</b>	7090
<b>Agency type of Affected Agency</b>	School District
<b>Recipient(s) of tax abatement</b>	Call, LLC
<b>Tax abatement program (name and brief description)</b>	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.
<b>Specific Tax(es) Being Abated</b>	Property Taxes
<b>Authority under which abated tax would have been paid to Affected Agency</b>	Property Tax Code NMSA Chapter 7 Articles 35-38
<b>Gross dollar amount, on an accrual basis, by which the Affected Agency's tax revenues were reduced during the reporting period as a result of the tax abatement agreement</b>	\$ 52,237.11
<b>For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by the Affected Agency in association with the foregone tax revenue, list the amount of payments received in the current fiscal year</b>	\$ 52,237.11
<b>If the Abating Agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission</b>	N/A

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

Year Ended June 30, 2018

<b>Agency number for Agency making the disclosure (Abating Agency)</b>	6147
<b>Abating Agency Name</b>	City of Rio Rancho
<b>Abating Agency Type</b>	Municipality (Home Rule)
<b>Tax Abatement Agreement Name</b>	Industrial Revenue Bond Project - Lease Agreement
<b>Name of agency affected by abatement agreement (Affected Agency)</b>	Rio Rancho Public Schools
<b>Agency number of Affected Agency</b>	7090
<b>Agency type of Affected Agency</b>	School District
<b>Recipient(s) of tax abatement</b>	Bank of America
<b>Tax abatement program (name and brief description)</b>	Industrial Revenue Bonds - Authorize issuance of \$9,000,000 in industrial revenue bonds, Series 1998B, the proceeds of which will be used to finance the acquisition and construction of property. The property is leased to the Bank of America.
<b>Specific Tax(es) Being Abated</b>	Property Taxes
<b>Authority under which abated tax would have been paid to Affected Agency</b>	Property Tax Code NMSA Chapter 7 Articles 35-38
<b>Gross dollar amount, on an accrual basis, by which the Affected Agency's tax revenues were reduced during the reporting period as a result of the tax abatement agreement</b>	\$ 39,722.96
<b>For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by the Affected Agency in association with the foregone tax revenue, list the amount of payments received in the current fiscal year</b>	\$ 39,722.96
<b>If the Abating Agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission</b>	N/A

<b>Agency number for Agency making the disclosure (Abating Agency)</b>	6147
<b>Abating Agency Name</b>	City of Rio Rancho
<b>Abating Agency Type</b>	Municipality (Home Rule)
<b>Tax Abatement Agreement Name</b>	Industrial Revenue Bond Project - Lease Agreement
<b>Name of agency affected by abatement agreement (Affected Agency)</b>	Central New Mexico Community College
<b>Agency number of Affected Agency</b>	966
<b>Agency type of Affected Agency</b>	Community College
<b>Recipient(s) of tax abatement</b>	Titan City Center, LLC
<b>Tax abatement program (name and brief description)</b>	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.
<b>Specific Tax(es) Being Abated</b>	Property Taxes
<b>Authority under which abated tax would have been paid to Affected Agency</b>	Property Tax Code NMSA Chapter 7 Articles 35-38
<b>Gross dollar amount, on an accrual basis, by which the Affected Agency's tax revenues were reduced during the reporting period as a result of the tax abatement agreement</b>	\$ 52,233.36
<b>For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by the Affected Agency in association with the foregone tax revenue, list the amount of payments received in the current fiscal year</b>	N/A
<b>If the Abating Agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission</b>	N/A

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

Year Ended June 30, 2018

<b>Agency number for Agency making the disclosure (Abating Agency)</b>	6147
<b>Abating Agency Name</b>	City of Rio Rancho
<b>Abating Agency Type</b>	Municipality (Home Rule)
<b>Tax Abatement Agreement Name</b>	Industrial Revenue Bond Project - Lease Agreement
<b>Name of agency affected by abatement agreement (Affected Agency)</b>	Central New Mexico Community College
<b>Agency number of Affected Agency</b>	966
<b>Agency type of Affected Agency</b>	Community College
<b>Recipient(s) of tax abatement</b>	Call, LLC
<b>Tax abatement program (name and brief description)</b>	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.
<b>Specific Tax(es) Being Abated</b>	Property Taxes
<b>Authority under which abated tax would have been paid to Affected Agency</b>	Property Tax Code NMSA Chapter 7 Articles 35-38
<b>Gross dollar amount, on an accrual basis, by which the Affected Agency's tax revenues were reduced during the reporting period as a result of the tax abatement agreement</b>	\$ 18,926.49
<b>For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by the Affected Agency in association with the foregone tax revenue, list the amount of payments received in the current fiscal year</b>	N/A
<b>If the Abating Agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission</b>	N/A

<b>Agency number for Agency making the disclosure (Abating Agency)</b>	6147
<b>Abating Agency Name</b>	City of Rio Rancho
<b>Abating Agency Type</b>	Municipality (Home Rule)
<b>Tax Abatement Agreement Name</b>	Industrial Revenue Bond Project - Lease Agreement
<b>Name of agency affected by abatement agreement (Affected Agency)</b>	Central New Mexico Community College
<b>Agency number of Affected Agency</b>	966
<b>Agency type of Affected Agency</b>	Community College
<b>Recipient(s) of tax abatement</b>	Bank of America
<b>Tax abatement program (name and brief description)</b>	Industrial Revenue Bonds - Authorize issuance of \$9,000,000 in industrial revenue bonds, Series 1998B, the proceeds of which will be used to finance the acquisition and construction of property. The property is leased to the Bank of America.
<b>Specific Tax(es) Being Abated</b>	Property Taxes
<b>Authority under which abated tax would have been paid to Affected Agency</b>	Property Tax Code NMSA Chapter 7 Articles 35-38
<b>Gross dollar amount, on an accrual basis, by which the Affected Agency's tax revenues were reduced during the reporting period as a result of the tax abatement agreement</b>	\$ 14,392.38
<b>For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by the Affected Agency in association with the foregone tax revenue, list the amount of payments received in the current fiscal year</b>	N/A
<b>If the Abating Agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission</b>	N/A

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

Year Ended June 30, 2018

<b>Agency number for Agency making the disclosure (Abating Agency)</b>	6147
<b>Abating Agency Name</b>	City of Rio Rancho
<b>Abating Agency Type</b>	Municipality (Home Rule)
<b>Tax Abatement Agreement Name</b>	Industrial Revenue Bond Project - Lease Agreement
<b>Name of agency affected by abatement agreement (Affected Agency)</b>	Southern Sandoval County Arroyo Flood Control Authority
<b>Agency number of Affected Agency</b>	4096
<b>Agency type of Affected Agency</b>	Special District
<b>Recipient(s) of tax abatement</b>	Titan City Center, LLC
<b>Tax abatement program (name and brief description)</b>	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.
<b>Specific Tax(es) Being Abated</b>	Property Taxes
<b>Authority under which abated tax would have been paid to Affected Agency</b>	Property Tax Code NMSA Chapter 7 Articles 35-38
<b>Gross dollar amount, on an accrual basis, by which the Affected Agency's tax revenues were reduced during the reporting period as a result of the tax abatement agreement</b>	\$ 39,462.31
<b>For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by the Affected Agency in association with the foregone tax revenue, list the amount of payments received in the current fiscal year</b>	N/A
<b>If the Abating Agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission</b>	N/A

<b>Agency number for Agency making the disclosure (Abating Agency)</b>	6147
<b>Abating Agency Name</b>	City of Rio Rancho
<b>Abating Agency Type</b>	Municipality (Home Rule)
<b>Tax Abatement Agreement Name</b>	Industrial Revenue Bond Project - Lease Agreement
<b>Name of agency affected by abatement agreement (Affected Agency)</b>	Southern Sandoval County Arroyo Flood Control Authority
<b>Agency number of Affected Agency</b>	4096
<b>Agency type of Affected Agency</b>	Special District
<b>Recipient(s) of tax abatement</b>	Call, LLC
<b>Tax abatement program (name and brief description)</b>	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.
<b>Specific Tax(es) Being Abated</b>	Property Taxes
<b>Authority under which abated tax would have been paid to Affected Agency</b>	Property Tax Code NMSA Chapter 7 Articles 35-38
<b>Gross dollar amount, on an accrual basis, by which the Affected Agency's tax revenues were reduced during the reporting period as a result of the tax abatement agreement</b>	\$ 14,298.96
<b>For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by the Affected Agency in association with the foregone tax revenue, list the amount of payments received in the current fiscal year</b>	N/A
<b>If the Abating Agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission</b>	N/A

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

Year Ended June 30, 2018

<b>Agency number for Agency making the disclosure (Abating Agency)</b>	6147
<b>Abating Agency Name</b>	City of Rio Rancho
<b>Abating Agency Type</b>	Municipality (Home Rule)
<b>Tax Abatement Agreement Name</b>	Industrial Revenue Bond Project - Lease Agreement
<b>Name of agency affected by abatement agreement (Affected Agency)</b>	Southern Sandoval County Arroyo Flood Control Authority
<b>Agency number of Affected Agency</b>	4096
<b>Agency type of Affected Agency</b>	Special District
<b>Recipient(s) of tax abatement</b>	Bank of America
<b>Tax abatement program (name and brief description)</b>	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.
<b>Specific Tax(es) Being Abated</b>	Property Taxes
<b>Authority under which abated tax would have been paid to Affected Agency</b>	Property Tax Code NMSA Chapter 7 Articles 35-38
<b>Gross dollar amount, on an accrual basis, by which the Affected Agency's tax revenues were reduced during the reporting period as a result of the tax abatement agreement</b>	\$ 10,873.44
<b>For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by the Affected Agency in association with the foregone tax revenue, list the amount of payments received in the current fiscal year</b>	N/A
<b>If the Abating Agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission</b>	N/A

**CITY OF RIO RANCHO, NEW MEXICO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
Year Ended June 30, 2018

**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:

<b>Self-Insured Claims Liability</b>			
	<b>2018</b>	<b>2017</b>	<b>2016</b>
Beginning Liability.....	\$ (42,955)	\$ (48,987)	\$ -
Claims Incurred and			
Changes in Estimates...	7,097,675	5,616,160	5,083,814
Claims Paid.....	(5,949,016)	(5,610,128)	(5,132,801)
Ending Liability.....	\$ 1,105,704	\$ (42,955)	\$ (48,987)

**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.

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

Year Ended June 30, 2018

**NOTE 16. RESTATEMENT**

In FY2018, the City implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This implementation has no impact on the City's governmental fund financial statements. However, as a result of this implementation, the beginning net position was restated as follows:

	Utilities Fund Business-Type Activities		
Net Position, as Previously Reported	\$ 217,459,614		
Cumulative Effect of Implementing GASB 75	(2,028,840)		
Net Position, as Restated	\$ 215,430,774		

	Governmental Activities	Business-Type Activities	Total
Net Position, as Previously Reported	\$ 213,757,377	\$ 232,181,523	\$ 445,938,900
Cumulative Effect of Implementing GASB 75	(38,547,956)	(2,028,840)	(40,576,796)
Net Position, as Restated	\$ 175,209,421	\$ 230,152,683	\$ 405,362,104





# Required Supplementary Information

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# 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>	<u>2017</u>
<b>MUNICIPAL GENERAL PLAN 2</b>				
City's proportion of the net pension liability.....	1.84%	1.87%	1.85%	184.52%
City's proportionate share of the net pension liability.....	\$ 14,317,308	\$ 19,098,897	\$ 29,628,670	\$ 39,739,046
City's covered payroll.....	\$ 14,891,796	\$ 15,446,492	\$ 15,881,969	\$ 16,205,131
City's proportionate share of the net pension liability as a percentage of covered payroll.....	96.14%	123.65%	186.56%	245.23%
Plan fiduciary net position as a percentage of the total pension liability.....	81.29%	76.99%	69.18%	73.74%
<b>MUNICIPAL POLICE PLAN 5</b>				
City's proportion of the net pension liability.....	3.16%	3.26%	3.25%	3.24%
City's proportionate share of the net pension liability.....	\$ 10,287,239	\$ 15,686,967	\$ 24,001,602	\$ 28,721,471
City's covered payroll.....	\$ 6,071,232	\$ 6,378,370	\$ 6,470,000	\$ 6,681,370
City's proportionate share of the net pension liability as a percentage of covered payroll.....	169.44%	245.94%	370.97%	429.87%
Plan fiduciary net position as a percentage of the total pension liability.....	81.29%	76.99%	69.18%	73.74%
<b>MUNICIPAL FIRE PLAN 5</b>				
City's proportion of the net pension liability.....	4.25%	4.37%	4.27%	4.30%
City's proportionate share of the net pension liability.....	\$ 17,732,794	\$ 22,540,946	\$ 28,501,252	\$ 32,999,407
City's covered payroll.....	\$ 4,714,718	\$ 4,979,095	\$ 4,980,189	\$ 5,214,952
City's proportionate share of the net pension liability as a percentage of covered payroll.....	376.12%	452.71%	572.29%	632.78%
Plan fiduciary net position as a percentage of the total pension liability.....	81.29%	76.99%	69.18%	73.74%

\* 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>
<b>MUNICIPAL GENERAL PLAN 2</b>			
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%
<b>MUNICIPAL POLICE PLAN 5</b>			
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%
<b>MUNICIPAL FIRE PLAN 5</b>			
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, 2018

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**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.

# CITY OF RIO RANCHO, NEW MEXICO

## Schedule of the City's Proportionate Share of the Net OPEB Liability NM Retiree Health Care Authority (NMRHCA) Plan Last 10 Fiscal Years \*

	<u>Measurement Date</u>
	<u>June 30, 2017</u>
City's proportion of the net OPEB liability	0.75381%
City's proportionate share of the net OPEB liability	\$ 34,160,128
City's covered-employee payroll	\$ 31,400,996
City's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	108.79%
Plan fiduciary net position as a percentage of the total OPEB liability	11.34%

\*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 OPEB Contributions NM Retiree Health Care Authority (NMRHCA) Plan Last 10 Fiscal Years \*

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	2018
Contractually required contribution	\$ 2,393,695
Contributions in relation to the contractually required contribution	1,201,368
Contribution deficiency (excess)	\$ 1,192,327
City's covered-employee payroll	\$ 31,400,996
Contributions as a percentage of covered-employee payroll	3.83%

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

### NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (RHCA)

**Changes of benefit terms.** The Retiree Health Care Authority (RHCA) COLA and age eligibility benefits changes in recent years are described in the Notes to the RHCA FY18 audit available at <http://saonm.org/> using the Audit Search function for agency 343.

**Changes of assumptions.** The Retiree Health Care Authority (RHCA) of New Mexico Biennial Actuarial Valuation as of June 30, 2017 report is available at <http://saonm.org/> using the Audit Search function for agency 343.

# Supplementary Information

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# CITY OF RIO RANCHO, NEW MEXICO

## Combining Balance Sheet Nonmajor Governmental Funds — By Fund Type June 30, 2018

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
<b>ASSETS</b>				
Cash and Cash Equivalents.....	\$ 8,037,572	\$ 4,489,709	\$ 9,473,210	\$ 22,000,491
Receivables:				
Accounts, net.....	37,459	—	—	37,459
Interest.....	468,275	6	3,050	471,331
Gross Receipt Taxes.....	134,945	68,150	—	203,095
Property Taxes.....	—	36,135	—	36,135
Due From Federal Government.....	255,449	—	194,751	450,200
Due From State Government.....	178,597	365,996	169,800	714,393
Due From Local Governments.....	17,723	—	—	17,723
Restricted Cash .....	579,033	4,454	4,231,110	4,814,597
Investments.....	6,632,244	—	742,415	7,374,659
Total Assets .....	<u>\$ 16,341,297</u>	<u>\$ 4,964,450</u>	<u>\$ 14,814,336</u>	<u>\$ 36,120,083</u>
<b>LIABILITIES</b>				
Accounts Payable.....	\$ 407,172	\$ 7,500	\$ 405,110	\$ 819,782
Accrued Liabilities.....	70,214	—	—	70,214
Due To Other Funds.....	363,712	—	3,306,220	3,669,932
Unearned Revenue.....	19,292	—	—	19,292
Total Liabilities.....	<u>860,390</u>	<u>7,500</u>	<u>3,711,330</u>	<u>4,579,220</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue - Property Taxes.....	—	4,873	—	4,873
Total Deferred Inflows of Resources.....	<u>—</u>	<u>4,873</u>	<u>—</u>	<u>4,873</u>
<b>FUND BALANCES</b>				
Fund Balances:				
Restricted.....	15,551,221	4,952,077	11,103,006	31,606,304
Unassigned.....	<u>(70,314)</u>	<u>—</u>	<u>—</u>	<u>(70,314)</u>
Total Fund Balances.....	<u>15,480,907</u>	<u>4,952,077</u>	<u>11,103,006</u>	<u>31,535,990</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances.....	<u>\$ 16,341,297</u>	<u>\$ 4,964,450</u>	<u>\$ 14,814,336</u>	<u>\$ 36,120,083</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, 2018

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
<b>REVENUES</b>				
Property Taxes.....	\$ —	\$ 4,320,808	\$ —	\$ 4,320,808
Municipal Taxes.....	3,445,606	385,612	—	3,831,218
Franchise Taxes.....	56,868	—	—	56,868
Intergovernmental - Federal.....	1,031,777	—	707,446	1,739,223
Intergovernmental - State.....	1,813,767	2,180,249	800,539	4,794,555
Intergovernmental - Local.....	712,974	—	—	712,974
Impact Fees.....	—	—	922,489	922,489
Investment Income (Loss).....	14,449	730	37,219	52,398
Charges for Services.....	701,563	—	—	701,563
Fines and Forfeitures.....	408,171	—	—	408,171
Miscellaneous.....	2,925,333	—	36,576	2,961,909
Total Revenues.....	<u>11,110,508</u>	<u>6,887,399</u>	<u>2,504,269</u>	<u>20,502,176</u>
<b>EXPENDITURES</b>				
Current:				
General Government.....	711,507	—	69,254	780,761
Public Safety.....	4,227,971	—	6,113	4,234,084
Public Works.....	1,345,015	—	43,124	1,388,139
Parks, Recreation, and Culture.....	1,082,902	—	—	1,082,902
Community and Economic Development.....	516,976	—	—	516,976
Capital Outlay.....	1,414,248	—	2,133,002	3,547,250
Debt Service:				
Principal.....	662,480	5,490,000	—	6,152,480
Interest and Other Charges.....	138,276	1,113,044	—	1,251,320
Bond Issuance Costs.....	—	174,284	—	174,284
Total Expenditures.....	<u>10,099,375</u>	<u>6,777,328</u>	<u>2,251,493</u>	<u>19,128,196</u>
Revenues Over (Under) Expenditures.....	1,011,133	110,071	252,776	1,373,980
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of Refunding Bonds.....	—	6,885,000	—	6,885,000
Payment to Refunding Escrow.....	—	(6,703,013)	—	(6,703,013)
Transfers In.....	2,041,615	—	3,686,951	5,728,566
Transfers Out.....	(3,443)	—	—	(3,443)
Total Other Financing Sources (Uses).....	<u>2,038,172</u>	<u>181,987</u>	<u>3,686,951</u>	<u>5,907,110</u>
Net Change in Fund Balances.....	3,049,305	292,058	3,939,727	7,281,090
Fund Balances - Beginning.....	12,431,602	4,660,019	7,163,279	24,254,900
Fund Balances - Ending.....	<u>\$ 15,480,907</u>	<u>\$ 4,952,077</u>	<u>\$ 11,103,006</u>	<u>\$ 31,535,990</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 Protection Fund Act, NMSA 29-13-1 through 29-13-9. 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, 2018

	Animal Shelter Fund	Recreation Activities Fund	Keep Rio Rancho Beautiful Fund	Community Response Program Fund	Workers Compensation Fund	Senior Services Fund
<b>ASSETS</b>						
Cash and Cash Equivalents.....	\$ 42,724	\$ 197,898	\$ —	\$ —	\$ 586,700	\$ 42,691
Receivables:						
Accounts, net.....	—	—	—	—	—	—
Interest.....	—	—	—	—	4,066	—
Gross receipt tax.....	—	—	—	—	—	—
Due From Federal Government.....	—	—	—	—	—	—
Due From State Government.....	—	—	25,246	—	—	—
Due From Local Governments.....	—	—	—	—	—	—
Investments.....	—	—	—	—	989,887	—
Restricted Cash.....	—	—	—	—	—	—
Total Assets.....	<u>\$ 42,724</u>	<u>\$ 197,898</u>	<u>\$ 25,246</u>	<u>\$ —</u>	<u>\$ 1,580,653</u>	<u>\$ 42,691</u>
<b>LIABILITIES</b>						
Liabilities:						
Accounts Payable.....	\$ 745	\$ 3,103	\$ —	\$ —	\$ 116,180	\$ 33
Accrued Liabilities.....	—	1,147	534	—	—	—
Due To Other Funds.....	—	—	24,462	—	—	—
Unearned Revenue.....	—	—	—	—	—	—
Total Liabilities.....	<u>745</u>	<u>4,250</u>	<u>24,996</u>	<u>—</u>	<u>116,180</u>	<u>33</u>
<b>FUND BALANCES</b>						
Restricted.....	41,979	193,648	250	—	1,464,473	42,658
Unassigned.....	—	—	—	—	—	—
Total Fund Balances.....	<u>41,979</u>	<u>193,648</u>	<u>250</u>	<u>—</u>	<u>1,464,473</u>	<u>42,658</u>
Total Liabilities and Fund Balances.....	<u>\$ 42,724</u>	<u>\$ 197,898</u>	<u>\$ 25,246</u>	<u>\$ —</u>	<u>\$ 1,580,653</u>	<u>\$ 42,691</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
\$ —	\$ 785,600	\$ 86,474	\$ 153,573	\$ 30,999	\$ 32,572	\$ 51,134	\$ 361,280	\$ 136,929
—	—	—	—	14,352	—	—	23,107	—
—	—	—	—	—	—	1	—	—
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
17,723	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	454	—	—
<u>\$ 17,723</u>	<u>\$ 785,600</u>	<u>\$ 86,474</u>	<u>\$ 153,573</u>	<u>\$ 45,351</u>	<u>\$ 32,572</u>	<u>\$ 51,589</u>	<u>\$ 384,387</u>	<u>\$ 136,929</u>
\$ 146	\$ —	\$ 58,263	\$ 347	\$ 605	\$ 38,095	\$ —	\$ 44,729	\$ —
—	—	1,086	4,115	—	—	—	—	134
82,368	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
<u>82,514</u>	<u>—</u>	<u>59,349</u>	<u>4,462</u>	<u>605</u>	<u>38,095</u>	<u>—</u>	<u>44,729</u>	<u>134</u>
—	785,600	27,125	149,111	44,746	—	51,589	339,658	136,795
(64,791)	—	—	—	—	(5,523)	—	—	—
(64,791)	785,600	27,125	149,111	44,746	(5,523)	51,589	339,658	136,795
<u>\$ 17,723</u>	<u>\$ 785,600</u>	<u>\$ 86,474</u>	<u>\$ 153,573</u>	<u>\$ 45,351</u>	<u>\$ 32,572</u>	<u>\$ 51,589</u>	<u>\$ 384,387</u>	<u>\$ 136,929</u>

# CITY OF RIO RANCHO, NEW MEXICO

## Combining Balance Sheet Nonmajor Special Revenue Funds (Continued) June 30, 2018

	DWI Seized Vehicle Fund	NM Gang Task Force Fund	Fire Protection Fund	Emergency Medical Services Fund	DWI Program Fund	Summer Lunch Program Fund
<b>ASSETS</b>						
Cash and Cash Equivalents.....	\$ 83,392	\$ —	\$ 215,369	\$ 190	\$ 229,233	\$ 118,821
Receivables:						
Accounts, net.....	—	—	—	—	—	—
Interest.....	—	—	197	—	—	—
Gross receipt tax.....	—	—	—	—	—	—
Due From Federal Government.....	—	893	—	—	—	—
Due From State Government.....	—	—	—	—	—	—
Due From Local Governments.....	—	—	—	—	—	—
Restricted Cash.....	—	—	162,637	—	—	—
Investments.....	—	—	—	—	—	—
Total Assets .....	<u>\$ 83,392</u>	<u>\$ 893</u>	<u>\$ 378,203</u>	<u>\$ 190</u>	<u>\$ 229,233</u>	<u>\$ 118,821</u>
<b>LIABILITIES</b>						
Accounts Payable.....	\$ 995	\$ —	\$ 4,704	\$ —	\$ —	\$ 40,359
Accrued Liabilities.....	—	—	—	—	—	2,397
Due To Other Funds.....	—	593	—	—	—	—
Unearned Revenue.....	—	—	—	—	—	19,292
Total Liabilities.....	<u>995</u>	<u>593</u>	<u>4,704</u>	<u>—</u>	<u>—</u>	<u>62,048</u>
<b>FUND BALANCES</b>						
Restricted.....	82,397	300	373,499	190	229,233	56,773
Unassigned.....	—	—	—	—	—	—
Total Fund Balances.....	<u>82,397</u>	<u>300</u>	<u>373,499</u>	<u>190</u>	<u>229,233</u>	<u>56,773</u>
Total Liabilities and Fund Balances.....	<u>\$ 83,392</u>	<u>\$ 893</u>	<u>\$ 378,203</u>	<u>\$ 190</u>	<u>\$ 229,233</u>	<u>\$ 118,821</u>

<b>Public Safety and Other Grants Fund</b>	<b>Environmental Gross Receipts Tax Fund</b>	<b>Higher Education Gross Receipts Tax Fund</b>	<b>Municipal Road Fund</b>	<b>Regional Emergency Comm Center Fund</b>	<b>HUD CDBG Grant Fund</b>	<b>Crime Victim Assistance Fund</b>	<b>Total Nonmajor Special Revenue Funds</b>
\$ —	\$ 109,861	\$ 3,364,996	\$ 353,472	\$ 1,053,664	\$ —	\$ —	\$ 8,037,572
—	—	—	—	—	—	—	37,459
—	—	463,198	813	—	—	—	468,275
—	134,945	—	—	—	—	—	134,945
193,321	—	—	—	—	34,870	26,365	255,449
35,787	—	—	117,564	—	—	—	178,597
—	—	—	—	—	—	—	17,723
—	340,525	—	75,417	—	—	—	579,033
—	494,944	4,949,436	197,977	—	—	—	6,632,244
<u>\$ 229,108</u>	<u>\$ 1,080,275</u>	<u>\$ 8,777,630</u>	<u>\$ 745,243</u>	<u>\$ 1,053,664</u>	<u>\$ 34,870</u>	<u>\$ 26,365</u>	<u>\$ 16,341,297</u>
\$ —	\$ 17,133	\$ 2,759	\$ 56,737	\$ 15,022	\$ 7,029	\$ 188	\$ 407,172
7,138	927	—	—	49,227	1,568	1,941	70,214
216,016	—	—	—	—	22,860	17,413	363,712
—	—	—	—	—	—	—	19,292
<u>223,154</u>	<u>18,060</u>	<u>2,759</u>	<u>56,737</u>	<u>64,249</u>	<u>31,457</u>	<u>19,542</u>	<u>860,390</u>
5,954	1,062,215	8,774,871	688,506	989,415	3,413	6,823	15,551,221
—	—	—	—	—	—	—	(70,314)
<u>5,954</u>	<u>1,062,215</u>	<u>8,774,871</u>	<u>688,506</u>	<u>989,415</u>	<u>3,413</u>	<u>6,823</u>	<u>15,480,907</u>
<u>\$ 229,108</u>	<u>\$ 1,080,275</u>	<u>\$ 8,777,630</u>	<u>\$ 745,243</u>	<u>\$ 1,053,664</u>	<u>\$ 34,870</u>	<u>\$ 26,365</u>	<u>\$ 16,341,297</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, 2018

	Animal Shelter Fund	Recreation Activities Fund	Keep Rio Rancho Beautiful Fund	Community Response Program Fund	Workers Compensation Fund	Senior Services Fund
<b>REVENUES</b>						
Municipal Taxes.....	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Franchise Taxes.....	—	—	—	—	—	—
Intergovernmental - Federal.....	—	—	—	—	—	—
Intergovernmental - State.....	—	—	56,023	—	—	—
Intergovernmental - Local.....	—	—	—	—	—	—
Investment Income (Loss).....	—	—	—	—	(4,879)	—
Charges for Services.....	52,391	210,125	—	—	—	19,795
Fines and Forfeitures.....	1,052	—	—	—	—	—
Miscellaneous.....	10,781	—	—	—	960,026	922
Total Revenues.....	<u>64,224</u>	<u>210,125</u>	<u>56,023</u>	<u>—</u>	<u>955,147</u>	<u>20,717</u>
<b>EXPENDITURES</b>						
Current:						
General Government.....	—	—	—	—	711,507	—
Public Safety.....	56,394	—	—	—	—	—
Public Works.....	—	—	—	—	—	—
Parks, Recreation, and Culture.....	3,565	165,322	55,447	—	—	21,729
Community and Economic Development.....	—	—	—	—	—	—
Capital Outlay.....	—	2,322	—	—	—	—
Debt Service:						
Principal.....	—	—	—	—	—	—
Interest and Other Charges.....	—	—	—	—	—	—
Total Expenditures.....	<u>59,959</u>	<u>167,644</u>	<u>55,447</u>	<u>—</u>	<u>711,507</u>	<u>21,729</u>
Revenues Over (Under) Expenditures.....	4,265	42,481	576	—	243,640	(1,012)
<b>OTHER FINANCING SOURCES (USES)</b>						
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.....	4,265	42,481	576	—	243,640	(1,012)
Fund Balances - Beginning.....	37,714	151,167	(326)	—	1,220,833	43,670
Restatement (see Note 2).....	—	—	—	—	—	—
Fund Balances - Beginning, as restated.....	<u>37,714</u>	<u>142,232</u>	<u>(326)</u>	<u>—</u>	<u>1,220,833</u>	<u>43,670</u>
Fund Balances - Ending.....	<u>\$ 41,979</u>	<u>\$ 193,648</u>	<u>\$ 250</u>	<u>\$ —</u>	<u>\$ 1,464,473</u>	<u>\$ 42,658</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>
\$ —	\$ —	\$ —	\$ 332,440	\$ —	\$ —	\$ —	\$ —	\$ —
—	—	—	—	56,868	—	—	—	—
31,016	—	—	—	—	—	—	3,993	—
712,974	—	—	—	—	—	108,000	—	—
—	60	—	—	—	—	552	—	—
—	—	139,085	—	—	252,524	—	—	—
—	—	—	—	—	—	—	334,009	73,110
9,312	389,739	—	1,100	—	—	—	933	9,898
<u>753,302</u>	<u>389,799</u>	<u>139,085</u>	<u>333,540</u>	<u>56,868</u>	<u>252,524</u>	<u>108,552</u>	<u>338,935</u>	<u>83,008</u>
—	—	—	—	—	—	—	—	—
—	—	—	—	—	462,436	84,878	30,107	48,649
668,344	—	—	—	60,096	—	—	—	—
—	—	211,801	305,175	—	—	—	—	—
—	—	—	—	—	—	34,819	307,491	—
—	—	—	—	—	—	52,048	—	—
—	—	—	—	—	—	2,076	—	—
<u>668,344</u>	<u>—</u>	<u>211,801</u>	<u>305,175</u>	<u>60,096</u>	<u>462,436</u>	<u>173,821</u>	<u>337,598</u>	<u>48,649</u>
84,958	389,799	(72,716)	28,365	(3,228)	(209,912)	(65,269)	1,337	34,359
—	—	51,600	—	2,722	182,787	—	—	—
—	—	—	—	—	—	—	—	—
—	—	<u>51,600</u>	<u>—</u>	<u>2,722</u>	<u>182,787</u>	<u>—</u>	<u>—</u>	<u>—</u>
84,958	389,799	(21,116)	28,365	(506)	(27,125)	(65,269)	1,337	34,359
(149,749)	395,801	48,241	120,746	45,252	21,602	116,858	338,321	102,436
—	—	—	—	—	—	—	—	—
<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>\$ (64,791)</u>	<u>\$ 785,600</u>	<u>\$ 27,125</u>	<u>\$ 149,111</u>	<u>\$ 44,746</u>	<u>\$ (5,523)</u>	<u>\$ 51,589</u>	<u>\$ 339,658</u>	<u>\$ 136,795</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, 2018

	DWI Seized Vehicle Fund	NM Gang Task Force Fund	Fire Protection Fund	Emergency Medical Services Fund	DWI Program Fund	Summer Lunch Program Fund
<b>REVENUES</b>						
Municipal Taxes.....	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Franchise Taxes.....	—	—	—	—	—	—
Intergovernmental - Federal.....	—	41,751	—	—	—	108,399
Intergovernmental - State.....	—	—	768,996	18,983	—	—
Intergovernmental - Local.....	—	—	—	—	—	—
Investment Income (Loss).....	—	—	7,388	—	366	—
Charges for Services.....	21,185	—	—	—	—	—
Fines and Forfeitures.....	—	—	—	—	—	—
Miscellaneous.....	—	—	361	—	—	—
Total Revenues.....	<u>21,185</u>	<u>41,751</u>	<u>776,745</u>	<u>18,983</u>	<u>366</u>	<u>108,399</u>
<b>EXPENDITURES</b>						
Current:						
General Government.....	—	—	—	—	—	—
Public Safety.....	1,127	37,963	355,019	19,582	—	—
Public Works.....	—	—	—	—	—	—
Parks, Recreation, and Culture.....	—	—	—	—	—	108,399
Community and Economic Development.....	—	—	—	—	—	—
Capital Outlay.....	—	—	65,247	—	—	—
Debt Service:						
Principal.....	—	—	195,488	—	—	—
Interest and Other Charges.....	—	—	49,336	—	—	—
Total Expenditures.....	<u>1,127</u>	<u>37,963</u>	<u>665,090</u>	<u>19,582</u>	<u>—</u>	<u>108,399</u>
Revenues Over (Under) Expenditures.....	20,058	3,788	111,655	(599)	366	—
<b>OTHER FINANCING SOURCES (USES)</b>						
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.....	20,058	3,788	111,655	(599)	366	—
Fund Balances - Beginning.....	62,339	(3,488)	261,844	789	228,867	56,773
Fund Balances - Ending.....	<u>\$ 82,397</u>	<u>\$ 300</u>	<u>\$ 373,499</u>	<u>\$ 190</u>	<u>\$ 229,233</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
\$ —	\$ 721,113	\$ 2,392,053	\$ —	\$ —	\$ —	\$ —	\$ 3,445,606
—	—	—	—	—	—	—	56,868
315,185	—	—	—	—	465,705	96,744	1,031,777
110,261	—	—	720,488	—	—	—	1,813,767
—	—	—	—	—	—	—	712,974
—	2,181	(23,172)	31,953	—	—	—	14,449
—	—	—	6,458	—	—	—	701,563
—	—	—	—	—	—	—	408,171
—	12,000	—	53,264	1,473,231	3,766	—	2,925,333
<u>425,446</u>	<u>735,294</u>	<u>2,368,881</u>	<u>812,163</u>	<u>1,473,231</u>	<u>469,471</u>	<u>96,744</u>	<u>11,110,508</u>
—	—	—	—	—	—	—	711,507
349,506	—	—	—	2,666,180	—	116,130	4,227,971
—	423,968	—	606,906	—	314,141	—	1,345,015
—	—	—	—	—	—	—	1,082,902
—	—	—	—	—	—	—	516,976
71,814	—	37,776	107,054	639,251	148,474	—	1,414,248
—	254,944	—	160,000	—	—	—	662,480
—	84,752	—	2,112	—	—	—	138,276
<u>421,320</u>	<u>763,664</u>	<u>37,776</u>	<u>876,072</u>	<u>3,305,431</u>	<u>462,615</u>	<u>116,130</u>	<u>10,099,375</u>
4,126	(28,370)	2,331,105	(63,909)	(1,832,200)	6,856	(19,386)	1,011,133
0	—	—	—	1,778,449	—	26,057	2,041,615
—	—	—	—	—	(3,443)	—	(3,443)
—	—	—	—	1,778,449	(3,443)	26,057	2,038,172
4,126	(28,370)	2,331,105	(63,909)	(53,751)	3,413	6,671	3,049,305
1,828	1,090,585	6,443,766	752,415	1,043,166	—	152	12,431,602
<u>\$ 5,954</u>	<u>\$ 1,062,215</u>	<u>\$ 8,774,871</u>	<u>\$ 688,506</u>	<u>\$ 989,415</u>	<u>\$ 3,413</u>	<u>\$ 6,823</u>	<u>\$ 15,480,907</u>





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

### **DEBT SERVICE FUNDS**

*General Obligation Bond Fund* – To account for the debt service of general obligation debt.

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

*HP Loan Fund* – To account for the debt service resulting from the 2018 Gross Receipts Tax Revenue Loan.

*HS Loan Fund* – To account for the debt service resulting from the 2018 Gross Receipts Tax Revenue Loan.

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

# CITY OF RIO RANCHO, NEW MEXICO

## Combining Balance Sheet Nonmajor Debt Service Funds June 30, 2018

	General Obligation Bond Fund	GRT Revenue Bond Fund	HP Loan Fund	HS Loan Fund	Public Safety Vehicle Loan Fund	Total Nonmajor Debt Service Funds
<b>ASSETS</b>						
Cash and Cash Equivalents.....	\$ 4,475,449	\$ 3,775	\$ 9,379	\$ 1,104	\$ 2	\$ 4,489,709
Receivables:						
Property Taxes.....	36,135	—	—	—	—	36,135
Accrued Interest.....	—	—	3	3	—	6
Gross Receipt Taxes.....	—	—	68,150	—	—	68,150
Due From State Government.....	—	287,270	—	68,474	10,252	365,996
Restricted Cash.....	—	—	2,237	2,217	—	4,454
Investments.....	—	—	—	—	—	—
Total Assets.....	<u>\$ 4,511,584</u>	<u>\$ 291,045</u>	<u>\$ 79,769</u>	<u>\$ 71,798</u>	<u>\$ 10,254</u>	<u>\$ 4,964,450</u>
<b>LIABILITIES</b>						
Liabilities:						
Accounts Payable.....	\$ —	\$ 2,500	\$ 2,500	\$ 2,500	\$ —	\$ 7,500
Total Liabilities.....	<u>—</u>	<u>2,500</u>	<u>2,500</u>	<u>2,500</u>	<u>—</u>	<u>7,500</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable Revenue-Property Taxes.....	4,873	—	—	—	—	4,873
Total Deferred Inflows of Resources.....	<u>4,873</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>4,873</u>
<b>FUND BALANCES</b>						
Restricted.....	4,506,711	288,545	77,269	69,298	10,254	4,952,077
Total Fund Balances.....	<u>4,506,711</u>	<u>288,545</u>	<u>77,269</u>	<u>69,298</u>	<u>10,254</u>	<u>4,952,077</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances.....	<u>\$ 4,511,584</u>	<u>\$ 291,045</u>	<u>\$ 79,769</u>	<u>\$ 71,798</u>	<u>\$ 10,254</u>	<u>\$ 4,964,450</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, 2018

	General Obligation Bond Fund	GRT Revenue Bond Fund	HP Loan Fund	HS Loan Fund	Public Safety Vehicle Loan Fund	Total Nonmajor Debt Service Funds
<b>REVENUES</b>						
Property Taxes.....	\$ 4,320,808	\$ —	\$ —	\$ —	\$ —	\$ 4,320,808
Municipal Taxes.....	—	—	385,612	—	—	385,612
Intergovernmental - State.....	—	1,582,927	—	382,883	214,439	2,180,249
Investment Income .....	600	—	70	60	—	730
Total Revenues.....	<u>4,321,408</u>	<u>1,582,927</u>	<u>385,682</u>	<u>382,943</u>	<u>214,439</u>	<u>6,887,399</u>
<b>EXPENDITURES</b>						
Debt Service:						
Principal.....	3,344,999	1,215,000	345,000	345,002	239,999	5,490,000
Interest and Other Charges.....	637,117	367,580	51,096	47,690	9,561	1,113,044
Bond Issuance Costs .....	—	—	87,677	86,607	—	174,284
Total Expenditures.....	<u>3,982,116</u>	<u>1,582,580</u>	<u>483,773</u>	<u>479,299</u>	<u>249,560</u>	<u>6,777,328</u>
Revenues Over (Under) Expenditures.....	339,292	347	(98,091)	(96,356)	(35,121)	110,071
<b>OTHER FINANCING SOURCES (USES)</b>						
Issuance of Refunding Bonds .....	—	—	3,515,000	3,370,000	—	6,885,000
Payment to Refunding Escrow.....	—	—	(3,422,885)	(3,280,128)	—	(6,703,013)
Total Other Financing Sources (Uses).....	<u>—</u>	<u>—</u>	<u>92,115</u>	<u>89,872</u>	<u>—</u>	<u>181,987</u>
Net Change in Fund Balances.....	339,292	347	(5,976)	(6,484)	(35,121)	292,058
Fund Balances - Beginning.....	4,167,419	288,198	83,245	75,782	45,375	4,660,019
Fund Balances - Ending.....	<u>\$ 4,506,711</u>	<u>\$ 288,545</u>	<u>\$ 77,269</u>	<u>\$ 69,298</u>	<u>\$ 10,254</u>	<u>\$ 4,952,077</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.

*2018 GO Bond Project Fund* – To account for proceeds received for various road construction projects and public safety equipment and improvements 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, 2018

	Infrastructure Fund	Recreation Development Fund	State Appropriation Capital Projects Fund	2009 Bond Road Construction Fund	2016 GO Bond Construction Fund
<b>ASSETS</b>					
Cash and Cash Equivalents.....	\$ 689,790	\$ 32,147	\$ —	\$ —	\$ 399,146
Receivables:					
Interest.....	—	—	—	—	—
Due From Federal Government.....	194,751	—	—	—	—
Due From State Government.....	98,493	—	71,307	—	—
Restricted Cash .....	—	—	—	—	4,231,110
Investments .....	—	—	—	—	—
Total Assets.....	<u>\$ 983,034</u>	<u>\$ 32,147</u>	<u>\$ 71,307</u>	<u>\$ —</u>	<u>\$ 4,630,256</u>
<b>LIABILITIES</b>					
Accounts Payable.....	\$ 96,311	\$ —	\$ —	\$ —	\$ 5,853
Due To Other Funds.....	—	—	71,307	—	—
Total Liabilities.....	<u>96,311</u>	<u>—</u>	<u>71,307</u>	<u>—</u>	<u>5,853</u>
<b>FUND BALANCES</b>					
Restricted.....	886,723	32,147	—	—	4,624,403
Total Fund Balances.....	<u>886,723</u>	<u>32,147</u>	<u>—</u>	<u>—</u>	<u>4,624,403</u>
Total Liabilities and Fund Balances.....	<u>\$ 983,034</u>	<u>\$ 32,147</u>	<u>\$ 71,307</u>	<u>\$ —</u>	<u>\$ 4,630,256</u>

<b>2018 GO Bond Construction Fund</b>	<b>Road Impact Fees Fund</b>	<b>Trails Impact Fees Fund</b>	<b>Parks Impact Fees Fund</b>	<b>Public Safety Impact Fees Fund</b>	<b>Drainage Impact Fees Fund</b>	<b>Total Nonmajor Capital Project Funds</b>
\$ 6,444,135	\$ 867,404	\$ 200,577	\$ 200,546	\$ 220,911	\$ 418,554	\$ 9,473,210
—	1,627	—	813	—	610	3,050
—	—	—	—	—	—	194,751
—	—	—	—	—	—	169,800
—	—	—	—	—	—	4,231,110
—	395,955	—	197,977	—	148,483	742,415
<u>\$ 6,444,135</u>	<u>\$ 1,264,986</u>	<u>\$ 200,577</u>	<u>\$ 399,336</u>	<u>\$ 220,911</u>	<u>\$ 567,647</u>	<u>\$ 14,814,336</u>
\$ 299,519	\$ —	\$ —	\$ —	\$ —	\$ 3,427	\$ 405,110
<u>3,234,913</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>3,306,220</u>
<u>3,534,432</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>3,427</u>	<u>3,711,330</u>
<u>2,909,703</u>	<u>1,264,986</u>	<u>200,577</u>	<u>399,336</u>	<u>220,911</u>	<u>564,220</u>	<u>11,103,006</u>
<u>2,909,703</u>	<u>1,264,986</u>	<u>200,577</u>	<u>399,336</u>	<u>220,911</u>	<u>564,220</u>	<u>11,103,006</u>
<u>\$ 6,444,135</u>	<u>\$ 1,264,986</u>	<u>\$ 200,577</u>	<u>\$ 399,336</u>	<u>\$ 220,911</u>	<u>\$ 567,647</u>	<u>\$ 14,814,336</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, 2018

	Infrastructure Fund	Recreation Development Fund	State Appropriation Capital Projects Fund	2009 Bond Road Construction Fund	2016 GO Bond Construction
<b>REVENUES</b>					
Intergovernmental - Federal.....	\$ 707,446	\$ —	\$ —	\$ —	\$ —
Intergovernmental - State.....	393,493	—	407,046	—	—
Impact Fees.....	—	—	—	—	—
Investment Income (Loss).....	—	—	—	—	40,582
Miscellaneous.....	21,576	15,000	—	—	—
Total Revenues.....	<u>1,122,515</u>	<u>15,000</u>	<u>407,046</u>	<u>—</u>	<u>40,582</u>
<b>EXPENDITURES</b>					
Current:					
General Government.....	—	—	69,254	—	—
Public Safety.....	—	—	—	—	—
Public Works.....	21,563	—	—	—	—
Capital Outlay.....	1,323,775	2,633	324,520	—	30,671
Total Expenditures.....	<u>1,345,338</u>	<u>2,633</u>	<u>393,774</u>	<u>—</u>	<u>30,671</u>
Revenues Over (Under) Expenditures.....	(222,823)	12,367	13,272	—	9,911
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In.....	450,000	—	2,038	—	—
Transfers Out.....	—	—	—	—	—
Total Other Financing Sources (Uses).....	<u>450,000</u>	<u>—</u>	<u>2,038</u>	<u>—</u>	<u>—</u>
Net Change in Fund Balances.....	227,177	12,367	15,310	—	9,911
Fund Balances - Beginning .....	659,546	19,780	(15,310)	—	4,614,492
Fund Balances - Ending.....	<u>\$ 886,723</u>	<u>\$ 32,147</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 4,624,403</u>



<b>2018 GO Bond Construction</b>	<b>Road Impact Fees Fund</b>	<b>Trails Impact Fees Fund</b>	<b>Park Impact Fees Fund</b>	<b>Public Safety Impact Fees Fund</b>	<b>Drainage Impact Fees Fund</b>	<b>Total Nonmajor Capital Project Funds</b>
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 707,446
—	—	—	—	—	—	800,539
—	441,794	8,429	88,325	203,765	180,176	922,489
—	(1,715)	—	(908)	—	(740)	37,219
—	—	—	—	—	—	36,576
<u>—</u>	<u>440,079</u>	<u>8,429</u>	<u>87,417</u>	<u>203,765</u>	<u>179,436</u>	<u>2,504,269</u>
—	—	—	—	—	—	69,254
—	—	—	—	6,113	—	6,113
—	13,253	253	2,650	—	5,405	43,124
<u>325,210</u>	<u>—</u>	<u>3,452</u>	<u>5,111</u>	<u>35,455</u>	<u>82,175</u>	<u>2,133,002</u>
<u>325,210</u>	<u>13,253</u>	<u>3,705</u>	<u>7,761</u>	<u>41,568</u>	<u>87,580</u>	<u>2,251,493</u>
(325,210)	426,826	4,724	79,656	162,197	91,856	252,776
3,234,913	—	—	—	—	—	3,686,951
<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
<u>3,234,913</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>3,686,951</u>
2,909,703	426,826	4,724	79,656	162,197	91,856	3,939,727
—	838,160	195,853	319,680	58,714	472,364	7,163,279
<u>\$ 2,909,703</u>	<u>\$ 1,264,986</u>	<u>\$ 200,577</u>	<u>\$ 399,336</u>	<u>\$ 220,911</u>	<u>\$ 564,220</u>	<u>\$ 11,103,006</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, 2018

	<b>Health Self-Insurance Fund</b>	<b>Dental Self-Insurance Fund</b>	<b>Total</b>
<b>ASSETS</b>			
Current Assets:			
Cash and Cash Equivalents .....	\$ 734,238	\$ 337,323	\$ 1,071,561
Interest Receivable.....	4,066	—	4,066
Total Current Assets.....	<u>738,304</u>	<u>337,323</u>	<u>1,075,627</u>
Noncurrent Assets:			
Investments.....	989,887	—	989,887
Total Assets.....	<u>1,728,191</u>	<u>337,323</u>	<u>2,065,514</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Claims Payable.....	1,038,091	67,613	1,105,704
Total Current Liabilities.....	<u>1,038,091</u>	<u>67,613</u>	<u>1,105,704</u>
Total Liabilities.....	<u>1,038,091</u>	<u>67,613</u>	<u>1,105,704</u>
<b>NET POSITION</b>			
Unrestricted.....	690,100	269,710	959,810
Total Net Position.....	<u>\$ 690,100</u>	<u>\$ 269,710</u>	<u>\$ 959,810</u>

# CITY OF RIO RANCHO, NEW MEXICO

## Combining Statement of Revenues, Expenses, and Changes in Net Position Internal Service Funds Year Ended June 30, 2018

	<b>Health Self-Insurance Fund</b>	<b>Dental Self-Insurance Fund</b>	<b>Total</b>
<b>OPERATING REVENUES</b>			
Charges for Services.....	\$ 6,322,254	\$ 532,569	\$ 6,854,823
Total Revenues.....	<u>6,322,254</u>	<u>532,569</u>	<u>6,854,823</u>
<b>OPERATING EXPENSES</b>			
General and Administrative.....	453,510	32,229	485,739
Claims and Premiums.....	5,811,813	400,193	6,212,006
Total Expenses.....	<u>6,265,323</u>	<u>432,422</u>	<u>6,697,745</u>
Operating Income (Loss).....	<u>56,931</u>	<u>100,147</u>	<u>157,078</u>
<b>NON OPERATING REVENUES (EXPENSES)</b>			
Investment Income (Loss).....	(4,337)	—	(4,337)
Total Non-Operating Revenues (Expenses).....	<u>(4,337)</u>	<u>—</u>	<u>(4,337)</u>
Change in Net Position.....	52,594	100,147	152,741
Net Position - Beginning .....	<u>637,506</u>	<u>169,563</u>	<u>807,069</u>
Net Position - Ending.....	<u>\$ 690,100</u>	<u>\$ 269,710</u>	<u>\$ 959,810</u>

# CITY OF RIO RANCHO, NEW MEXICO

## Combining Statement of Cash Flows Internal Service Funds Year Ended June 30, 2018

	Health Self-Insurance Fund	Dental Self-Insurance Fund	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from Customers and Users.....	\$ 6,322,254	\$ 532,569	\$ 6,854,823
Payments to Suppliers and Contractors.....	(6,148,920)	(439,505)	(6,588,425)
Net Cash Provided (Used) by Operating Activities.....	<u>173,334</u>	<u>93,064</u>	<u>266,398</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of Investments.....	(997,023)	—	(997,023)
Reinvested Earnings.....	(1,267)	—	(1,267)
Net Cash Provided (Used) by Investing Activities.....	<u>(998,290)</u>	<u>—</u>	<u>(998,290)</u>
Net Cash Provided (Used) - All Activities.....	(824,956)	93,064	(731,892)
Cash and Cash Equivalents - Beginning.....	1,559,194	244,259	1,803,453
Cash and Cash Equivalents - Ending.....	<u>\$ 734,238</u>	<u>\$ 337,323</u>	<u>\$ 1,071,561</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>			
Operating Income (Loss).....	\$ 56,931	\$ 100,147	\$ 157,078
Adjustments to Reconcile Operating Income (Loss):			
Increase (Decrease) in Accounts Payable.....	116,403	(7,083)	109,320
Net Cash Provided (Used) by Operating Activities.....	<u>\$ 173,334</u>	<u>\$ 93,064</u>	<u>\$ 266,398</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, 2018

	<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>
<b>ASSETS</b>				
Cash .....	\$ 6,325	\$ 50,100	\$ 1,284,040	\$ 3,809,391
Total Assets.....	<u>\$ 6,325</u>	<u>\$ 50,100</u>	<u>\$ 1,284,040</u>	<u>\$ 3,809,391</u>
<b>LIABILITIES</b>				
Deposits Held for Others.....	\$ 6,325	\$ 50,100	\$ 1,284,040	\$ 3,809,391
Total Liabilities.....	<u>\$ 6,325</u>	<u>\$ 50,100</u>	<u>\$ 1,284,040</u>	<u>\$ 3,809,391</u>



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<b>Special Assessment District VIII Bond Fund</b>	<b>Rio Rancho Economic Development Fund</b>	<b>Municipal Court Fund</b>	<b>Total</b>
\$ 499,450	\$ 700,181	\$ 16,211	\$ 6,365,698
<u>\$ 499,450</u>	<u>\$ 700,181</u>	<u>\$ 16,211</u>	<u>\$ 6,365,698</u>
\$ 499,450	\$ 700,181	\$ 16,211	\$ 6,365,698
<u>\$ 499,450</u>	<u>\$ 700,181</u>	<u>\$ 16,211</u>	<u>\$ 6,365,698</u>

# CITY OF RIO RANCHO, NEW MEXICO

## Combining Statement of Changes in Assets and Liabilities Agency Funds Year Ended June 30, 2018

	Balance July 1, 2017	Additions	Deductions	Balance June 30, 2018
<b>RIO METRO FUND</b>				
<b>ASSETS</b>				
Cash .....	\$ 9,922	\$ 99,107	\$ (102,704)	\$ 6,325
Total Assets.....	<u>\$ 9,922</u>	<u>\$ 99,107</u>	<u>\$ (102,704)</u>	<u>\$ 6,325</u>
<b>LIABILITIES</b>				
Deposits Held for Others.....	\$ 9,922	\$ 99,107	(102,704)	\$ 6,325
Total Liabilities.....	<u>\$ 9,922</u>	<u>\$ 99,107</u>	<u>\$ (102,704)</u>	<u>\$ 6,325</u>
<b>SPECIAL ASSESSMENT DISTRICT OPERATIONS FUND</b>				
<b>ASSETS</b>				
Cash .....	\$ 42,172	\$ 72,195	\$ (64,267)	\$ 50,100
Total Assets.....	<u>\$ 42,172</u>	<u>\$ 72,195</u>	<u>\$ (64,267)</u>	<u>\$ 50,100</u>
<b>LIABILITIES</b>				
Deposits Held for Others.....	\$ 42,172	\$ 72,195	\$ (64,267)	\$ 50,100
Total Liabilities.....	<u>\$ 42,172</u>	<u>\$ 72,195</u>	<u>\$ (64,267)</u>	<u>\$ 50,100</u>
<b>SPECIAL ASSESSMENT DISTRICT VI BOND FUND</b>				
<b>ASSETS</b>				
Cash .....	\$ 1,005,922	\$ 848,613	\$ (570,495)	\$ 1,284,040
Total Assets.....	<u>\$ 1,005,922</u>	<u>\$ 848,613</u>	<u>\$ (570,495)</u>	<u>\$ 1,284,040</u>
<b>LIABILITIES</b>				
Deposits Held for Others.....	\$ 1,005,922	\$ 848,613	\$ (570,495)	\$ 1,284,040
Total Liabilities.....	<u>\$ 1,005,922</u>	<u>\$ 848,613</u>	<u>\$ (570,495)</u>	<u>\$ 1,284,040</u>
<b>SPECIAL ASSESSMENT DISTRICT VII BOND FUND</b>				
<b>ASSETS</b>				
Cash .....	\$ 3,145,330	\$ 920,691	\$ (256,630)	\$ 3,809,391
Total Assets.....	<u>\$ 3,145,330</u>	<u>\$ 920,691</u>	<u>\$ (256,630)</u>	<u>\$ 3,809,391</u>
<b>LIABILITIES</b>				
Deposits Held for Others.....	\$ 3,145,330	\$ 920,691	\$ (256,630)	\$ 3,809,391
Total Liabilities.....	<u>\$ 3,145,330</u>	<u>\$ 920,691</u>	<u>\$ (256,630)</u>	<u>\$ 3,809,391</u>
<b>SPECIAL ASSESSMENT DISTRICT VIII BOND FUND</b>				
<b>ASSETS</b>				
Cash .....	\$ 395,753	\$ 234,240	\$ (130,543)	\$ 499,450
Total Assets.....	<u>\$ 395,753</u>	<u>\$ 234,240</u>	<u>\$ (130,543)</u>	<u>\$ 499,450</u>
<b>LIABILITIES</b>				
Deposits Held for Others.....	\$ 395,753	\$ 234,240	\$ (130,543)	\$ 499,450
Total Liabilities.....	<u>\$ 395,753</u>	<u>\$ 234,240</u>	<u>\$ (130,543)</u>	<u>\$ 499,450</u>

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2017</u>
<b>S&amp;P REIMBURSEMENT FUND</b>				
<b>ASSETS</b>				
Cash .....	\$ 775,379	\$ 180	\$ (75,378)	\$ 700,181
Total Assets.....	<u>\$ 775,379</u>	<u>\$ 180</u>	<u>\$ (75,378)</u>	<u>\$ 700,181</u>
<b>LIABILITIES</b>				
Deposits Held for Others.....	\$ 775,379	\$ 180	\$ (75,378)	\$ 700,181
Total Liabilities.....	<u>\$ 775,379</u>	<u>\$ 180</u>	<u>\$ (75,378)</u>	<u>\$ 700,181</u>
<b>MUNICIPAL COURT FUND</b>				
<b>ASSETS</b>				
Cash .....	\$ 16,011	\$ 200	\$ —	\$ 16,211
Total Assets.....	<u>\$ 16,011</u>	<u>\$ 200</u>	<u>\$ —</u>	<u>\$ 16,211</u>
<b>LIABILITIES</b>				
Deposits Held for Others.....	\$ 16,011	\$ 200	\$ —	\$ 16,211
Total Liabilities.....	<u>\$ 16,011</u>	<u>\$ 200</u>	<u>\$ —</u>	<u>\$ 16,211</u>
<b>TOTAL AGENCY FUNDS</b>				
<b>ASSETS</b>				
Cash .....	\$ 5,390,489	\$ 2,175,226	\$ (1,200,017)	\$ 6,365,698
Total Assets.....	<u>\$ 5,390,489</u>	<u>\$ 2,175,226</u>	<u>\$ (1,200,017)</u>	<u>\$ 6,365,698</u>
<b>LIABILITIES</b>				
Deposits Held for Others.....	\$ 5,390,489	\$ 2,175,226	\$ (1,200,017)	\$ 6,365,698
Total Liabilities.....	<u>\$ 5,390,489</u>	<u>\$ 2,175,226</u>	<u>\$ (1,200,017)</u>	<u>\$ 6,365,698</u>



## **BUDGETARY COMPARISON SCHEDULES**

# CITY OF RIO RANCHO, NEW MEXICO

## Budgetary Comparison Schedule Animal Shelter Fund Year Ended June 30, 2018

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
<b>REVENUES</b>				
Charges for Services.....	\$ 52,000	\$ 52,000	\$ 52,391	\$ 391
Fines and Forfeitures.....	500	500	370	(130)
Miscellaneous.....	6,900	13,000	11,463	(1,537)
Total Revenues.....	<u>59,400</u>	<u>65,500</u>	<u>64,224</u>	<u>(1,276)</u>
<b>EXPENDITURES</b>				
Current:				
Public Safety.....	63,961	63,961	57,515	6,446
Parks, Recreation, and Culture.....	8,947	15,707	3,565	12,142
Total Expenditures.....	<u>72,908</u>	<u>79,668</u>	<u>61,080</u>	<u>18,588</u>
Revenues Over (Under) Expenditures.....	(13,508)	(14,168)	3,144	17,312
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In.....	—	—	—	—
Transfers Out.....	—	—	—	—
Total Other Financing Sources (Uses).....	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net Change in Fund Balances.....	(13,508)	(14,168)	3,144	17,312
Fund Balances - Beginning, Budgetary Basis..	38,920	39,581	39,581	—
Fund Balances - Ending, Budgetary Basis.....	<u>\$ 25,412</u>	<u>\$ 25,413</u>	<u>\$ 42,725</u>	<u>\$ 17,312</u>

### Budget to GAAP Reconciliation

#### Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 64,224
(no differences)	<u>—</u>
Total Actual Revenues - GAAP Basis.....	<u>\$ 64,224</u>

#### Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 61,080
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.....	745
Prior year accrued expenditures.....	<u>(1,866)</u>
Total Actual Expenditures - GAAP Basis.....	<u>\$ 59,959</u>

# CITY OF RIO RANCHO, NEW MEXICO

## Budgetary Comparison Schedule Recreation Activities Fund Year Ended June 30, 2018

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
<b>REVENUES</b>				
Charges for Services.....	\$ 282,765	\$ 283,765	\$ 207,700	\$ (76,065)
Miscellaneous.....	5,000	5,000	2,425	(2,575)
Total Revenues.....	<u>287,765</u>	<u>288,765</u>	<u>210,125</u>	<u>(78,640)</u>
<b>EXPENDITURES</b>				
Current:				
Parks, Recreation, and Culture.....	305,392	340,514	173,483	167,031
Capital Outlay.....	<u>—</u>	<u>3,892</u>	<u>2,322</u>	<u>1,570</u>
Total Expenditures.....	<u>305,392</u>	<u>344,406</u>	<u>175,805</u>	<u>168,601</u>
Revenues Over (Under) Expenditures.....	(17,627)	(55,641)	34,320	89,961
<b>OTHER FINANCING SOURCES (USES)</b>				
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.....	(17,627)	(55,641)	34,320	89,961
Fund Balances - Beginning, Budgetary Basis..	<u>125,563</u>	<u>163,578</u>	<u>163,578</u>	<u>—</u>
Fund Balances - Ending, Budgetary Basis.....	<u>\$ 107,936</u>	<u>\$ 107,937</u>	<u>\$ 197,898</u>	<u>\$ 89,961</u>

### Budget to GAAP Reconciliation

#### Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 210,125
(no differences)	<u>—</u>
Total Actual Revenues - GAAP Basis.....	<u>\$ 210,125</u>

#### Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 175,805
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.....	4,250
Prior year accrued expenditures.....	<u>(12,411)</u>
Total Actual Expenditures - GAAP Basis.....	<u>\$ 167,644</u>

# CITY OF RIO RANCHO, NEW MEXICO

## Budgetary Comparison Schedule Keep Rio Rancho Beautiful Fund Year Ended June 30, 2018

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
<b>REVENUES</b>				
Intergovernmental - State.....	\$ 58,500	\$ 101,578	\$ 72,436	\$ (29,142)
Total Revenues.....	58,500	101,578	72,436	(29,142)
<b>EXPENDITURES</b>				
Current:				
Parks, Recreation, and Culture.....	58,500	60,452	55,856	4,596
Total Expenditures.....	58,500	60,452	55,856	4,596
Revenues Over (Under) Expenditures.....	—	41,126	16,580	(24,546)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In.....	—	—	—	—
Transfers Out.....	—	—	—	—
Total Other Financing Sources (Uses).....	—	—	—	—
Net Change in Fund Balances.....	—	41,126	16,580	(24,546)
Fund Balances - Beginning, Budgetary Basis..	84	(41,042)	(41,042)	—
Fund Balances - Ending, Budgetary Basis.....	\$ 84	\$ 84	\$ (24,462)	\$ (24,546)

### Budget to GAAP Reconciliation

#### Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 72,436
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.....	25,246
Prior year accrued revenue.....	(41,659)
Total Actual Revenues - GAAP Basis.....	\$ 56,023

#### Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 55,856
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.....	534
Prior year accrued expenditures.....	(943)
Total Actual Expenditures - GAAP Basis.....	\$ 55,447



# CITY OF RIO RANCHO, NEW MEXICO

## Budgetary Comparison Schedule Community Response Program Fund Year Ended June 30, 2018

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
<b>REVENUES</b>				
Intergovernmental - Federal.....	\$ —	\$ —	\$ —	\$ —
Total Revenues.....	—	—	—	—
<b>EXPENDITURES</b>				
Current:				
Public Safety.....	—	—	—	—
Capital Outlay.....	—	—	—	—
Total Expenditures.....	—	—	—	—
Revenues Over (Under) Expenditures.....	—	—	—	—
<b>OTHER FINANCING SOURCES (USES)</b>				
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, 2018

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
<b>REVENUES</b>				
Investment Income .....	—	—	11,974	11,974
Miscellaneous.....	\$ 935,126	\$ 935,126	\$ 960,026	\$ 24,900
Total Revenues.....	<u>935,126</u>	<u>935,126</u>	<u>972,000</u>	<u>36,874</u>
<b>EXPENDITURES</b>				
Current:				
General Government.....	<u>820,000</u>	<u>876,748</u>	<u>735,075</u>	<u>141,673</u>
Total Expenditures.....	<u>820,000</u>	<u>876,748</u>	<u>735,075</u>	<u>141,673</u>
Revenues Over (Under) Expenditures.....	115,126	58,378	236,925	178,547
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In.....	—	—	—	—
Transfers Out.....	—	—	—	—
Total Other Financing Sources (Uses).....	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net Change in Fund Balances.....	115,126	58,378	236,925	178,547
Fund Balances - Beginning, Budgetary Basis..	<u>1,360,581</u>	<u>1,360,581</u>	<u>1,360,941</u>	<u>360</u>
Fund Balances - Ending, Budgetary Basis.....	<u>\$ 1,475,707</u>	<u>\$ 1,418,959</u>	<u>\$ 1,597,866</u>	<u>\$ 178,907</u>

### Budget to GAAP Reconciliation

#### Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 972,000
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.....	<u>(16,853)</u>
Total Actual Revenues - GAAP Basis.....	<u>\$ 955,147</u>

#### Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 735,075
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.....	116,180
Prior year accrued expenditures.....	<u>(139,748)</u>
Total Actual Expenditures - GAAP Basis.....	<u>\$ 711,507</u>

# CITY OF RIO RANCHO, NEW MEXICO

## Budgetary Comparison Schedule Senior Services Fund Year Ended June 30, 2018

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
<b>REVENUES</b>				
Charges for Services.....	\$ 23,625	\$ 23,625	\$ 19,795	\$ (3,830)
Miscellaneous.....	1,000	1,000	922	(78)
Total Revenues.....	<u>24,625</u>	<u>24,625</u>	<u>20,717</u>	<u>(3,908)</u>
<b>EXPENDITURES</b>				
Current:				
Parks, Recreation, and Culture.....	<u>30,425</u>	<u>34,425</u>	<u>22,062</u>	<u>12,363</u>
Total Expenditures.....	<u>30,425</u>	<u>34,425</u>	<u>22,062</u>	<u>12,363</u>
Revenues Over (Under) Expenditures.....	(5,800)	(9,800)	(1,345)	8,455
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In.....	—	—	—	—
Transfers Out.....	—	—	—	—
Total Other Financing Sources (Uses).....	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net Change in Fund Balances.....	(5,800)	(9,800)	(1,345)	8,455
Fund Balances - Beginning, Budgetary Basis..	<u>43,886</u>	<u>43,886</u>	<u>44,036</u>	<u>150</u>
Fund Balances - Ending, Budgetary Basis.....	<u>\$ 38,086</u>	<u>\$ 34,086</u>	<u>\$ 42,691</u>	<u>\$ 8,605</u>

### Budget to GAAP Reconciliation

#### Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 20,717
(no differences)	—
Total Actual Revenues - GAAP Basis.....	<u>\$ 20,717</u>

#### Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 22,062
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.....	33
Prior year accrued expenditures.....	(366)
Total Actual Expenditures - GAAP Basis.....	<u>\$ 21,729</u>

# CITY OF RIO RANCHO, NEW MEXICO

## Budgetary Comparison Schedule Library Fund Year Ended June 30, 2018

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
<b>REVENUES</b>				
Intergovernmental - State.....	\$ —	\$ 158,391	\$ 31,016	\$ (127,375)
Intergovernmental - Local.....	—	695,260	695,251	(9)
Miscellaneous.....	—	74,618	9,312	(65,306)
Total Revenues.....	—	928,269	735,579	(192,690)
<b>EXPENDITURES</b>				
Current:				
Parks, Recreation, and Culture.....	—	784,099	673,784	110,315
Total Expenditures.....	—	784,099	673,784	110,315
Revenues Over (Under) Expenditures.....	—	144,170	61,795	(82,375)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In.....	—	—	—	—
Transfers Out.....	—	—	—	—
Total Other Financing Sources (Uses).....	—	—	—	—
Net Change in Fund Balances.....	—	144,170	61,795	(82,375)
Fund Balances - Beginning, Budgetary Basis..	—	(144,163)	(144,163)	—
Fund Balances - Ending, Budgetary Basis.....	\$ —	\$ 7	\$ (82,368)	\$ (82,375)

### Budget to GAAP Reconciliation

#### Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 735,579
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.....	17,723
Prior year accrued revenue.....	—
Total Actual Revenues - GAAP Basis.....	\$ 753,302

#### Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 673,784
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.....	146
Prior year accrued expenditures.....	(5,586)
Total Actual Expenditures - GAAP Basis.....	\$ 668,344

# CITY OF RIO RANCHO, NEW MEXICO

## Budgetary Comparison Schedule Local Economic Development Fund Year Ended June 30, 2018

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
<b>REVENUES</b>				
Investment Income .....	—	—	60	60
Miscellaneous.....	\$ —	\$ —	\$ 389,739	\$ (389,739)
Total Revenues.....	—	—	389,799	(389,679)
<b>EXPENDITURES</b>				
Current:				
Parks, Recreation, and Culture.....	—	—	—	—
Total Expenditures.....	—	—	—	—
Revenues Over (Under) Expenditures.....	—	—	389,799	389,799
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In.....	—	—	—	—
Transfers Out.....	—	—	—	—
Total Other Financing Sources (Uses).....	—	—	—	—
Net Change in Fund Balances.....	—	—	389,799	389,799
Fund Balances - Beginning, Budgetary Basis..	393,801	393,801	403,826	10,025
Fund Balances - Ending, Budgetary Basis.....	\$ 393,801	\$ 393,801	\$ 793,625	\$ 399,824

### Budget to GAAP Reconciliation

#### Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 389,799
(no differences)	—
Total Actual Revenues - GAAP Basis.....	\$ 389,799

#### Expenditures:

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

# CITY OF RIO RANCHO, NEW MEXICO

## Budgetary Comparison Schedule Promotion and Marketing Fund Year Ended June 30, 2018

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
<b>REVENUES</b>				
Charges for Services.....	\$ 114,000	\$ 235,178	\$ 139,085	\$ (96,093)
Total Revenues.....	114,000	235,178	139,085	(96,093)
<b>EXPENDITURES</b>				
Current:				
Community and Economic Development....	236,529	304,791	157,318	147,473
Total Expenditures.....	236,529	304,791	157,318	147,473
Revenues Over (Under) Expenditures.....	(122,529)	(69,613)	(18,233)	51,380
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In.....	20,174	51,600	51,600	—
Transfers Out.....	—	—	—	—
Total Other Financing Sources (Uses).....	20,174	51,600	51,600	—
Net Change in Fund Balances.....	(102,355)	(18,013)	33,367	51,380
Fund Balances - Beginning, Budgetary Basis..	102,355	83,107	53,107	(30,000)
Fund Balances - Ending, Budgetary Basis.....	\$ —	\$ 65,094	\$ 86,474	\$ 21,380

### Budget to GAAP Reconciliation

#### Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 139,085
(no differences)	—
Total Actual Revenues - GAAP Basis.....	\$ 139,085

#### Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 157,318
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.....	59,349
Prior year accrued expenditures.....	(4,866)
Total Actual Expenditures - GAAP Basis.....	\$ 211,801

# CITY OF RIO RANCHO, NEW MEXICO

## Budgetary Comparison Schedule Convention and Visitors Bureau Fund Year Ended June 30, 2018

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
<b>REVENUES</b>				
Municipal and State-Shared Taxes.....	\$ 312,500	\$ 312,500	\$ 332,440	\$ 19,940
Miscellaneous.....	2,005	3,105	1,100	(2,005)
Total Revenues.....	<u>314,505</u>	<u>315,605</u>	<u>333,540</u>	<u>17,935</u>
<b>EXPENDITURES</b>				
Current:				
Community and Economic Development....	<u>334,340</u>	<u>335,441</u>	<u>304,798</u>	<u>30,643</u>
Total Expenditures.....	<u>334,340</u>	<u>335,441</u>	<u>304,798</u>	<u>30,643</u>
Revenues Over (Under) Expenditures.....	(19,835)	(19,836)	28,742	48,578
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In.....	—	—	—	—
Transfers Out.....	—	—	—	—
Total Other Financing Sources (Uses).....	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net Change in Fund Balances.....	(19,835)	(19,836)	28,742	48,578
Fund Balances - Beginning, Budgetary Basis..	<u>124,831</u>	<u>124,831</u>	<u>124,831</u>	<u>—</u>
Fund Balances - Ending, Budgetary Basis.....	<u>\$ 104,996</u>	<u>\$ 104,995</u>	<u>\$ 153,573</u>	<u>\$ 48,578</u>

### Budget to GAAP Reconciliation

#### Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 333,540
(no differences)	<u>—</u>
Total Actual Revenues - GAAP Basis.....	<u>\$ 333,540</u>

#### Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 304,798
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.....	4,462
Prior year accrued expenditures.....	<u>(4,085)</u>
Total Actual Expenditures - GAAP Basis.....	<u>\$ 305,175</u>

# CITY OF RIO RANCHO, NEW MEXICO

## Budgetary Comparison Schedule Rio Vision Cable Fund Year Ended June 30, 2018

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
<b>REVENUES</b>				
Franchise Fees.....	\$ 57,740	\$ 56,540	\$ 57,029	\$ 489
Total Revenues.....	57,740	56,540	57,029	489
<b>EXPENDITURES</b>				
Current:				
Parks, Recreation, and Culture.....	78,719	90,582	60,072	30,510
Total Expenditures.....	78,719	90,582	60,072	30,510
Revenues Over (Under) Expenditures.....	(20,979)	(34,042)	(3,043)	30,999
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In.....	2,722	2,722	2,722	—
Transfers Out.....	—	—	—	—
Total Other Financing Sources (Uses).....	2,722	2,722	2,722	—
Net Change in Fund Balances.....	(18,257)	(31,320)	(321)	30,999
Fund Balances - Beginning, Budgetary Basis..	18,257	31,320	31,320	—
Fund Balances - Ending, Budgetary Basis.....	\$ —	\$ —	\$ 30,999	\$ 30,999

### Budget to GAAP Reconciliation

#### Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 57,029
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.....	14,352
Prior year accrued revenue.....	(14,513)
Total Actual Revenues - GAAP Basis.....	\$ 56,868

#### Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 60,072
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.....	605
Prior year accrued expenditures.....	(581)
Total Actual Expenditures - GAAP Basis.....	\$ 60,096



# CITY OF RIO RANCHO, NEW MEXICO

## Budgetary Comparison Schedule Local Government Corrections Fund Year Ended June 30, 2018

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
<b>REVENUES</b>				
Charges for Services.....	\$ 220,000	\$ 220,000	\$ 252,524	\$ 32,524
Total Revenues.....	220,000	220,000	252,524	32,524
<b>EXPENDITURES</b>				
Current:				
Public Safety.....	420,000	468,419	468,371	48
Total Expenditures.....	420,000	468,419	468,371	48
Revenues Over (Under) Expenditures.....	(200,000)	(248,419)	(215,847)	32,572
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In.....	180,787	182,787	182,787	—
Transfers Out.....	—	—	—	—
Total Other Financing Sources (Uses).....	180,787	182,787	182,787	—
Net Change in Fund Balances.....	(19,213)	(65,632)	(33,060)	32,572
Fund Balances - Beginning, Budgetary Basis..	19,213	65,632	65,632	—
Fund Balances - Ending, Budgetary Basis.....	\$ —	\$ —	\$ 32,572	\$ 32,572

### Budget to GAAP Reconciliation

#### Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 252,524
(no differences)	—
Total Actual Revenues - GAAP Basis.....	\$ 252,524

#### Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 468,371
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.....	38,095
Prior year accrued expenditures.....	(44,030)
Total Actual Expenditures - GAAP Basis.....	\$ 462,436

# CITY OF RIO RANCHO, NEW MEXICO

## Budgetary Comparison Schedule Law Enforcement Fund Year Ended June 30, 2018

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
<b>REVENUES</b>				
Intergovernmental - State.....	\$ 108,000	\$ 108,000	\$ 108,000	\$ —
Miscellaneous.....	—	—	551	551
Total Revenues.....	<u>108,000</u>	<u>108,000</u>	<u>108,551</u>	<u>551</u>
<b>EXPENDITURES</b>				
Current:				
Public Safety.....	55,076	135,915	84,878	51,037
Capital Outlay.....	—	34,819	34,819	—
Debt Service:				
Principal.....	52,048	52,048	52,048	—
Interest and Other Charges.....	<u>2,076</u>	<u>2,076</u>	<u>2,076</u>	<u>—</u>
Total Expenditures.....	<u>109,200</u>	<u>224,858</u>	<u>173,821</u>	<u>51,037</u>
Revenues Over (Under) Expenditures.....	(1,200)	(116,858)	(65,270)	51,588
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In.....	—	—	—	—
Transfers Out.....	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total Other Financing Sources (Uses).....	—	—	—	—
Net Change in Fund Balances.....	(1,200)	(116,858)	(65,270)	51,588
Fund Balances - Beginning, Budgetary Basis..	<u>69,991</u>	<u>116,858</u>	<u>116,858</u>	<u>—</u>
Fund Balances - Ending, Budgetary Basis.....	<u>\$ 68,791</u>	<u>\$ —</u>	<u>\$ 51,588</u>	<u>\$ 51,588</u>

### Budget to GAAP Reconciliation

#### Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 108,551
Current year accrued revenue.....	1
Prior year accrued revenue.....	<u>—</u>
Total Actual Revenues - GAAP Basis.....	<u>\$ 108,552</u>

#### Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 173,821
(no differences)	<u>—</u>
Total Actual Expenditures - GAAP Basis.....	<u>\$ 173,821</u>

# CITY OF RIO RANCHO, NEW MEXICO

## Budgetary Comparison Schedule Public Safety Enforcement Aid Fund Year Ended June 30, 2018

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
<b>REVENUES</b>				
Intergovernmental - Federal.....	\$ —	\$ —	\$ —	\$ —
Fines and Forfeitures.....	175,000	175,000	322,668	147,668
Miscellaneous.....	3,500	3,500	933	(2,567)
Total Revenues.....	<u>178,500</u>	<u>178,500</u>	<u>323,601</u>	<u>145,101</u>
<b>EXPENDITURES</b>				
Current:				
Public Safety.....	196,543	78,393	30,489	47,904
Capital Outlay.....	168,000	307,492	307,491	1
Total Expenditures.....	<u>364,543</u>	<u>385,885</u>	<u>337,980</u>	<u>47,905</u>
Revenues Over (Under) Expenditures.....	(186,043)	(207,385)	(14,379)	193,006
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In.....	—	—	—	—
Transfers Out.....	—	—	—	—
Total Other Financing Sources (Uses).....	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net Change in Fund Balances.....	(186,043)	(207,385)	(14,379)	193,006
Fund Balances - Beginning, Budgetary Basis..	310,723	332,066	333,757	1,691
Fund Balances - Ending, Budgetary Basis.....	<u>\$ 124,680</u>	<u>\$ 124,681</u>	<u>\$ 319,378</u>	<u>\$ 194,697</u>

### Budget to GAAP Reconciliation

#### Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 323,601
(no differences)	—
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.....	—
Prior year unearned revenue.....	3,339
Current year accrued revenue.....	23,107
Prior year accrued revenue.....	(11,112)
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.....	
Total Actual Revenues - GAAP Basis.....	<u>\$ 338,935</u>

#### Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 337,980
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.....	1,135
Prior year accrued expenditures.....	(1,517)
Total Actual Expenditures - GAAP Basis.....	<u>\$ 337,598</u>

# CITY OF RIO RANCHO, NEW MEXICO

## Budgetary Comparison Schedule Traffic Education and Enforcement Aid Fund Year Ended June 30, 2018

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
<b>REVENUES</b>				
Fines and Forfeitures.....	\$ 60,000	\$ 60,000	\$ 73,110	\$ 13,110
Miscellaneous.....	—	—	9,898	9,898
Total Revenues.....	<u>60,000</u>	<u>60,000</u>	<u>83,008</u>	<u>23,008</u>
<b>EXPENDITURES</b>				
Current:				
Public Safety.....	60,000	84,689	31,425	53,264
Capital Outlay.....	—	37,525	17,225	20,300
Total Expenditures.....	<u>60,000</u>	<u>122,214</u>	<u>48,650</u>	<u>73,564</u>
Revenues Over (Under) Expenditures.....	—	(62,214)	34,358	96,572
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In.....	—	—	—	—
Transfers Out.....	—	—	—	—
Total Other Financing Sources (Uses).....	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net Change in Fund Balances.....	—	(62,214)	34,358	96,572
Fund Balances - Beginning, Budgetary Basis..	78,581	102,571	102,571	—
Fund Balances - Ending, Budgetary Basis.....	<u>\$ 78,581</u>	<u>\$ 40,357</u>	<u>\$ 136,929</u>	<u>\$ 96,572</u>

### Budget to GAAP Reconciliation

#### Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 83,008
(no differences)	<u>—</u>
Total Actual Revenues - GAAP Basis.....	<u>\$ 83,008</u>

#### Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 48,650
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.....	134
Prior year accrued expenditures.....	<u>(135)</u>
Total Actual Expenditures - GAAP Basis.....	<u>\$ 48,649</u>

# CITY OF RIO RANCHO, NEW MEXICO

## Budgetary Comparison Schedule DWI Seized Vehicle Fund Year Ended June 30, 2018

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
<b>REVENUES</b>				
Charges for Services.....	\$ 13,000	\$ 13,000	\$ 21,185	\$ 8,185
Total Revenues.....	<u>13,000</u>	<u>13,000</u>	<u>21,185</u>	<u>8,185</u>
<b>EXPENDITURES</b>				
Current:				
Public Safety.....	<u>23,500</u>	<u>27,840</u>	<u>132</u>	<u>27,708</u>
Total Expenditures.....	<u>23,500</u>	<u>27,840</u>	<u>132</u>	<u>27,708</u>
Revenues Over (Under) Expenditures.....	(10,500)	(14,840)	21,053	35,893
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In.....	—	—	—	—
Transfers Out.....	—	—	—	—
Total Other Financing Sources (Uses).....	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net Change in Fund Balances.....	(10,500)	(14,840)	21,053	35,893
Fund Balances - Beginning, Budgetary Basis..	<u>55,529</u>	<u>62,339</u>	<u>62,339</u>	<u>—</u>
Fund Balances - Ending, Budgetary Basis.....	<u>\$ 45,029</u>	<u>\$ 47,499</u>	<u>\$ 83,392</u>	<u>\$ 35,893</u>

### Budget to GAAP Reconciliation

#### Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 21,185
(no differences)	—
Total Actual Revenues - GAAP Basis.....	<u>\$ 21,185</u>

#### Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 132
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.....	995
Prior year accrued expenditures.....	—
Total Actual Expenditures - GAAP Basis.....	<u>\$ 1,127</u>

# CITY OF RIO RANCHO, NEW MEXICO

## Budgetary Comparison Schedule NM Gang Task Force Fund Year Ended June 30, 2018

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
<b>REVENUES</b>				
Intergovernmental - Federal.....	\$ —	\$ 58,358	\$ 53,409	\$ (4,949)
Total Revenues.....	—	58,358	53,409	(4,949)
<b>EXPENDITURES</b>				
Current:				
Public Safety.....	—	46,736	43,066	3,670
Total Expenditures.....	—	46,736	43,066	3,670
Revenues Over (Under) Expenditures.....	—	11,622	10,343	(1,279)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In.....	—	—	—	—
Transfers Out.....	—	—	—	—
Total Other Financing Sources (Uses).....	—	—	—	—
Net Change in Fund Balances.....	—	11,622	10,343	(1,279)
Fund Balances - Beginning, Budgetary Basis..	713	(10,936)	(10,936)	—
Fund Balances - Ending, Budgetary Basis.....	\$ 713	\$ 686	\$ (593)	\$ (1,279)

### Budget to GAAP Reconciliation

#### Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 53,409
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.....	893
Prior year accrued revenue.....	(12,551)
Total Actual Revenues - GAAP Basis.....	\$ 41,751

#### Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 43,066
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.....	(5,103)
Total Actual Expenditures - GAAP Basis.....	\$ 37,963

# CITY OF RIO RANCHO, NEW MEXICO

## Budgetary Comparison Schedule Fire Protection Fund Year Ended June 30, 2018

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
<b>REVENUES</b>				
Intergovernmental - State.....	\$ 768,708	\$ 768,708	\$ 768,996	\$ 288
Miscellaneous.....	1,000	1,000	9,097	8,097
Total Revenues.....	<u>769,708</u>	<u>769,708</u>	<u>778,093</u>	<u>8,385</u>
<b>EXPENDITURES</b>				
Current:				
Public Safety.....	432,333	431,678	364,931	66,747
Capital Outlay.....	188,530	214,219	65,247	148,972
Debt Service:				
Principal.....	195,488	195,488	195,488	—
Interest and Other Charges.....	49,337	49,337	49,336	1
Total Expenditures.....	<u>865,688</u>	<u>890,722</u>	<u>675,002</u>	<u>215,720</u>
Revenues Over (Under) Expenditures.....	(95,980)	(121,014)	103,091	224,105
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In.....	—	—	—	—
Transfers Out.....	—	—	—	—
Total Other Financing Sources (Uses).....	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net Change in Fund Balances.....	(95,980)	(121,014)	103,091	224,105
Fund Balances - Beginning, Budgetary Basis..	249,882	274,915	276,460	1,545
Fund Balances - Ending, Budgetary Basis.....	<u>\$ 153,902</u>	<u>\$ 153,901</u>	<u>\$ 379,551</u>	<u>\$ 225,650</u>

### Budget to GAAP Reconciliation

#### Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 778,093
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.....	(1,348)
Total Actual Revenues - GAAP Basis.....	<u>\$ 776,745</u>

#### Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 675,002
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.....	4,704
Prior year accrued expenditures.....	(14,616)
Total Actual Expenditures - GAAP Basis.....	<u>\$ 665,090</u>

# CITY OF RIO RANCHO, NEW MEXICO

## Budgetary Comparison Schedule Emergency Medical Services Fund Year Ended June 30, 2018

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
<b>REVENUES</b>				
Intergovernmental - State.....	\$ 19,844	\$ 18,983	\$ 18,983	\$ —
Total Revenues.....	19,844	18,983	18,983	—
<b>EXPENDITURES</b>				
Current:				
Public Safety.....	20,633	19,772	19,582	190
Total Expenditures.....	20,633	19,772	19,582	190
Revenues Over (Under) Expenditures.....	(789)	(789)	(599)	190
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In.....	—	—	—	—
Transfers Out.....	—	—	—	—
Total Other Financing Sources (Uses).....	—	—	—	—
Net Change in Fund Balances.....	(789)	(789)	(599)	190
Fund Balances - Beginning, Budgetary Basis..	789	789	789	—
Fund Balances - Ending, Budgetary Basis.....	\$ —	\$ —	\$ 190	\$ 190

### Budget to GAAP Reconciliation

#### Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 18,983
(no differences)	—
Total Actual Revenues - GAAP Basis.....	\$ 18,983

#### Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 19,582
(no differences)	—
Total Actual Expenditures - GAAP Basis.....	\$ 19,582



# CITY OF RIO RANCHO, NEW MEXICO

## Budgetary Comparison Schedule DWI Program Fund Year Ended June 30, 2018

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
<b>REVENUES</b>				
Investment Income.....	\$ —	\$ —	\$ 366	\$ 366
Total Revenues.....	—	—	366	366
<b>EXPENDITURES</b>				
Current:				
Public Safety.....	228,867	228,867	—	228,867
Total Expenditures.....	228,867	228,867	—	228,867
Revenues Over (Under) Expenditures.....	(228,867)	(228,867)	366	229,233
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In.....	—	—	—	—
Transfers Out.....	—	—	—	—
Total Other Financing Sources (Uses).....	—	—	—	—
Net Change in Fund Balances.....	(228,867)	(228,867)	366	229,233
Fund Balances - Beginning, Budgetary Basis..	228,867	228,867	228,867	—
Fund Balances - Ending, Budgetary Basis.....	\$ —	\$ —	\$ 229,233	\$ 229,233

### Budget to GAAP Reconciliation

#### Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 366
(no differences)	—
Total Actual Revenues - GAAP Basis.....	\$ 366

#### 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, 2018

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
<b>REVENUES</b>				
Intergovernmental - Federal.....	\$ 95,000	\$ 100,000	\$ 108,738	\$ 8,738
Total Revenues.....	95,000	100,000	108,738	8,738
<b>EXPENDITURES</b>				
Current:				
Parks, Recreation, and Culture.....	160,701	220,701	110,618	110,083
Total Expenditures.....	160,701	220,701	110,618	110,083
Revenues Over (Under) Expenditures.....	(65,701)	(120,701)	(1,880)	118,821
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In.....	—	—	—	—
Transfers Out.....	—	—	—	—
Total Other Financing Sources (Uses).....	—	—	—	—
Net Change in Fund Balances.....	(65,701)	(120,701)	(1,880)	118,821
Fund Balances - Beginning, Budgetary Basis..	65,701	120,701	120,701	—
Fund Balances - Ending, Budgetary Basis.....	\$ —	\$ —	\$ 118,821	\$ 118,821

### Budget to GAAP Reconciliation

#### Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 108,738
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.....	(19,292)
Prior year unearned revenue.....	18,953
Total Actual Revenues - GAAP Basis.....	\$ 108,399

#### Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 110,618
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.....	42,756
Prior year accrued expenditures.....	(44,975)
Total Actual Expenditures - GAAP Basis.....	\$ 108,399

# CITY OF RIO RANCHO, NEW MEXICO

## Budgetary Comparison Schedule Public Safety and Other Grants Fund Year Ended June 30, 2018

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
<b>REVENUES</b>				
Intergovernmental - Federal.....	\$ —	\$ 760,685	\$ 183,982	\$ (576,703)
Intergovernmental - State.....	—	553,050	96,681	(456,369)
Total Revenues.....	—	1,313,735	280,663	(1,033,072)
<b>EXPENDITURES</b>				
Current:				
Public Safety.....	—	1,001,960	349,612	652,348
Capital Outlay.....	—	233,037	71,814	161,223
Total Expenditures.....	—	1,234,997	421,426	813,571
Revenues Over (Under) Expenditures.....	—	78,738	(140,763)	(219,501)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In.....	—	—	—	—
Transfers Out.....	—	—	—	—
Total Other Financing Sources (Uses).....	—	—	—	—
Net Change in Fund Balances.....	—	78,738	(140,763)	(219,501)
Fund Balances - Beginning, Budgetary Basis..	3,485	(75,253)	(75,253)	—
Fund Balances - Ending, Budgetary Basis.....	\$ 3,485	\$ 3,485	\$ (216,016)	\$ (219,501)

### Budget to GAAP Reconciliation

#### Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 280,663
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.....	229,108
Prior year accrued revenue.....	(84,325)
Total Actual Revenues - GAAP Basis.....	\$ 425,446

#### Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 421,426
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.....	7,138
Prior year accrued expenditures.....	(7,244)
Total Actual Expenditures - GAAP Basis.....	\$ 421,320

# CITY OF RIO RANCHO, NEW MEXICO

## Budgetary Comparison Schedule Environmental Gross Receipts Tax Fund Year Ended June 30, 2018

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
<b>REVENUES</b>				
Municipal and State-Shared Taxes.....	\$ 750,125	\$ 724,597	\$ 712,554	\$ (12,043)
Miscellaneous.....	50,933	26,500	22,204	(4,296)
Total Revenues.....	<u>801,058</u>	<u>751,097</u>	<u>734,758</u>	<u>(16,339)</u>
<b>EXPENDITURES</b>				
Current:				
Capital Outlay.....	522,415	891,453	452,172	439,281
Debt Service:				
Principal.....	254,944	254,944	254,944	—
Interest and Other Charges.....	84,753	84,753	84,752	1
Total Expenditures.....	<u>862,112</u>	<u>1,231,150</u>	<u>791,868</u>	<u>439,282</u>
Revenues Over (Under) Expenditures.....	(61,054)	(480,053)	(57,110)	422,943
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In.....	—	—	—	—
Transfers Out.....	—	—	—	—
Total Other Financing Sources (Uses).....	—	—	—	—
Net Change in Fund Balances.....	(61,054)	(480,053)	(57,110)	422,943
Fund Balances - Beginning, Budgetary Basis..	<u>631,382</u>	<u>1,012,898</u>	<u>1,013,501</u>	<u>603</u>
Fund Balances - Ending, Budgetary Basis.....	<u>\$ 570,328</u>	<u>\$ 532,845</u>	<u>\$ 956,391</u>	<u>\$ 423,546</u>

### Budget to GAAP Reconciliation

#### Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 734,758
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.....	132,912
Prior year accrued revenue.....	(123,950)
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.....	(8,426)
Total Actual Revenues - GAAP Basis.....	<u>\$ 735,294</u>

#### Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 791,868
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.....	18,060
Prior year accrued expenditures.....	(46,264)
Total Actual Expenditures - GAAP Basis.....	<u>\$ 763,664</u>

# CITY OF RIO RANCHO, NEW MEXICO

## Budgetary Comparison Schedule Higher Education Gross Receipts Tax Fund Year Ended June 30, 2018

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
<b>REVENUES</b>				
Municipal and State-Shared Taxes.....	\$ 2,400,410	\$ 2,400,410	\$ 2,365,434	\$ (34,976)
Miscellaneous.....	10,000	10,000	61,091	51,091
Total Revenues.....	<u>2,410,410</u>	<u>2,410,410</u>	<u>2,426,525</u>	<u>16,115</u>
<b>EXPENDITURES</b>				
Current:				
General Government.....	400,000	—	—	—
Capital Outlay.....	—	1,381,580	54,748	1,326,832
Total Expenditures.....	<u>400,000</u>	<u>1,381,580</u>	<u>54,748</u>	<u>1,326,832</u>
Revenues Over (Under) Expenditures.....	2,010,410	1,028,830	2,371,777	1,342,947
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In.....	—	—	—	—
Transfers Out.....	—	—	—	—
Total Other Financing Sources (Uses).....	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net Change in Fund Balances.....	2,010,410	1,028,830	2,371,777	1,342,947
Fund Balances - Beginning, Budgetary Basis..	<u>5,065,669</u>	<u>6,047,249</u>	<u>6,047,249</u>	<u>—</u>
Fund Balances - Ending, Budgetary Basis.....	<u>\$ 7,076,079</u>	<u>\$ 7,076,079</u>	<u>\$ 8,419,026</u>	<u>\$ 1,342,947</u>

### Budget to GAAP Reconciliation

#### Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 2,426,525
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.....	442,867
Prior year accrued revenue.....	(416,248)
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.....	(84,263)
Total Actual Revenues - GAAP Basis.....	<u>\$ 2,368,881</u>

#### Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 54,748
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.....	2,759
Prior year accrued expenditures.....	(19,731)
Total Actual Expenditures - GAAP Basis.....	<u>\$ 37,776</u>

# CITY OF RIO RANCHO, NEW MEXICO

## Budgetary Comparison Schedule Municipal Road Fund Year Ended June 30, 2018

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
<b>REVENUES</b>				
Municipal and State-Shared Taxes.....	\$ 680,000	\$ 680,000	\$ 723,618	\$ 43,618
Charges for Services.....	3,000	3,000	6,458	3,458
Miscellaneous.....	1,000	44,031	89,282	45,251
Total Revenues.....	<u>684,000</u>	<u>727,031</u>	<u>819,358</u>	<u>92,327</u>
<b>EXPENDITURES</b>				
Current:				
Public Works.....	627,000	650,359	525,946	124,413
Capital Outlay.....	134,553	212,938	107,054	105,884
Debt Service:				
Principal.....	160,000	160,000	160,000	—
Interest and Other Charges.....	2,112	2,112	2,112	—
Total Expenditures.....	<u>923,665</u>	<u>1,025,409</u>	<u>795,112</u>	<u>230,297</u>
Revenues Over (Under) Expenditures.....	(239,665)	(298,378)	24,246	322,624
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In.....	—	—	—	—
Transfers Out.....	—	—	—	—
Total Other Financing Sources (Uses).....	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net Change in Fund Balances.....	(239,665)	(298,378)	24,246	322,624
Fund Balances - Beginning, Budgetary Basis..	542,446	606,804	610,046	3,242
Fund Balances - Ending, Budgetary Basis.....	<u>\$ 302,781</u>	<u>\$ 308,426</u>	<u>\$ 634,292</u>	<u>\$ 325,866</u>

### Budget to GAAP Reconciliation

#### Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 819,358
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.....	117,564
Prior year accrued revenue.....	(121,388)
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.....	(3,371)
Total Actual Revenues - GAAP Basis.....	<u>\$ 812,163</u>

#### Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 795,112
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.....	83,756
Prior year accrued expenditures.....	(2,796)
Total Actual Expenditures - GAAP Basis.....	<u>\$ 876,072</u>

# CITY OF RIO RANCHO, NEW MEXICO

## Budgetary Comparison Schedule Regional Emergency Comm Center Fund Year Ended June 30, 2018

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
<b>REVENUES</b>				
Miscellaneous.....	\$ 1,460,246	\$ 1,455,095	\$ 1,473,231	\$ 18,136
Total Revenues.....	1,460,246	1,455,095	1,473,231	18,136
<b>EXPENDITURES</b>				
Current:				
Public Safety.....	3,244,991	3,382,502	2,657,148	725,354
Capital Outlay.....	—	851,404	639,251	212,153
Total Expenditures.....	3,244,991	4,233,906	3,296,399	937,507
Revenues Over (Under) Expenditures.....	(1,784,745)	(2,778,811)	(1,823,168)	955,643
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In.....	1,784,745	1,778,449	1,778,449	—
Transfers Out.....	—	—	—	—
Total Other Financing Sources (Uses).....	1,784,745	1,778,449	1,778,449	—
Net Change in Fund Balances.....	—	(1,000,362)	(44,719)	955,643
Fund Balances - Beginning, Budgetary Basis..	996,815	1,000,476	1,098,383	97,907
Fund Balances - Ending, Budgetary Basis.....	\$ 996,815	\$ 114	\$ 1,053,664	\$ 1,053,550

### Budget to GAAP Reconciliation

#### Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 1,473,231
(no differences)	—
Total Actual Revenues - GAAP Basis.....	\$ 1,473,231

#### Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 3,296,399
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.....	64,249
Prior year accrued expenditures.....	(55,217)
Total Actual Expenditures - GAAP Basis.....	\$ 3,305,431

# CITY OF RIO RANCHO, NEW MEXICO

## Budgetary Comparison Schedule HUD CDBG Fund Year Ended June 30, 2018

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
<b>REVENUES</b>				
Intergovernmental - Federal.....	\$ 463,519	\$ 1,004,248	\$ 471,143	\$ (533,105)
Miscellaneous.....	—	12,343	3,766	(8,577)
Total Revenues.....	<u>463,519</u>	<u>1,016,591</u>	<u>474,909</u>	<u>(541,682)</u>
<b>EXPENDITURES</b>				
Current:				
Public Works.....	215,511	539,523	306,916	232,607
Capital Outlay.....	248,008	421,802	148,474	273,328
Total Expenditures.....	<u>463,519</u>	<u>961,325</u>	<u>455,390</u>	<u>505,935</u>
Revenues Over (Under) Expenditures.....	—	55,266	19,519	(35,747)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In.....	—	—	—	—
Transfers Out.....	—	(16,322)	(3,443)	(12,879)
Total Other Financing Sources (Uses).....	<u>—</u>	<u>(16,322)</u>	<u>(3,443)</u>	<u>(12,879)</u>
Net Change in Fund Balances.....	—	38,944	16,076	(22,868)
Fund Balances - Beginning, Budgetary Basis..	—	(38,937)	(38,937)	—
Fund Balances - Ending, Budgetary Basis.....	<u>\$ —</u>	<u>\$ 7</u>	<u>\$ (22,861)</u>	<u>\$ (22,868)</u>

### Budget to GAAP Reconciliation

#### Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 474,909
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.....	34,870
Prior year accrued revenue.....	(40,308)
Total Actual Revenues - GAAP Basis.....	<u>\$ 469,471</u>

#### Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 455,390
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.....	8,596
Prior year accrued expenditures.....	(1,371)
Total Actual Expenditures - GAAP Basis.....	<u>\$ 462,615</u>



# CITY OF RIO RANCHO, NEW MEXICO

## Budgetary Comparison Schedule Crime Victim Assistance Fund Year Ended June 30, 2018

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
<b>REVENUES</b>				
Intergovernmental - Federal.....	\$ 19,308	\$ 186,479	\$ 79,534	\$ (106,945)
Total Revenues.....	<u>19,308</u>	<u>186,479</u>	<u>79,534</u>	<u>(106,945)</u>
<b>EXPENDITURES</b>				
Current:				
Public Safety.....	<u>25,744</u>	<u>217,545</u>	<u>115,842</u>	<u>101,703</u>
Total Expenditures.....	<u>25,744</u>	<u>217,545</u>	<u>115,842</u>	<u>101,703</u>
Revenues Over (Under) Expenditures.....	(6,436)	(31,066)	(36,308)	(5,242)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In.....	6,436	40,070	26,057	(14,013)
Transfers Out.....	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total Other Financing Sources (Uses).....	<u>6,436</u>	<u>40,070</u>	<u>26,057</u>	<u>(14,013)</u>
Net Change in Fund Balances.....	—	9,004	(10,251)	(19,255)
Fund Balances - Beginning, Budgetary Basis..	<u>1,842</u>	<u>(7,162)</u>	<u>(7,162)</u>	<u>—</u>
Fund Balances - Ending, Budgetary Basis.....	<u>\$ 1,842</u>	<u>\$ 1,842</u>	<u>\$ (17,413)</u>	<u>\$ (19,255)</u>

### Budget to GAAP Reconciliation

#### Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 79,534
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.....	26,365
Prior year accrued revenue.....	<u>(9,155)</u>
Total Actual Revenues - GAAP Basis.....	<u>\$ 96,744</u>

#### Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 115,842
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.....	2,129
Prior year accrued expenditures.....	<u>(1,841)</u>
Total Actual Expenditures - GAAP Basis.....	<u>\$ 116,130</u>

# CITY OF RIO RANCHO, NEW MEXICO

## Budgetary Comparison Schedule General Obligation Bond Fund Year Ended June 30, 2018

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
<b>REVENUES</b>				
Property Taxes.....	\$ 4,718,398	\$ 4,718,398	\$ 4,327,586	\$ (390,812)
Miscellaneous.....	—	—	600	600
Total Revenues.....	<u>4,718,398</u>	<u>4,718,398</u>	<u>4,328,186</u>	<u>(390,212)</u>
<b>EXPENDITURES</b>				
Current:				
Principal.....	3,345,000	3,345,000	3,345,000	—
Interest and Other Charges.....	637,359	636,875	636,875	—
Total Expenditures.....	<u>3,982,359</u>	<u>3,981,875</u>	<u>3,981,875</u>	<u>—</u>
Revenues Over (Under) Expenditures.....	736,039	736,523	346,311	(390,212)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In.....	—	—	—	—
Transfers Out.....	—	—	—	—
Total Other Financing Sources (Uses).....	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net Change in Fund Balances.....	736,039	736,523	346,311	(390,212)
Fund Balances - Beginning, Budgetary Basis..	<u>4,129,379</u>	<u>4,129,379</u>	<u>3,736,889</u>	<u>(392,490)</u>
Fund Balances - Ending, Budgetary Basis.....	<u>\$ 4,865,418</u>	<u>\$ 4,865,902</u>	<u>\$ 4,083,200</u>	<u>\$ (782,702)</u>

### Budget to GAAP Reconciliation

#### Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 4,328,186
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.....	(4,873)
Prior year unearned revenue.....	—
Current year accrued revenue.....	36,135
Prior year accrued revenue.....	(38,040)
Total Actual Revenues - GAAP Basis.....	<u>\$ 4,321,408</u>

#### Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 3,981,875
(no differences)	
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.....	241
Prior year accrued expenditures.....	—
Total Actual Expenditures - GAAP Basis.....	<u>\$ 3,982,116</u>

# CITY OF RIO RANCHO, NEW MEXICO

## Budgetary Comparison Schedule GRT Revenue Bond Fund Year Ended June 30, 2018

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
<b>REVENUES</b>				
Municipal and State-Shared Taxes.....	\$ 1,583,580	\$ 1,583,580	\$ 1,583,581	\$ 1
Total Revenues.....	1,583,580	1,583,580	1,583,581	1
<b>EXPENDITURES</b>				
Debt Service:				
Principal.....	1,215,000	1,215,000	1,215,000	—
Interest and Other Charges.....	368,580	368,580	365,080	3,500
Total Expenditures.....	1,583,580	1,583,580	1,580,080	3,500
Revenues Over (Under) Expenditures.....	—	—	3,501	3,501
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In.....	—	—	—	—
Transfers Out.....	—	—	—	—
Total Other Financing Sources (Uses).....	—	—	—	—
Net Change in Fund Balances.....	—	—	3,501	3,501
Fund Balances - Beginning, Budgetary Basis..	273	273	273	—
Fund Balances - Ending, Budgetary Basis.....	\$ 273	\$ 273	\$ 3,774	\$ 3,501

### Budget to GAAP Reconciliation

#### Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 1,583,581
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.....	287,270
Prior year accrued revenue.....	(287,924)
Total Actual Revenues - GAAP Basis.....	\$ 1,582,927

#### Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 1,580,080
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.....	2,500
Prior year accrued expenditures.....	—
Total Actual Expenditures - GAAP Basis.....	\$ 1,582,580

# CITY OF RIO RANCHO, NEW MEXICO

## Budgetary Comparison Schedule HP Loan Fund Year Ended June 30, 2018

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
<b>REVENUES</b>				
Municipal and State-Shared Taxes.....	\$ 418,738	\$ 393,596	\$ 393,596	\$ —
Miscellaneous.....	—	—	67	67
Total Revenues.....	<u>418,738</u>	<u>393,596</u>	<u>393,663</u>	<u>67</u>
<b>EXPENDITURES</b>				
Debt Service:				
Principal.....	245,000	345,000	345,000	—
Interest and Other Charges.....	173,738	48,596	48,596	—
Bond Issuance Costs.....	—	89,863	87,677	2,186
Total Expenditures.....	<u>418,738</u>	<u>483,459</u>	<u>481,273</u>	<u>2,186</u>
Revenues Over (Under) Expenditures.....	—	(89,863)	(87,610)	2,253
Refunding Bonds Issued.....	—	3,515,000	3,515,000	—
Payment to Refunding Escrow.....	—	3,422,885	3,422,885	—
Transfers In.....	—	—	—	—
Transfers Out.....	—	—	—	—
Total Other Financing Sources (Uses).....	—	<u>6,937,885</u>	<u>6,937,885</u>	—
Net Change in Fund Balances.....	—	6,848,022	6,850,275	2,253
Fund Balances - Beginning, Budgetary Basis..	<u>7,111</u>	<u>7,111</u>	<u>7,111</u>	—
Fund Balances - Ending, Budgetary Basis.....	<u>\$ 7,111</u>	<u>\$ 6,855,133</u>	<u>\$ 6,857,386</u>	<u>\$ 2,253</u>

### Budget to GAAP Reconciliation

#### Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 393,663
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.....	68,153
Prior year accrued revenue.....	<u>(76,134)</u>
Total Actual Revenues - GAAP Basis.....	<u>\$ 385,682</u>

#### Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 481,273
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.....	2,500
Prior year accrued expenditures.....	<u>—</u>
Total Actual Expenditures - GAAP Basis.....	<u>\$ 483,773</u>

# CITY OF RIO RANCHO, NEW MEXICO

## Budgetary Comparison Schedule HS Loan Fund Year Ended June 30, 2018

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
<b>REVENUES</b>				
Municipal and State-Shared Taxes.....	\$ 416,754	\$ 390,191	\$ 390,191	\$ —
Miscellaneous.....	—	—	57	57
Total Revenues.....	<u>416,754</u>	<u>390,191</u>	<u>390,248</u>	<u>57</u>
<b>EXPENDITURES</b>				
Debt Service:				
Principal.....	250,000	345,000	345,000	—
Interest and Other Charges.....	166,754	45,191	45,191	—
Bond Issuance Costs.....	—	88,775	86,607	2,168
Total Expenditures.....	<u>416,754</u>	<u>478,966</u>	<u>476,798</u>	<u>2,168</u>
Revenues Over (Under) Expenditures.....	—	(88,775)	(86,550)	2,225
<b>OTHER FINANCING SOURCES (USES)</b>				
Refunding Bonds Issued.....	—	3,370,000	3,370,000	—
Payment to Refunding Escrow.....	—	3,280,128	3,280,128	—
Transfers In.....	—	—	—	—
Transfers Out.....	—	—	—	—
Total Other Financing Sources (Uses).....	<u>—</u>	<u>6,650,128</u>	<u>6,650,128</u>	<u>—</u>
Net Change in Fund Balances.....	—	6,561,353	6,563,578	2,225
Fund Balances - Beginning, Budgetary Basis..	—	—	—	—
Fund Balances - Ending, Budgetary Basis.....	<u>\$ —</u>	<u>\$ 6,561,353</u>	<u>\$ 6,563,578</u>	<u>\$ 2,225</u>

### Budget to GAAP Reconciliation

#### Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 390,248
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.....	68,477
Prior year accrued revenue.....	(75,782)
Total Actual Revenues - GAAP Basis.....	<u>\$ 382,943</u>

#### Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 476,798
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.....	2,501
Prior year accrued expenditures.....	—
Total Actual Expenditures - GAAP Basis.....	<u>\$ 479,299</u>

# CITY OF RIO RANCHO, NEW MEXICO

## Budgetary Comparison Schedule Public Safety Vehicle Loan Fund Year Ended June 30, 2018

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
<b>REVENUES</b>				
Municipal and State-Shared Taxes.....	\$ 249,561	\$ 249,561	\$ 249,561	\$ —
Total Revenues.....	<u>249,561</u>	<u>249,561</u>	<u>249,561</u>	<u>—</u>
<b>EXPENDITURES</b>				
Debt Service:				
Principal.....	240,000	240,000	239,999	1
Interest and Other Charges.....	<u>9,561</u>	<u>9,561</u>	<u>9,561</u>	<u>—</u>
Total Expenditures.....	<u>249,561</u>	<u>249,561</u>	<u>249,560</u>	<u>1</u>
Revenues Over (Under) Expenditures.....	—	—	1	1
<b>OTHER FINANCING SOURCES (USES)</b>				
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.....	—	—	1	1
Fund Balances - Beginning, Budgetary Basis..	<u>3,716</u>	<u>3,716</u>	<u>286</u>	<u>(3,430)</u>
Fund Balances - Ending, Budgetary Basis.....	<u>\$ 3,716</u>	<u>\$ 3,716</u>	<u>\$ 287</u>	<u>\$ (3,429)</u>

### Budget to GAAP Reconciliation

#### Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 249,561
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.....	10,252
Prior year accrued revenue.....	<u>(45,374)</u>
Total Actual Revenues - GAAP Basis.....	<u>\$ 214,439</u>

#### Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 249,560
(no differences)	<u>—</u>
Total Actual Expenditures - GAAP Basis.....	<u>\$ 249,560</u>

# CITY OF RIO RANCHO, NEW MEXICO

## Budgetary Comparison Schedule Infrastructure Fund Year Ended June 30, 2018

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
<b>REVENUES</b>				
Intergovernmental - Federal.....	\$ —	\$ 1,518,302	\$ 1,189,195	\$ (329,107)
Intergovernmental - State.....	—	1,235,000	295,000	(940,000)
Intergovernmental - Local.....	—	600,000	—	(600,000)
Miscellaneous.....	—	—	21,576	21,576
Total Revenues.....	—	3,353,302	1,505,771	(1,847,531)
<b>EXPENDITURES</b>				
Current:				
Public Works.....	10,078	64,423	34,315	30,108
Capital Outlay.....	—	3,788,243	1,431,043	2,357,200
Total Expenditures.....	10,078	3,852,666	1,465,358	2,387,308
Revenues Over (Under) Expenditures.....	(10,078)	(499,364)	40,413	539,777
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In.....	641,886	450,000	450,000	—
Transfers Out.....	—	—	—	—
Total Other Financing Sources (Uses).....	641,886	450,000	450,000	—
Net Change in Fund Balances.....	631,808	(49,364)	490,413	539,777
Fund Balances - Beginning, Budgetary Basis..	10,091	199,377	199,377	—
Fund Balances - Ending, Budgetary Basis.....	\$ 641,899	\$ 150,013	\$ 689,790	\$ 539,777

### Budget to GAAP Reconciliation

#### Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 1,505,771
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.....	293,244
Prior year accrued revenue.....	(676,500)
Total Actual Revenues - GAAP Basis.....	\$ 1,122,515

#### Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 1,465,358
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.....	96,311
Prior year accrued expenditures.....	(216,331)
Total Actual Expenditures - GAAP Basis.....	\$ 1,345,338

# CITY OF RIO RANCHO, NEW MEXICO

## Budgetary Comparison Schedule Recreation Development Fund Year Ended June 30, 2018

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
<b>REVENUES</b>				
Miscellaneous.....	15,000	15,000	15,000	—
Total Revenues.....	15,000	15,000	15,000	—
<b>EXPENDITURES</b>				
Current:				
Capital Outlay.....	4,766	4,778	2,633	2,145
Total Expenditures.....	4,766	4,778	2,633	2,145
Revenues Over (Under) Expenditures.....	10,234	10,222	12,367	2,145
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In.....	—	—	—	—
Transfers Out.....	—	—	—	—
Total Other Financing Sources (Uses).....	—	—	—	—
Net Change in Fund Balances.....	10,234	10,222	12,367	2,145
Fund Balances - Beginning, Budgetary Basis..	19,766	19,789	19,789	—
Fund Balances - Ending, Budgetary Basis.....	<u>\$ 30,000</u>	<u>\$ 30,011</u>	<u>\$ 32,156</u>	<u>\$ 2,145</u>

### Budget to GAAP Reconciliation

#### Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 15,000
(no differences)	—
Total Actual Revenues - GAAP Basis.....	<u>\$ 15,000</u>

#### Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 2,633
(no differences)	—
Total Actual Expenditures - GAAP Basis.....	<u>\$ 2,633</u>



# CITY OF RIO RANCHO, NEW MEXICO

## Budgetary Comparison Schedule State Appropriation Capital Projects Fund Year Ended June 30, 2018

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
<b>REVENUES</b>				
Intergovernmental - State.....	\$ —	\$ 4,894,101	\$ 572,217	\$ (4,321,884)
Total Revenues.....	—	4,894,101	572,217	(4,321,884)
<b>EXPENDITURES</b>				
Current:				
General Government.....	—	191,554	69,256	122,298
Capital Outlay.....	—	4,469,896	341,620	4,128,276
Total Expenditures.....	—	4,661,450	410,876	4,250,574
Revenues Over (Under) Expenditures.....	—	232,651	161,341	(71,310)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In.....	2,038	2,038	2,038	—
Transfers Out.....	—	—	—	—
Total Other Financing Sources (Uses).....	2,038	2,038	2,038	—
Net Change in Fund Balances.....	2,038	234,689	163,379	(71,310)
Fund Balances - Beginning, Budgetary Basis..	(2,038)	(234,686)	(234,686)	—
Fund Balances - Ending, Budgetary Basis.....	\$ —	\$ —	\$ (71,307)	\$ (71,310)

### Budget to GAAP Reconciliation

#### Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 572,217
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.....	71,307
Prior year accrued revenue.....	(236,478)
Total Actual Revenues - GAAP Basis.....	\$ 407,046

#### Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 410,876
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.....	(17,102)
Total Actual Expenditures - GAAP Basis.....	\$ 393,774

# CITY OF RIO RANCHO, NEW MEXICO

## Budgetary Comparison Schedule 2009 Bond Road Project Fund Year Ended June 30, 2018

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

### Budget to GAAP Reconciliation

#### Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ —
(no differences)	—
Total Actual Revenues - GAAP Basis.....	<u>\$ —</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 2016 GO Bond Construction Fund Year Ended June 30, 2018

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
<b>REVENUES</b>				
Investment Income.....	\$ —	\$ —	\$ 65,172	\$ 65,172
Total Revenues.....	—	—	65,172	65,172
<b>EXPENDITURES</b>				
Current:				
Capital Outlay.....	60,060	4,590,009	24,925	4,565,084
Total Expenditures.....	60,060	4,590,009	24,925	4,565,084
Revenues Over (Under) Expenditures.....	(60,060)	(4,590,009)	40,247	4,630,256
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In.....	—	—	—	—
Transfers Out.....	—	—	—	—
Total Other Financing Sources (Uses).....	—	—	—	—
Net Change in Fund Balances.....	(60,060)	(4,590,009)	40,247	4,630,256
Fund Balances - Beginning, Budgetary Basis..	60,060	4,590,010	4,590,010	—
Fund Balances - Ending, Budgetary Basis.....	\$ —	\$ 1	\$ 4,630,257	\$ 4,630,256

### Budget to GAAP Reconciliation

#### Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 65,172
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.....	\$ 40,582

#### Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 24,925
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.....	5,853
Prior year accrued expenditures.....	(107)
Total Actual Expenditures - GAAP Basis.....	\$ 30,671

# CITY OF RIO RANCHO, NEW MEXICO

## Budgetary Comparison Schedule 2018 GO Bond Project Fund Year Ended June 30, 2018

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
<b>REVENUES</b>				
Investment Income.....	\$ —	\$ —	\$ —	\$ —
Total Revenues.....	—	—	—	—
<b>EXPENDITURES</b>				
Current:				
Capital Outlay.....	—	3,234,913	25,691	3,209,222
Total Expenditures.....	—	3,234,913	25,691	3,209,222
Revenues Over (Under) Expenditures.....	—	(3,234,913)	(25,691)	3,209,222
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In.....	—	3,234,913	3,234,913	—
Transfers Out.....	—	—	—	—
Total Other Financing Sources (Uses).....	—	3,234,913	3,234,913	—
Net Change in Fund Balances.....	—	—	3,209,222	3,209,222
Fund Balances - Beginning, Budgetary Basis..	—	—	4,590,010	4,590,010
Fund Balances - Ending, Budgetary Basis.....	\$ —	\$ —	\$ 7,799,232	\$ 7,799,232

### Budget to GAAP Reconciliation

#### Revenues:

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

#### Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 25,691
(no differences)	—
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.....	299,519
Prior year accrued expenditures.....	—
Total Actual Expenditures - GAAP Basis.....	\$ 325,210

# CITY OF RIO RANCHO, NEW MEXICO

## Budgetary Comparison Schedule Road Impact Fees Fund Year Ended June 30, 2018

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
<b>REVENUES</b>				
Impact Fees.....	\$ 392,114	\$ 330,000	\$ 441,794	\$ 111,794
Miscellaneous.....	400	400	5,026	4,626
Total Revenues.....	<u>392,514</u>	<u>330,400</u>	<u>446,820</u>	<u>116,420</u>
<b>EXPENDITURES</b>				
Current:				
Public Works.....	11,764	9,900	13,253	(3,353)
Capital Outlay.....	<u>700,000</u>	<u>725,069</u>	<u>8,769</u>	<u>716,300</u>
Total Expenditures.....	<u>711,764</u>	<u>734,969</u>	<u>22,022</u>	<u>712,947</u>
Revenues Over (Under) Expenditures.....	(319,250)	(404,569)	424,798	829,367
<b>OTHER FINANCING SOURCES (USES)</b>				
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.....	(319,250)	(404,569)	424,798	829,367
Fund Balances - Beginning, Budgetary Basis..	<u>781,386</u>	<u>846,929</u>	<u>846,929</u>	<u>—</u>
Fund Balances - Ending, Budgetary Basis.....	<u>\$ 462,136</u>	<u>\$ 442,360</u>	<u>\$ 1,271,727</u>	<u>\$ 829,367</u>

### Budget to GAAP Reconciliation

#### Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 446,820
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.....	<u>(6,741)</u>
Total Actual Revenues - GAAP Basis.....	<u>\$ 440,079</u>

#### Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 22,022
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.....	<u>(8,769)</u>
Total Actual Expenditures - GAAP Basis.....	<u>\$ 13,253</u>

# CITY OF RIO RANCHO, NEW MEXICO

## Budgetary Comparison Schedule Trails Impact Fees Fund Year Ended June 30, 2018

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
<b>REVENUES</b>				
Impact Fees.....	\$ 8,292	\$ 6,000	\$ 8,429	\$ 2,429
Total Revenues.....	8,292	6,000	8,429	2,429
<b>EXPENDITURES</b>				
Current:				
Public Works.....	249	180	253	(73)
Capital Outlay.....	—	145,896	4,744	141,152
Total Expenditures.....	249	146,076	4,997	141,079
Revenues Over (Under) Expenditures.....	8,043	(140,076)	3,432	143,508
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In.....	—	—	—	—
Transfers Out.....	—	—	—	—
Total Other Financing Sources (Uses).....	—	—	—	—
Net Change in Fund Balances.....	8,043	(140,076)	3,432	143,508
Fund Balances - Beginning, Budgetary Basis..	51,248	197,145	197,145	—
Fund Balances - Ending, Budgetary Basis.....	\$ 59,291	\$ 57,069	\$ 200,577	\$ 143,508

### Budget to GAAP Reconciliation

#### Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 8,429
(no differences)	—
Total Actual Revenues - GAAP Basis.....	\$ 8,429

#### Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 4,997
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.....	(1,292)
Total Actual Expenditures - GAAP Basis.....	\$ 3,705

# CITY OF RIO RANCHO, NEW MEXICO

## Budgetary Comparison Schedule Parks Impact Fees Fund Year Ended June 30, 2018

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
<b>REVENUES</b>				
Impact Fees.....	\$ 143,420	\$ 100,000	\$ 88,325	\$ (11,675)
Miscellaneous.....	—	—	2,463	2,463
Total Revenues.....	<u>143,420</u>	<u>100,000</u>	<u>90,788</u>	<u>(9,212)</u>
<b>EXPENDITURES</b>				
Public Works.....	4,303	3,000	2,650	350
Capital Outlay.....	<u>168,000</u>	<u>266,681</u>	<u>6,860</u>	<u>259,821</u>
Total Expenditures.....	<u>172,303</u>	<u>269,681</u>	<u>9,510</u>	<u>260,171</u>
Revenues Over (Under) Expenditures.....	(28,883)	(169,681)	81,278	250,959
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In.....	—	—	—	—
Transfers Out.....	—	—	—	—
Total Other Financing Sources (Uses).....	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net Change in Fund Balances.....	(28,883)	(169,681)	81,278	250,959
Fund Balances - Beginning, Budgetary Basis..	<u>222,748</u>	<u>321,420</u>	<u>321,420</u>	<u>—</u>
Fund Balances - Ending, Budgetary Basis.....	<u>\$ 193,865</u>	<u>\$ 151,739</u>	<u>\$ 402,698</u>	<u>\$ 250,959</u>

### Budget to GAAP Reconciliation

#### Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 90,788
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.....	<u>(3,371)</u>
Total Actual Revenues - GAAP Basis.....	<u>\$ 87,417</u>

#### Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 9,510
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.....	<u>(1,749)</u>
Total Actual Expenditures - GAAP Basis.....	<u>\$ 7,761</u>

# CITY OF RIO RANCHO, NEW MEXICO

## Budgetary Comparison Schedule Public Safety Impact Fees Fund Year Ended June 30, 2018

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
<b>REVENUES</b>				
Impact Fees.....	\$ 187,885	\$ 165,000	\$ 203,765	\$ 38,765
Total Revenues.....	<u>187,885</u>	<u>165,000</u>	<u>203,765</u>	<u>38,765</u>
<b>EXPENDITURES</b>				
Current:				
Public Safety.....	5,637	4,950	6,113	(1,163)
Capital Outlay.....	<u>72,000</u>	<u>136,264</u>	<u>35,455</u>	<u>100,809</u>
Total Expenditures.....	<u>77,637</u>	<u>141,214</u>	<u>41,568</u>	<u>99,646</u>
Revenues Over (Under) Expenditures.....	110,248	23,786	162,197	138,411
<b>OTHER FINANCING SOURCES (USES)</b>				
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.....	110,248	23,786	162,197	138,411
Fund Balances - Beginning, Budgetary Basis..	<u>44,087</u>	<u>58,714</u>	<u>58,714</u>	<u>—</u>
Fund Balances - Ending, Budgetary Basis.....	<u>\$ 154,335</u>	<u>\$ 82,500</u>	<u>\$ 220,911</u>	<u>\$ 138,411</u>

### Budget to GAAP Reconciliation

#### Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 203,765
(no differences)	<u>—</u>
Total Actual Revenues - GAAP Basis.....	<u>\$ 203,765</u>

#### Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 41,568
(no differences)	<u>—</u>
Total Actual Expenditures - GAAP Basis.....	<u>\$ 41,568</u>



# CITY OF RIO RANCHO, NEW MEXICO

## Budgetary Comparison Schedule Drainage Impact Fees Fund Year Ended June 30, 2018

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
<b>REVENUES</b>				
Impact Fees.....	\$ 178,164	\$ 160,000	\$ 180,176	\$ 20,176
Miscellaneous.....	—	—	1,788	1,788
Total Revenues.....	<u>178,164</u>	<u>160,000</u>	<u>181,964</u>	<u>21,964</u>
<b>EXPENDITURES</b>				
Current:				
General Government.....				—
Public Safety.....	5,345	4,800	5,405	(605)
Capital Outlay.....	<u>136,303</u>	<u>136,303</u>	<u>78,748</u>	<u>57,555</u>
Total Expenditures.....	<u>141,648</u>	<u>141,103</u>	<u>84,153</u>	<u>56,950</u>
Revenues Over (Under) Expenditures.....	36,516	18,897	97,811	78,914
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In.....	—	—	—	—
Transfers Out.....	—	—	—	—
Total Other Financing Sources (Uses).....	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net Change in Fund Balances.....	36,516	18,897	97,811	78,914
Fund Balances - Beginning, Budgetary Basis..	<u>472,364</u>	<u>472,364</u>	<u>472,364</u>	<u>—</u>
Fund Balances - Ending, Budgetary Basis.....	<u>\$ 508,880</u>	<u>\$ 491,261</u>	<u>\$ 570,175</u>	<u>\$ 78,914</u>

### Budget to GAAP Reconciliation

#### Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 181,964
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.....	<u>(2,528)</u>
Total Actual Revenues - GAAP Basis.....	<u>\$ 179,436</u>

#### Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 84,153
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.....	3,427
Prior year accrued expenditures.....	<u>—</u>
Total Actual Expenditures - GAAP Basis.....	<u>\$ 87,580</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, 2018**

**DEPOSIT ACCOUNTS**

Financial Institution:

Account Name	Account Type	Balances	
		On Deposit	Reconciled
<b>Wells Fargo</b>			
Operating	Checking	\$ 40,366,352	\$ 38,128,666
Operating	Savings	19,338,275	19,338,275
Municipal Court - Bond	Checking	16,211	16,211
<b>Total Wells Fargo Deposit Accounts</b>		<b>59,720,838 **</b>	<b>57,483,152</b>
<b>US Bank</b>			
PFM Asset Management LLC	Savings	12,796	12,796
<b>Total US Bank Deposit Accounts</b>		<b>12,796</b>	<b>12,796</b>
<b>Cash Drawers</b>			
Petty Cash	Cash	-	15,708
<b>Total Petty Cash</b>		<b>-</b>	<b>15,708</b>
<b>Total Deposit Accounts</b>		<b>59,733,634</b>	<b>57,511,656</b>

**INVESTMENT ACCOUNTS**

Financial Institution:

Account Name	Account Type	Cost	Market
<b>State of New Mexico</b>			
Local Government Investment Pool	Investment	\$ 6,594	\$ 6,594
<b>Total State of New Mexico Investment Accounts</b>		<b>6,594</b>	<b>6,594</b>
<b>US Bank</b>			
PFM Asset Management LLC	Investment	25,168,493	24,747,177
<b>Total US Bank Investment Accounts</b>		<b>25,168,493</b>	<b>24,747,177</b>
<b>Bank of New York Mellon *</b>			
Reserve (Loan# riorancho7)	Trust/Money Market	161,877	161,877
Reserve (Loan# riorancho19)	Trust/Money Market	340,525	340,525
<b>Total Bank of New York Mellon Investment Accounts</b>		<b>502,402</b>	<b>502,402</b>
<b>New Mexico Finance Authority</b>			
NMFA Program Funds (Loan # riorancho14)	US Treasuries/Money Market	342	342
NMFA Program Funds (Loan# riorancho21)	US Treasuries/Money Market	505,542	505,542
NMFA Program Funds (Loan# riorancho22)	US Treasuries/Money Market	645,932	645,932
NMFA Program Funds (Loan # riorancho23)	US Treasuries/Money Market	419	419
NMFA Program Funds (Loan# riorancho26)	US Treasuries/Money Market	75,417	75,417
NMFA Program Funds (Loan# riorancho28)	US Treasuries/Money Market	278,374	278,374
NMFA Program Funds (Loan # riorancho30)	US Treasuries/Money Market	455	455
NMFA Program Funds (Loan # riorancho31)	US Treasuries/Money Market	2,771	2,771
NMFA Program Funds (Loan # riorancho32A)	US Treasuries/Money Market	24,847,453	24,847,453
NMFA Program Funds (Loan # riorancho32B)	US Treasuries/Money Market	11,386	11,386
NMFA Program Funds (Loan # riorancho33)	US Treasuries/Money Market	2,237	2,237
NMFA Program Funds (Loan # riorancho34)	US Treasuries/Money Market	2,217	2,217
<b>Total New Mexico Finance Authority Program Funds</b>		<b>26,372,544</b>	<b>26,372,545</b>
<b>Bank of Albuquerque</b>			
BAQ Short-Term Cash Fund		4,231,110	4,231,110
<b>Total Bank of Albuquerque Short-Term Cash Funds</b>		<b>4,231,110</b>	<b>4,231,110</b>
<b>Total Investment Accounts</b>		<b>\$ 56,281,143</b>	<b>\$ 55,859,828</b>

**PLEDGED COLLATERAL**

<b>Total Wells Fargo Deposit Accounts **</b>	\$ 59,720,838
<b>FDIC Insurance</b>	(250,000)
<b>Balance</b>	59,470,838
<b>Required Collateral @ 50%</b>	29,735,419.0
<b>Amount of Collateral</b>	67,520,247
<b>Overcollateralized</b>	<b>\$ 37,784,828.04</b>

See breakout of collateral detail below

Custodian	Security	CUSIP Number	Location	Maturity Date	Fair Market Value
Bank of New York Mellon	FMAC	31292LW35	San Francisco, CA	10/01/42	16,438,568
Bank of New York Mellon	FNMA	3138WHJY9	San Francisco, CA	07/01/31	15,325,965
Bank of New York Mellon	FNMA	3138WKK20	San Francisco, CA	03/01/47	35,755,713
<b>Total Pledged Collateral</b>					<b>\$ 67,520,247</b>

\*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, 2018**

Appropriation Purpose	Original Appropriation Amount	Reversion Date	Source of Funding	Legislature	FY 2018 Expenditures	Remaining Balance
Emergency Medical Equipment	\$ 68,010	6/30/2018	NMSA 1978	Laws of 2016, Chapter 81, Section 22, Para. 183	\$ 40,173	\$ -
Sport Complex North	100,000	6/30/2018	NMSA 1978	Laws of 2015, 1st SS, Chapter 3, Section 3, Paragraph 62	52,674	-
Building Code Compliance	42,500	6/30/2019	NMSA 1978	Laws of 2015, 1st SS, Chapter 3, Section 3, Paragraph 62	41,337	1,154
MSC Equipment	11,000	6/30/2018	NMSA 1978	Laws of 2015, 1st SS, Chapter 3, Section 3, Paragraph 62	5,117	-
MSC Code Improvements	75,000	6/30/2018	NMSA 1978	Laws of 2014, Chapter 65 Section 10, Subsection 10A Paragraph 141	73,462	-
MSC Generator	55,600	6/30/2018	NMSA 1978	Laws of 2014, Chapter 65 Section 10, Subsection 10A Paragraph 142	31,191	-
MSC Meals Equipment	46,870	6/30/2018	NMSA 1978	Laws of 2014, Chapter 65 Section 10, Subsection 10A Paragraph 142	30,023	-
MSC Renovation	46,200	6/30/2018	NMSA 1978	Laws of 2014, Chapter 65 Section 10, Paragraph 143	39,252	-
Alts Meal Equipment	32,350	6/30/2018	NMSA 1978	Laws of 2015, Chapter 3, Paragraph 65	32,027	-
Alts MSC Renovation	450,500	6/30/2019	NMSA 1978	Laws of 2015, Chapter 3, Paragraph 65	26,663	423,837
Sports Complex LL Fields	40,000	6/30/2020	NMSA 1978	Laws of 2016, Chapter 81, Section 22 Paragraph 188	12,494	-
Sports Complex North New	50,000	6/30/2020	NMSA 1978	Laws of 2016, Chapter 81, Section 22 Paragraph 182	32,399	-
Meadowlark Senior Ctr Improvements	75,000	6/30/2021	NMSA 1978	Laws of 2016, Chapter 82, Section 10, Paragraph 76	5,729	69,271
Unser ROW	65,400	6/30/2019	NMSA 1978	Laws of 2015, SBI, Chapter 3	(11,668)	-
<b>Totals</b>	<b><u>\$ 1,158,430</u></b>				<b><u>\$ 410,873</u></b>	<b><u>\$ 494,262</u></b>

**CITY OF RIO RANCHO, NEW MEXICO  
JOINT POWERS AGREEMENTS (JPA) SCHEDULE  
YEAR ENDED JUNE 30, 2018**

<i>TYPE</i>	<i>CITY CONTRACT NUMBER</i>	<i>PARTICIPANTS</i>	<i>RESPONSIBLE PARTY</i>	<i>DESCRIPTION</i>	<i>BEGINNING/EN DING 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	04-AD-39	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	08-PD-72	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%	\$ 1,714,127	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%	\$ 1,830,325	NMSIF	NMSIF	NMSIF



# Statistical Section

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# 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.

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## Revenue Capacity

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Property Tax Rates, Direct and Overlapping Governments (Schedule 7).....	190
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## 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.

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## 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.

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## 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.

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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>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>2018</u>
Governmental activities										
Net investment in capital assets	\$ 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	\$ 261,320,063
Restricted	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	31,606,304
Unrestricted	17,829,165	15,843,998	20,205,632	18,389,010	18,719,011	17,249,556	(28,532,260)	(36,004,190)	(47,075,136)	(118,747,136)
Total governmental activities net position	\$ 232,040,661	\$ 258,594,947	\$ 264,282,597	\$ 270,721,037	\$ 251,711,794	\$ 252,529,313	\$ 207,642,064	\$ 216,714,096	\$ 213,568,444	\$ 174,179,231
Business-type activities										
Net investment in capital assets	\$ 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	\$ 181,184,997
Restricted	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	30,336,244
Unrestricted	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	35,004,191
Total business-type activities net position	\$ 138,778,852	\$ 153,058,508	\$ 172,097,322	\$ 177,129,329	\$ 191,619,089	\$ 203,130,996	\$ 209,017,898	\$ 222,549,507	\$ 232,181,523	\$ 246,525,432
Primary government										
Net investment in capital assets	\$ 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	\$ 442,505,060
Restricted	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	61,942,548
Unrestricted	38,898,501	37,423,696	45,316,095	61,516,259	40,549,150	46,147,279	1,225,391	(5,029,308)	(17,120,721)	(83,742,945)
Total primary government net position	\$ 370,819,513	\$ 411,653,455	\$ 436,379,919	\$ 447,850,366	\$ 443,330,883	\$ 455,660,309	\$ 416,659,962	\$ 439,263,603	\$ 445,749,967	\$ 420,704,663

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

**Schedule 2**

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Expenses</b>										
Governmental Activities:										
General government	\$ 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	\$ 10,823,629
Public safety	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	35,897,171
Public works	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	18,211,430
Culture and recreation	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	11,006,304
Economic development	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	3,326,414
Interest on long-term debt	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	1,522,115
<b>Total Government Activities</b>	<b>69,164,930</b>	<b>74,618,162</b>	<b>88,891,876</b>	<b>72,408,947</b>	<b>93,609,463</b>	<b>71,097,941</b>	<b>74,929,503</b>	<b>76,721,103</b>	<b>86,409,245</b>	<b>80,787,063</b>
Business-type Activities:										
Water	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	36,836,367
Event Center	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	3,157,283
<b>Total Business-type Activities</b>	<b>26,155,989</b>	<b>27,433,445</b>	<b>31,647,439</b>	<b>38,203,157</b>	<b>38,154,022</b>	<b>39,137,311</b>	<b>40,347,498</b>	<b>37,659,363</b>	<b>43,520,023</b>	<b>39,993,650</b>
<b>Total Expenses</b>	<b>\$ 95,320,919</b>	<b>\$ 102,051,607</b>	<b>\$ 120,539,315</b>	<b>\$ 110,612,104</b>	<b>\$ 131,763,484</b>	<b>\$ 110,235,252</b>	<b>\$ 115,277,001</b>	<b>\$ 114,380,466</b>	<b>\$ 129,929,268</b>	<b>\$ 120,780,713</b>
<b>Program Revenues</b>										
Governmental Activities:										
Charge for services:										
General government	\$ 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	\$ 6,677,226
Public safety	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	4,208,386
Public works	1,014,410	1,282,527	1,421,236	1,346,006	1,373,664	41,601	219,898	171,371	196,666	205,216
Culture and recreation	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	1,724,911
Economic development	515,304	466,756	372,553	530,137	516,409	291,331	222,277	2,123,054	2,436,423	2,542,344
Operating grants and contributions	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	2,211,030
Capital grants and contributions	12,616,188	32,356,726	22,786,582	9,614,534	8,769,372	4,229,012	5,931,198	10,335,132	8,272,871	3,717,761
<b>Total Governmental Activities</b>	<b>25,164,863</b>	<b>53,064,000</b>	<b>44,172,894</b>	<b>24,147,813</b>	<b>23,587,609</b>	<b>19,862,157</b>	<b>23,766,987</b>	<b>29,238,697</b>	<b>25,608,381</b>	<b>21,286,874</b>
Business-type Activities:										
Charge for services:										
Water	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	49,479,965
Event Center	1,249,508	581,776	463,616	447,954	473,043	455,144	511,453	262,103	340,363	305,220
Operating grants and contributions	-	-	-	-	2,500	2,130,793	2,652,028	2,956,864	4,293,003	4,444,620
Capital grants and contributions	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	76,684
<b>Total Business-type Activities</b>	<b>38,097,635</b>	<b>40,796,999</b>	<b>45,697,162</b>	<b>37,308,045</b>	<b>44,712,726</b>	<b>47,138,668</b>	<b>46,774,601</b>	<b>50,156,483</b>	<b>54,057,428</b>	<b>54,306,489</b>
<b>Total Program Revenues</b>	<b>\$ 63,262,498</b>	<b>\$ 93,860,999</b>	<b>\$ 89,870,056</b>	<b>\$ 61,455,858</b>	<b>\$ 68,300,335</b>	<b>\$ 67,000,825</b>	<b>\$ 70,541,588</b>	<b>\$ 79,395,180</b>	<b>\$ 79,665,809</b>	<b>\$ 75,593,363</b>

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

**Schedule 2**  
**(Continued)**

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$ (44,000,067)	\$ (21,554,162)	\$ (44,718,982)	\$ (48,261,134)	\$ (70,021,854)	\$ (51,235,784)	\$ (51,162,516)	\$ (47,482,406)	\$ (60,800,864)	\$ (59,500,189)
Business-type Activities	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	14,312,839
<b>Total Net Expense</b>	<b>\$ (32,058,421)</b>	<b>\$ (8,190,608)</b>	<b>\$ (30,669,259)</b>	<b>\$ (49,156,246)</b>	<b>\$ (63,463,150)</b>	<b>\$ (43,234,427)</b>	<b>\$ (44,735,413)</b>	<b>\$ (34,985,286)</b>	<b>\$ (50,263,459)</b>	<b>\$ (45,187,350)</b>
<b>General Revenues</b>										
Governmental Activities:										
Taxes:										
Property taxes	\$ 14,484,127	\$ 15,969,391	\$ 16,349,117	\$ 15,650,672	\$ 16,293,568	\$ 17,056,432	\$ 18,070,313	\$ 18,591,427	\$ 19,483,865	\$ 20,120,842
Gross receipts taxes	15,720,986	15,434,222	17,201,811	19,132,261	19,154,083	18,914,841	21,738,193	22,028,576	24,760,247	21,955,845
Franchise taxes	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	3,548,462
Unrestricted grants, aid and state shared revenues	13,425,817	12,772,147	13,534,932	12,691,071	11,765,404	12,568,335	13,760,046	13,268,517	11,448,958	13,825,706
Investment income	284,896	53,817	23,408	(2,913)	2,870	57,881	16,668	44,722	50,791	54,575
Miscellaneous	903,402	764,358	77,709	306,977	181,474	43,542	172,329	210,685	452,767	761,901
Transfers	-	-	-	-	-	(1,097,052)	(1,074,860)	(988,745)	(968,315)	(1,797,331)
<b>Total Governmental Activities</b>	<b>47,807,497</b>	<b>47,989,636</b>	<b>50,406,632</b>	<b>51,330,529</b>	<b>51,012,611</b>	<b>51,070,344</b>	<b>56,234,415</b>	<b>56,554,438</b>	<b>58,710,097</b>	<b>58,470,000</b>
Business-type Activities										
Unrestricted grants, aid and state shared revenues	-	-	4,972,974	2,671,184	2,452,570	-	-	-	-	-
Investment income	1,191,571	75,894	42,183	37,164	47,876	8,273	21,072	45,744	215,419	262,579
Miscellaneous	531,454	840,208	323,934	272,951	310,340	-	-	-	-	-
Transfers	-	-	-	-	-	1,097,052	1,074,860	988,745	968,315	1,797,331
<b>Total Business-type Activities</b>	<b>1,723,025</b>	<b>916,102</b>	<b>366,117</b>	<b>2,981,299</b>	<b>2,810,786</b>	<b>1,105,325</b>	<b>1,095,932</b>	<b>1,034,489</b>	<b>1,183,734</b>	<b>2,059,910</b>
<b>Total primary government</b>	<b>\$ 49,530,522</b>	<b>\$ 48,905,738</b>	<b>\$ 50,772,749</b>	<b>\$ 54,311,828</b>	<b>\$ 53,823,397</b>	<b>\$ 52,175,669</b>	<b>\$ 57,330,347</b>	<b>\$ 57,588,927</b>	<b>\$ 59,893,831</b>	<b>\$ 60,529,910</b>
<b>Change in Net Position</b>										
Governmental Activities	\$ 3,807,430	\$ 26,435,474	\$ 5,687,650	\$ 3,069,395	\$ (19,009,243)	\$ (165,440)	\$ 5,071,899	\$ 9,072,032	\$ (2,090,768)	\$ (1,030,190)
Business-type Activities	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	16,372,749
<b>Total Change in Net Position</b>	<b>\$ 17,472,101</b>	<b>\$ 40,715,130</b>	<b>\$ 25,076,464</b>	<b>\$ 5,155,582</b>	<b>\$ (9,639,753)</b>	<b>\$ 8,941,242</b>	<b>\$ 12,594,934</b>	<b>\$ 22,603,641</b>	<b>\$ 9,630,371</b>	<b>\$ 15,342,559</b>

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

**Schedule 3**

	<u>2008</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>2018</u>
<b>Revenues</b>										
Taxes	\$ 44,647,539	\$ 44,037,406	\$ 46,975,454	\$ 47,720,554	\$ 47,388,395	\$ 48,818,310	\$ 53,622,680	\$ 40,647,987	\$ 44,264,784	\$ 42,127,542
Licenses and permits	362,924	335,490	595,520	470,789	347,319	360,856	424,379	337,255	348,097	328,867
Intergovernmental	7,160,889	23,581,048	22,738,572	8,524,385	6,849,622	6,947,391	8,854,167	24,640,228	19,932,774	18,325,362
Impact fees	1,969,502	2,251,932	1,262,121	447,021	350,561	286,417	608,278	1,032,838	716,638	922,489
Charges for services	5,798,568	5,487,067	5,555,463	6,116,083	6,141,128	5,075,417	6,676,432	7,004,161	6,713,192	6,756,260
Fines and forfeits	1,176,750	1,269,327	1,168,292	1,417,946	1,510,765	1,620,723	1,214,851	1,007,460	1,290,492	1,327,353
Franchise fees	2,898,700	2,995,701	3,219,655	3,552,461	3,615,212	3,526,365	3,551,726	3,399,256	3,481,784	3,548,462
Contributions and donations	35,554	65,298	71,202	182,263	51,323	47,766	-	-	-	-
Investment income	1,574,356	53,817	23,408	(2,913)	2,870	19,137	14,339	-	-	54,576
Other revenues	3,089,261	3,397,058	5,576,243	4,115,342	4,406,885	4,184,928	4,742,605	4,789,999	4,689,916	5,122,303
<b>Total Revenues</b>	<b>68,714,043</b>	<b>83,474,144</b>	<b>87,185,930</b>	<b>72,543,931</b>	<b>70,664,080</b>	<b>70,887,310</b>	<b>79,709,457</b>	<b>82,859,184</b>	<b>81,437,677</b>	<b>78,513,214</b>
<b>Expenditures</b>										
<b>Current:</b>										
General government	8,741,072	8,364,557	12,184,946	11,016,390	11,472,338	10,395,440	10,172,513	10,680,064	9,670,690	8,964,587
Public safety	26,644,563	34,893,280	34,260,842	28,048,592	28,412,480	28,682,657	30,291,203	30,730,532	31,282,885	31,117,942
Public works	10,584,274	7,378,256	17,248,448	9,166,030	7,096,798	8,049,846	8,015,682	8,122,916	8,661,744	8,699,745
Cultural and recreation	8,716,377	8,377,039	8,377,638	8,630,207	8,808,809	9,220,589	9,449,796	9,173,717	9,393,551	9,271,978
Economic development	3,467,383	2,652,601	2,261,268	2,397,408	2,447,343	2,267,103	2,508,773	2,789,229	2,773,880	3,119,772
Other expenses	-	3,000	43,874	-	-	-	-	-	-	-
Capital outlay	23,399,838	30,832,461	18,438,538	9,112,802	9,557,131	6,801,576	8,090,721	15,472,501	13,688,410	4,352,694
<b>Debt service:</b>										
Payment to bond escrow agent	-	-	-	-	-	-	-	-	-	-
Principal	2,097,825	4,464,510	5,285,055	5,087,639	4,712,283	4,922,232	5,584,002	5,531,081	5,835,594	6,152,480
Interest and fiscal charges	1,601,563	2,595,876	2,485,545	2,344,979	2,194,752	1,925,112	1,728,469	1,574,208	1,596,087	1,251,320
Bond issuance costs	-	50,249	-	-	-	-	-	168,159	-	174,284
<b>Total Expenditures</b>	<b>85,252,895</b>	<b>99,611,829</b>	<b>100,586,154</b>	<b>75,804,047</b>	<b>74,701,934</b>	<b>72,264,555</b>	<b>75,841,159</b>	<b>84,242,407</b>	<b>82,902,841</b>	<b>73,104,802</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>(16,538,852)</b>	<b>(16,137,685)</b>	<b>(13,400,224)</b>	<b>(3,260,116)</b>	<b>(4,037,854)</b>	<b>(1,377,245)</b>	<b>3,868,298</b>	<b>(1,383,223)</b>	<b>(1,465,164)</b>	<b>5,408,412</b>
<b>Other Financing Sources (Uses)</b>										
Issuance of general obligation bonds	-	-	-	-	-	-	-	11,310,000	-	6,885,000
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	(2,390,736)	-	-
Loan proceeds	231,639	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	4,740,124	1,485,408	922,012	1,274,104	289,148	1,368,908	4,810,068	3,251,201	5,732,009
Payment to refunding escrow	-	-	-	-	-	-	-	-	-	(6,703,013)
Transfer out	(7,204,181)	(4,740,124)	(1,485,408)	(922,012)	(1,274,104)	(1,386,200)	(2,443,768)	(5,798,813)	(4,219,516)	(6,766,993)
<b>Total other Financing Sources (Uses)</b>	<b>231,639</b>	<b>539,949</b>	<b>5,179,765</b>	<b>-</b>	<b>795,925</b>	<b>936,948</b>	<b>(1,074,860)</b>	<b>8,794,809</b>	<b>(968,315)</b>	<b>(852,997)</b>
<b>Net Change in fund balances</b>	<b>\$ (16,307,213)</b>	<b>\$ (15,597,736)</b>	<b>\$ (8,220,459)</b>	<b>\$ (3,260,116)</b>	<b>\$ (3,241,929)</b>	<b>\$ (440,297)</b>	<b>\$ 2,793,438</b>	<b>\$ 7,411,586</b>	<b>\$ (2,433,479)</b>	<b>\$ 4,555,415</b>
Debt service as a percentage of noncapital expenditures	5.98%	10.27%	9.46%	11.14%	10.60%	10.46%	10.79%	10.33%	10.84%	12.61%

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

**Schedule 4**

	<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>	<u>2018</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	13,739,208
Unreserved	9,600,869	10,925,800	-	-	-	-	-	-	-	-
<b>Total general fund</b>	<b>\$ 9,600,869</b>	<b>\$ 10,925,800</b>	<b>\$ 13,314,756</b>	<b>\$ 14,669,405</b>	<b>\$ 14,204,912</b>	<b>\$ 13,724,452</b>	<b>\$ 15,325,622</b>	<b>\$ 16,011,877</b>	<b>\$ 16,464,883</b>	<b>\$ 13,739,208</b>
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	31,606,304
Committed	-	-	122,462	87,381	76,479	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	(409,895)	(1,295)	(150,767)	(474,418)	(486,956)	(357,806)	(70,314)
Unreserved, reported in:	-	-	(2,609,260)	-	-	-	-	-	-	-
Special revenue funds	7,222,212	9,592,523	-	-	-	-	-	-	-	-
Capital project funds	39,219,423	20,129,681	-	-	-	-	-	-	-	-
Debt service funds	4,276,390	4,191,966	-	-	-	-	-	-	-	-
<b>Total all other governmental funds</b>	<b>\$ 50,718,025</b>	<b>\$ 33,914,170</b>	<b>\$ 23,304,756</b>	<b>\$ 20,164,107</b>	<b>\$ 17,386,671</b>	<b>\$ 17,934,753</b>	<b>\$ 19,127,021</b>	<b>\$ 26,952,453</b>	<b>\$ 24,065,967</b>	<b>\$ 31,535,990</b>

(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		Less: Tax-exempt Property	Total		Net Taxable Value as a Percentage of Full Value
	Taxable Value	Full Value	Taxable Value	Full Value		Net Taxable Value	Full Value	
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%
2018	1,907,597,566	7,630,390,836	885,798,279	3,543,193,382	556,941,802	2,236,454,043	8,945,816,843	25.00%

**Source:** Sandoval County Assessor's Office Abstract 2009 through 2018.

**Note:** The difference in the net taxable value listed on this schedule and schedule 13, is due to taxpayer disputed values not being included in schedule 13.

**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
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%
2017	20,349,272	19,952,046	98.05%	-	19,952,046	98.05%

**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
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
2018	7.525	2.768	10.293	1.360	7.048	10.810	3.799	-	1.242	34.552

**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	2017 (A)			2008		
	Taxable Assessed Value	Rank	Percent of Total Taxable Valuation	Taxable Assessed Value	Rank	Percent of Total Taxable Valuation
Public Service Company of New Mexico	\$19,653,110.00	1	0.89%			
The Neighborhood in Rio Rancho	10,662,964.00	2	0.48%			
Presbyterian Healthcare	7,983,032.00	3	0.36%			
New Mexico Gas Company	7,433,519.00	4	0.34%			
Wal-Mart Stores	5,147,491.00	5	0.23%			
De High Resort LLC Etal	4,904,690.00	6	0.22%			
Rio Rancho Retirement Residence	4,833,342.00	7	0.22%			
Tri-State Generation & Transmission	4,728,918.00	8	0.21%			
Enchanted 528 Development	4,696,796.00	9	0.21%			
Sandia View LLC	4,682,814.00	10	0.21%			
Wal-Mart Stores				\$ 14,986,708	1	0.69%
Pulte Homes of New Mexico				14,470,976	2	0.67%
Presbyterian Healthcare				13,807,186	3	0.64%
Broadstone High Resort LLC				6,552,836	4	0.30%
Sandia View LLC				6,243,752	5	0.29%
CURB North Inc.				6,022,140	6	0.28%
PEAKS LLC				5,399,735	7	0.25%
Enchanted Vista Phase II				4,713,067	8	0.22%
Rio Rancho Community Inc				4,444,052	9	0.20%
Sandia Springs Assisted Living				3,696,143	10	0.17%
Total	<u>\$ 74,726,676</u>		<u>3.39%</u>	<u>\$ 80,336,595</u>		<u>3.70%</u>

Source: Sandoval County Assessor's Offices

Note: (A) The fiscal year for collection is November through October; this schedule uses the 2017 collection year valuation.

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

**Schedule 9**

	<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>2018</u>
Construction	\$ 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	\$ 172,404,041
Manufacturing	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	20,152,646
Transportation, Communication and Utility	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	84,267,527
Wholesale	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	23,872,597
Retail	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	404,899,404
Finance, Insurance and Real Estate	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	18,018,797
Services	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	341,642,473
Other (A)	(20,924,025)	-	1,213,942	2,650,447	2,763,517	4,547,528	14,093,065	12,480,530	5,646,659	5,163,035
<b>Total Taxable Gross Receipts</b>	<b>\$ 968,975,252</b>	<b>\$ 921,796,601</b>	<b>\$ 1,049,178,635</b>	<b>\$ 1,043,368,930</b>	<b>\$ 1,008,362,099</b>	<b>\$ 982,381,731</b>	<b>\$ 991,486,091</b>	<b>\$ 1,087,203,835</b>	<b>\$ 1,081,411,066</b>	<b>\$ 1,070,420,520</b>
City direct sales tax rate	6.9375%	7.0625%	7.4375%	7.4375%	7.4375%	7.4375%	7.4375%	7.4375%	7.4375%	7.4375%
Sandoval County direct sales tax rate	6.0000%	6.1250%	6.2500%	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			
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%	2,240
2018	17,670,548	10,540,897	10,413,645	92,420,676	68,169,861	199,215,627	2.65%	N/A

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

(A) - This information uses Sandoval County Personal Income through 2016, this information is not available for 2017 through 2018.

(B)- Population for the City of Rio Rancho is unavailable for 2018, 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**

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Less: Amounts Available in Debt Service Fund</b>	<b>Total</b>	<b>Percentage of Estimated Actual Taxable Value of Property</b>	<b>Per Capita (B)</b>
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%	176.63
2018	17,670,548	4,506,710	13,163,838	0.60%	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 2018, 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>
<b>Debt repaid with property taxes</b>			
State of New Mexico	\$ 475,735,000	3.73%	\$ 15,540,274
Sandoval County	13,850,000	61.27%	4,498,247
Central NM Community College	90,340,000	11.45%	10,343,930
SSCAFCA	19,088,480	97.07%	18,570,186
Rio Rancho School District	120,040,000	95.86%	115,070,344
Bernalillo County	-	0.00%	-
Subtotal, overlapping debt			164,022,981
<b>City direct debt</b>			<u>38,625,090</u>
<b>Total direct &amp; overlapping debt</b>			<u><u>\$ 202,648,071</u></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>
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%
2018	\$ 88,081,910	\$ 16,955,000	19.25%

**Legal Debt Margin Calculation for Fiscal Year 2018:**

Assessed value	\$2,202,047,742
Debt limit (4% of assessed value)	88,081,910
Debt applicable to limit:	
General obligation bonds	16,955,000
Less: Amount set aside for repayment of general obligation debt	(4,506,710)
Total net debt applicable to limit	<u>12,448,290</u>
Legal debt margin	<u><u>\$75,633,620</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.	New Mexico	Sandoval County	U.S.	New Mexico	Sandoval County
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	136,638	5,280,960	48,112	37,938	26,742	6.30%	7.40%	7.90%
2016	96,028	138,117	5,493,079	49,204	38,393	27,060	4.90%	6.70%	7.10%
2017	96,159	142,507	N/A	50,392	39,023	N/A	4.40%	6.30%	6.80%
2018	N/A	N/A	NA	N/A	N/A	N/A	4.00%	4.40%	4.40%

**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>2018</u>			<u>2009</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	2,127	1	4%	1,838	2	3%
Intel Corporation	1,200	2	2%	3,300	1	6%
Presbyterian Healthcare Services	1,000	3	2%			
HP, Inc.	720	4	1%			
City of Rio Rancho	700	5	1%	633	6	1%
University of NM Hospitals	425	6	1%			
Safelite Solutions, LLC	400	7	1%			
S & P Data, LLC	250	8	0%			
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				620	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>7,322</u>			<u>10,419</u>		
Total Sandoval County Employment **	<u>59,550</u>			<u>55,189</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>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>2018</u>
General Government										
City Administration	6	5	5	5	5	5	5	5	7	7
Human Resources	9	8	6	6	6	6	7	7	6	6
City Clerk	4	4	4	3	3	3	3	3	3	3
City Attorney	7	6	6	6	6	6	6	6	8	8
Municipal Court	13	12	12	11	11	11	13	13	13	13
Finance/IT	29	34	34	34	34	33	32	33	34	34
Public Safety										
Police	127	127	127	129	129	133	136	136	133	133
Firefighters	101	100	99	100	100	104	105	107	104	104
Civilians	86	87	88	90	90	88	39	37	43	43
Public Works										
Engineering	27	25	21	17	17	18	18	18	18	19
Others	74	71	68	68	68	71	69	69	72	72
Parks and Recreation	139	115	92	91	91	88	89	89	91	90
Senior Services	8	15	8	8	8	7	8	8	8	8
Library and Information Services	38	35	36	36	36	35	35	35	37	36
City Development	36	32	29	30	30	29	28	28	28	28
Special Funds	20	5	15	18	18	15	71	71	69	69
Water and Wastewater	38	35	35	33	33	33	35	35	35	36
<b>Total</b>	<b>762</b>	<b>716</b>	<b>685</b>	<b>685</b>	<b>685</b>	<b>685</b>	<b>699</b>	<b>700</b>	<b>709</b>	<b>709</b>

**Source:** City of Rio Rancho Annual Budget

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

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

**Schedule 17**

Function/Program	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<u>Police</u>										
Total Violent Crimes	920	946	935	717	726	588	419	491	405	486
Total Property Crimes	1,709	1,686	1,426	1,816	1,891	1,760	1,723	2,147	2,512	1,824
Total Warnings & Citations (A)	21,082	19,898	15,777	19,055	22,382	22,005	19,320	21,886	19,600	13,309
Total Arrests	3,613	3,477	3,269	4,073	3,895	6,258	6,396	7,215	6,941	7,078
Total Traffic Crashes	1,576	1,593	1,844	1,591	1,581	1,532	1,058	1,642	1,877	1,821
Total Incident Reports	9,485	8,716	8,099	9,113	8,915	9,132	7,149	9,725	9,556	9,627
Total Calls for Service	44,651	43,618	45,928	45,598	43,725	38,984	40,465	41,966	36,352	45,178
<u>Fire</u>										
Total Structural Fires	54	59	62	51	68	40	46	46	59	36
Total Fire Inspections	736	1,087	1,148	1,650	1,564	1,460	1,670	1,510	1,535	1,478
Total Calls for Service	1,508	9,505	10,261	8,116	8,113	8,165	9,372	10,122	10,335	10,959
<u>EMS</u>										
Total EMS Patients	—	—	—	—	—	7,357	4,821	7,861	6,704	6,825
Total Patient Transports	4,122	4,089	—	—	4,644	4,218	8,087	5,118	5,099	5,001
Total Calls for Service	7,481	5,896	5,956	5,971	7,797	7,357	6,829	7,861	7,240	7,517
<u>Animal Control</u>										
Total Impounds	2,584	2,308	2,201	2,128	1,786	2,100	2,184	2,391	2,291	2,328
Total Claims	914	856	736	758	626	661	817	889	911	888
Total Adoptions	854	830	781	741	623	679	573	633	590	694
Total Euthanasia	758	574	684	579	515	661	545	474	401	351
Total Complaints	5,821	5,666	5,658	4,580	4,634	4,944	4,217	5,032	4,591	3,765
<u>Code Enforcement</u>										
Total Inspections	6,989	9,430	8,884	8,259	7,374	6,729	8,058	6,580	4,617	8,873
Total Citations	369	489	511	524	408	371	368	607	385	277
<u>Public Works</u>										
Total Utility Cuts	—	—	—	—	—	—	—	—	—	—
Total Potholes Repaired	592	590	1,041	1,926	708	352	1,643	493	612	384
<u>Parks &amp; Recreation (B)</u>										
Total Program Participation-Youth	9,149	8,311	13,221	—	—	—	—	—	—	—
Total Program Participation-Adult	3,969	8,581	1,672	—	—	—	—	—	—	—
Total Program Participation-Aquatics	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>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>2018</u>
<u>Parks &amp; Recreation (cont.)</u>										
Total Summer Camp Participants	—	—	—	2,370	2,972	2,869	2,911	2,742	3,305	3,483
Total KidsZone Participants	—	—	—	93	145	201	726	606	408	567
Total Youth Sports League Participants	—	—	—	748	1,288	1,198	740	699	679	933
Total Adult Sports League Participants	—	—	—	280	271	231	230	212	180	149
Total Indoor/Outdoor Aquatics Participants	—	—	—	3,397	3,975	3,812	3,234	2,605	2,985	31,180
Total Free Summer Meals Served	—	—	—	42,901	35,616	45,373	42,959	26,884	40,262	31,180
Total Student Attendance of Keep Rio Rancho Beautiful Program	—	—	—	4,227	5,072	4,072	6,491	3,984	3,339	4,168
<u>Meadowlark Senior Center</u>										
Average # of Daily Participants per Employee	—	—	—	126	170	125	111	141	149	125
Total Volunteer Hours	—	—	—	23,439	24,658	23,826	24,669	26,922	29,132	27,350
<u>Library</u>										
Total Collection	174,388	183,554	188,065	195,688	192,493	186,392	176,100	169,508	160,476	153,274
New Items Added	23,800	24,351	23,490	26,453	24,705	22,354	21,405	18,886	18,334	17,431
Items Withdrawn	16,269	15,185	18,979	18,830	27,900	28,455	31,697	25,478	27,366	24,633
Collection Growth/Decrease	7,531	9,166	4,511	7,623	(3,195)	(6,101)	(10,292)	(6,592)	(9,032)	(7,202)
<u>Circulation Stats:</u>										
Visitors	354,985	354,411	340,070	336,647	335,018	336,057	315,405	297,565	309,529	306,857
Circulation	543,528	605,737	654,031	674,227	680,672	686,638	648,683	657,939	682,086	659,895
Computer Usage	85,938	95,998	84,480	81,089	76,904	74,767	69,532	63,319	59,957	58,305
Program Attendance	26,016	25,489	25,297	30,403	20,396	18,122	24,646	26,776	36,966	46,908
<u>Transit ( C )</u>										
Total Clients Registered	599	873	—	—	—	—	—	—	—	—
New Clients Registered	274	88	—	—	—	—	—	—	—	—
Total Fare Cards Sold ( D )	2,052	929	1,764	1,760	1,837	1,925	1,927	1,998	1,982	1,932
Total Trips in Rio Rancho	16,037	7,609	—	—	—	—	—	—	—	—
Total Trips to Albuquerque	2,310	692	—	—	—	—	—	—	—	—
<u>Purpose of Trips:</u>										
Medical	4,442	2,060	—	—	—	—	—	—	—	—
Personal Errands	4,936	2,118	—	—	—	—	—	—	—	—
Work	6,359	3,199	—	—	—	—	—	—	—	—
City Facilities	1,769	843	—	—	—	—	—	—	—	—
Education	944	76	—	—	—	—	—	—	—	—
Total Miles Traveled	132,971	—	—	—	—	—	—	—	—	—

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

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**Schedule 17**  
**(Continued)**

- 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 ) Due to staffing shortages, the Department of Public Safety was only able to report seven months of data for the Warnings & Citations operating indicator.
  - ( B ) Parks & Recreation changed all operating indicators beginning fiscal year 2012.
  - ( C ) Beginning in January 2010, the City of Rio Rancho no longer operates the transit system.
  - ( D ) Selling fare cards for the Rio Metro Transit system is the only function that the City currently continues to do with regards to transit.

**Sources:** Various City Departments

**CITY OF RIO RANCHO, NEW MEXICO**  
**Capital Asset Statistics by Function/Program**  
**Last Ten Fiscal Years<sup>1</sup>**

**Schedule 18**

<u>Function/Program</u>	<u>Fiscal Year</u>									
	<u>2009</u>	<u>2010</u> <sup>2</sup>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u> <sup>3</sup>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<u>Police</u>										
Main Stations	1	1	1	1	1	1	1	1	1	1
Law Enforcement Units (A)	180	126	139	160	160	186	174	190	192	177
<u>Fire</u>										
Main Stations	5	5	5	6	6	6	6	6	6	6
Substations	1	1	1	1	1	1	1	1	1	1
Firetrucks	15	17	19	17	17	13	14	14	14	14
<u>EMS</u>										
Ambulances	9	11	11	11	12	11	11	12	12	12
<u>Animal Control</u>										
Patrol Units	7	7	7	7	7	8	7	8	8	8
<u>Public Works</u>										
Streets (centerline miles) (B)	846	428	449	454	455	456	462	444	446	447
Streetlights	2,710	2,770	2,859	2,930	2,941	2,972	2,972	3,002	3,002	3,002
Traffic Signals (Signalized Intersections)	45	49	49	53	53	55	54	59	59	59
Sidewalks & Paths (C)	134									
<u>Parks &amp; Recreation</u>										
New/Renovated Park Facilities	1	10	1	5	7	1	0	1	2	3
Developed Parkland (acres) (D)	311	298	300	303	306	306	308	285	285	287
Constructed Trailways (linear feet) (E)	64,380	64,380	65,150	65,150	65,150	65,150	65,150	68,821	68,821	68,821
<u>Transit</u>										
Mini buses (F)	8	0	0	0	0	0	0	0	0	0
<u>Water</u>										
Water mains (miles)	403	552	563	565	567	570	569	573	579	579
Fire hydrants	25,939	3,768	3,870	3,871	3,890	3,928	4,282	4,273	4,213	4,318
New Connections (G)	668	472	348	375	503	504	435	334	485	493
Water main breaks (H)	37	43	49	32	36	41	31	40	42	54
Storage capacity (thousands of gallons) (I)		34,500	34,500	34,500	34,500	34,500	41,350	44,350	44,350	44,350
Average daily consumption (thousands of gallons) (J)	11,814	10,616	11,621	12,610	13,137	10,635	9,710	9,636	9,761	9,807
Booster Stations (K)		8	8	9	10	10	11	10	11	11
Wells (in production) (L)		19	17	17	17	17	15	14	15	15
Storage Tanks (M)		18	18	18	18	18	18	19	19	18
Arsenic Treatment Facilities (N)		8	10	10	10	10	10	10	10	10
<u>Wastewater</u>										
Sanitary sewers (miles)	351	355	368	371	377	378	382	382	386	388
Average daily treatment (thousands of gallons) (O)	4,863	4,875	4,324	4,626	4,398	4,889	4,595	4,532	4,236	4,137
Wastewater Treatment Plants (in operation) (P)		6	5	5	5	5	4	4	4	4
Lift Stations (Q)		28	28	28	28	26	26	26	26	26

Sources: Various City Departments

**CITY OF RIO RANCHO, NEW MEXICO**  
**Capital Asset Statistics by Function/Program (Continued)**  
**Last Ten Fiscal Years<sup>1</sup>**

**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) 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.
  - (B) 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.
  - (C) The Public Works Department discontinued tracking sidewalks in Fiscal Year ending June 30, 2010. Sidewalks are considered part of the roadway/street infrastructure.
  - (D) Amended the number of developed parkland acreage to correctly state the baseline point for Fiscal Year ending June 30, 2010.
  - (E) Amended the number of linear feet of constructed trailways to correctly state the baseline point for Fiscal Year ending June 30, 2006.
  - (F) 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.
  - (G) The city began tracking new connections in the CAFR beginning in Fiscal Year ending June 30, 2007
  - (H) The city began tracking water main breaks in the CAFR beginning in Fiscal Year ending June 30, 2007
  - (I) The city discontinued tracking water storage capacity in the CAFR for Fiscal Years 2008 and 2009.
  - (J) The city began tracking average daily water consumption in the CAFR beginning in Fiscal Year ending June 30, 2007.
  - (K) The city began tracking the number of booster stations in the CAFR beginning in Fiscal Year ending June 30, 2010.
  - (L) The city began tracking the number of wells in the CAFR beginning in Fiscal Year ending June 30, 2010.
  - (M) The city began tracking the number of water storage tanks in the CAFR beginning in Fiscal Year ending June 30, 2010.
  - (N) The city began tracking the number of arsenic treatment facilities in the CAFR beginning in Fiscal Year ending June 30, 2010.
  - (O) 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.
  - (P) 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.
  - (Q) The city began tracking the number of lift stations in the CAFR beginning in Fiscal Year ending June 30, 2010.

# Single Audit Section

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

Honorable Mayor and Members of the City Council  
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, the aggregate remaining fund information, and the budgetary comparison schedule for the general fund of City of Rio Rancho, New Mexico, as of and for the year ended June 30, 2018, 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 11, 2018.

**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 listed as number 2018-001 described in the accompanying schedule of findings and questioned costs to be a material weakness.

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 listed as number 2018-002 described in the accompanying schedule of findings and questioned costs to be a significant deficiency.

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

### **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 did not disclose instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **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 11, 2018

**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, 2018. 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, 2018.

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 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose



**CliftonLarsonAllen LLP**

Albuquerque, New Mexico  
December 11, 2018

**CITY OF RIO RANCHO, NEW MEXICO**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2018**

<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>
<b><u>U.S. Department of Health and Human Services</u></b>				
Passed through New Mexico Department of Health:				
Public Health Emergency Preparedness	93.069	16/665.0300.19256	\$ 412	
Public Health Emergency Preparedness	93.069	17/665.0300.20409	2,178	
<b>Total U.S. Department of Health and Human Services</b>			<b>2,590</b>	
<b><u>U.S. Department of Homeland Security</u></b>				
Passed through New Mexico Department of Homeland Security:				
Emergency Management Performance Grants	97.042	EMT-2017-EP-00002-S01	49,046	
Homeland Security Grant Program	97.067	EMW-2016-SS-00105	138,210	
Homeland Security Grant Program	97.067	EMW-2017-SS-00032-S01	5,225	
<b>Total U.S. Department of Homeland Security</b>			<b>143,435</b>	
			<b>192,481</b>	
<b><u>U.S. Department of Justice</u></b>				
Direct Program:				
FBI Crime Laboratory Support	16.301	N/A	2,005	
FBI Crime Laboratory Support	16.301	N/A	2,628	
			4,633	
Project Safe Neighborhoods	16.609	N/A	2,734	
Project Safe Neighborhoods	16.609	N/A	14,706	
			17,440	
Federal Surplus Property Transfer Program	16.578	N/A	3,993	
Crime Victims Assistance	16.575	2016-VA-414	4,285	
Crime Victims Assistance	16.575	2016-VA-518	12,276	
Crime Victims Assistance	16.575	2018-VA-615	57,901	
			74,462	
Violence Against Women Formula Grants	16.588	2018-WF-409	21,038	
Public Safety Partnership and Community Policing Grants	16.710	2013UMWX0186	28,179	
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2016-DJ-BX-0967	14,574	
Passed through New Mexico Department of Public Safety Grant Management Bureau:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	16-JAG-NGTF-SFY17	41,752	
Equitable Sharing Program	16.922	N/A	1,354	
<b>Total U.S. Department of Justice</b>			<b>207,425</b>	
<b><u>U.S. Department of Agriculture</u></b>				
Passed through New Mexico Department of Children Youth and Family:				
Child Nutrition Cluster: National School Lunch Program	10.555	3185	108,399	
<b>Total U.S. Department of Agriculture</b>			<b>108,399</b>	
<b><u>U.S. Department of Housing and Urban Development</u></b>				
Direct Program:				
Community Development Block Grant/Entitlement Grants Cluster	14.218	B-15-MC-35-0004	101,793	
Community Development Block Grant/Entitlement Grants Cluster	14.218	B-16-MC-35-0004	32,948	
Community Development Block Grant/Entitlement Grants Cluster	14.218	B-17-MC-35-0004	176,899	48,124
Community Development Block Grant/Entitlement Grants Cluster	14.218	B-18-MC-35-0004	153,790	-
<b>Total U.S. Department of Housing and Urban Development</b>			<b>465,430</b>	<b>48,124</b>

**CITY OF RIO RANCHO, NEW MEXICO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2018**

<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>
<b><u>U.S. Department of Transportation</u></b>				
Passed through New Mexico Department of Transportation:				
Highway Planning and Construction Cluster	20.205	CN #A300520	\$ 48,628	
Highway Planning and Construction Cluster	20.205	CN #A301320	5,221	
Total Highway Planning and Construction Cluster			<u>53,849</u>	
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	17-AL-64-081	78,069	
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	18-AL-64-081	34,045	
Total Minimum Penalties for Repeat Offenders for Driving While Intoxicated			<u>112,114</u>	
<b>Total U.S. Department of Transportation</b>			<u>165,963</u>	
<b><u>Executive Office of the President</u></b>				
Passed through City of Albuquerque, New Mexico:				
High Intensity Drug Trafficking Areas Program	95.001	N/A	3,198	
High Intensity Drug Trafficking Areas Program	95.001	N/A	15,847	
<b>Total Executive Office of the President</b>			<u>19,045</u>	
<b><u>U.S. Department of Interior:</u></b>				
Direct Program:				
Water Conservation Field Services Program	15.530	R16AP00069	1,494	
<b>Total U.S. Department of Interior</b>			<u>1,494</u>	
<b>Total Expenditures</b>			<u>\$ 1,162,827</u>	<u>\$ 48,124</u>

**CITY OF RIO RANCHO, NEW MEXICO**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2018**

**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, 2018. 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 2018 *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.

**NOTE 5 – RECONCILIATION OF FEDERAL REVENUE**

Federal Revenue per Statement of Revenue, Expenditures, and Changes in Fund Balance		
Governmental Funds	\$	1,829,308
Federal Revenue per Statement of Revenue, Expenditures, and Changes in Net Position		
Proprietary Funds		513,341
<b>Total Federal Revenue</b>		<b>2,342,649</b>
Less: FY17 Deferred Inflows Recognized as Federal Revenue		(653,596)
Less: Receipt of Previously Recorded Federal Expenditures		(500,000)
Less: Federal Revenue Received in Vendor Relationship - not on SEFA		(26,226)
<b>Total Federal Expenditures per SEFA</b>	<b>\$</b>	<b>1,162,827</b>

**CITY OF RIO RANCHO, NEW MEXICO  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2018**

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

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**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:

<u><b>CFDA Numbers</b></u>	<u><b>Name of Federal Program</b></u>
14.218	Community Development Block Grant/Entitlement Grants Cluster

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, 2018**

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**Section II – Financial Statement Findings**

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**Reference Number:** NMSA-2018-001 (Previously 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:

*Capital Assets*

- 1 out of 15 projects reviewed should have been transferred out of construction in process in the current year or prior years
- 1 out of 6 transfers out of construction in process reviewed should have occurred in the prior year
- Capital asset accruals/reversals were not properly accounted for on capital asset rollforward
- City accrued for capital assets not received as of year-end
- Beginning accumulated depreciation was overstated as a result of prior year restatement not reducing prior year depreciation

*Net position and fund balance rollforward*

- Improperly posted reversal of prior year deferred inflows of property taxes
- Improperly reversed intrafund transfers

*Investments*

- An entry was not prepared to mark investments to market (fair value)

The aggregate amount of these misstatements was \$1,844,413. This activity has been corrected in the City’s CAFR after we brought it to management’s attention. We did not identify any improper spending or misuse of funds through our testing.

*Management’s Response for Repeat Finding: During fiscal year 2018, the position of Deputy Finance Director (formerly Accounting Division Manager) experienced a significant period of vacancy and turn-over (June 1 – August 6, 2018). Further, the City was in the process of implementing a new CAFR preparation software at the time of the turnover. These circumstances complicated the year-end closing process and prevented the City from being able to fully resolve this finding from the prior year.*

CRITERIA

*Capital Assets* – 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.

*Net position and fund balance rollforward* – GAAP requires closing of prior year change in net assets and fund balance to beginning net asset and fund balance, respectively.

*Investments* – GAAP requires underlying investments be reported at fair market value.

**CITY OF RIO RANCHO, NEW MEXICO**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2018**

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**Section II – Financial Statement Findings (Continued)**

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**Reference Number:** NMSA-2018-001 (Previously 2017-001) (Continued)

EFFECT/POTENTIAL EFFECT

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. Furthermore, differences in rollforward and fixed asset records can result in over or understatement of capital asset balances and related depreciation and accruals.

Rollforward of net position and fund balance as a result improper reversal of prior year CAFR entries could result in an over or understatement of current year revenue or expense.

Not posting a mark-to-market adjustment resulted in overstatement of investment balance and investment income.

CAUSE

Turnover at Deputy Director of Finance position; Management oversight.

RECOMMENDATION

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.

We recommend the City utilize internal spreadsheets for the rollforward of net position and fund balance to ensure beginning net position and fund balance agree the ending balances per the prior year CAFR. Furthermore, the City should ensure balances related to prior year reversals and current year accruals agree to underlying records.

We recommend the City reconcile year-end investment balances per the CAFR to fair market value reported on investment statements as part of its financial close and reporting process.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS

Management agrees with this finding. During fiscal year 2018, the position of Deputy Finance Director (formerly Accounting Division Manager) experienced a significant period of vacancy and turn-over (June 1 – August 6, 2018). Further, the City was in the process of implementing a new CAFR preparation software at the time of the turnover. These circumstances complicated the year-end closing process. Certain prior year accruals and other entries were not properly reversed on the rollforward, and an entry to value the investment portfolio to fair value was not made. These errors are a by-product of the transitions in the Deputy Finance Director position and the CAFR software.

In late fiscal year 2017, additional staff resources were permanently assigned to accounting for capital assets. A number of improvements were implemented to correct areas of concern at that time. The Capital Assets Accountant determined that there were a significant number of projects not properly transferred from CWIP to depreciating assets categories in prior periods. The transfers were initiated at that time, making a restatement necessary. Due to system limitations, the transfer process is laborious and was not complete for all necessary project transfers by fiscal year 2017 year-end and, thus, continued in fiscal year 2018. In fiscal year 2018, management and staff made significant improvements to the project close out processes to ensure timely transfer through implementation of the corrective actions outlined in the fiscal year 2017 CAFR.

Management and staff also implemented additional reconciliation processes to ensure accurate recording of depreciation and accumulated depreciation on the rollforward. During this process, staff identified a variance which, when analyzed, was determined to be an overstatement of accumulated depreciation which occurred due to an incorrect entry on the prior year's restatement.

**CITY OF RIO RANCHO, NEW MEXICO**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2018**

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**Section II – Financial Statement Findings (Continued)**

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**Reference Number:** NMSA-2018-001 (Previously 2017-001) (Continued)

VIEWES OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS (CONTINUED)

The following additional procedures will be implemented to ensure timely transfer of project assets from CWIP to depreciating assets categories, proper accrual and reversals are recognized on the capital asset rollforward, and proper accrual of capital assets:

1. The Capital Assets Accountant will provide a list of CWIP projects to the Deputy Finance Director and/or Finance Director in May of each year. The Finance Director or Deputy Finance Director will meet with the Director of the department responsible for each CWIP project to determine the status of the project and timeframe for project close out. Project status information obtained from these meetings will be provided to the Capital Assets Accountant. Follow up action resulting from these meetings will be taken as appropriate to transfer assets or leave in CWIP.
2. After June 30, as expenditures will be reviewed for possible accrual, any expense charged to a capital line item will be submitted to the Capital Assets Accountant for review. The Capital Assets Accountant will determine the appropriate period(s) in which to record the expenditure for financial reporting purposes. This determination will be reviewed and confirmed by the Deputy Finance Director. Accruals will be tracked on a spreadsheet and the Finance Director will review the accrual spreadsheet prior to being recorded.
3. In fiscal year 2019 and future fiscal years, the Capital Assets Accountant will enter accruals for governmental and enterprise funds on the rollforward and reverse prior year accruals from the rollforward. The Deputy Finance Director will confirm the accruals/reversals have been entered correctly prior to submitting to the auditors for testing.
4. Staff will ensure ongoing review and reconciliation of depreciation and accumulated depreciation as well as checking for reasonableness of the posted amounts to identify and verify significant changes. Any adjustments will be reviewed and approved by the Deputy Finance Director to avoid the need for future restatements.
5. The Deputy Finance Director will continue to review the entries made in fiscal year 2018 to ensure complete understanding of the entries and the rollforward. Additional training will be provided to staff related to year-end close processes, financial statement entries and CAFR preparation.
6. Staff will record “mark to market” adjustments on the financial statements annually.

Timeline: Review of CWIP projects with Department Directors will take place in May. Monthly review and reconciliation to the capital assets rollforward began in the first quarter of fiscal year 2019 and will continue ongoing. Additional processes for expense accruals will be implemented in July 2019 for the fiscal year 2019 audit period and future audit periods. Mark to market entries will be made for financial statement purposes in August 2019 and each August in the future.

Responsible parties: The Capital Assets Accountant will be responsible for ensuring that capital assets and construction projects are properly recorded and reported in the financial statements by performing ongoing reconciliation of the rollforward, reviewing CWIP projects for potential transfers needed and review for possible expense accruals at year-end. The Deputy Finance Director will review and confirm the entries. Further, the Deputy Finance Director will review capital asset accruals and ensure that capital asset and net position rollforwards and mark to market entries are recorded properly.

**CITY OF RIO RANCHO, NEW MEXICO**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2018**

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**Section II – Financial Statement Findings (Continued)**

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**Reference Number:** NMSA-2018-002 (Previously 2017-002)

**Repeat Finding:** No

**Type of Finding:** Significant Deficiency

**Description:** Year-end Cutoff Procedures

CONDITION

During our cutoff procedures, we noted the following:

- Revenue accruals provided by management were overstated compared to general ledger and internal revenue accrual spreadsheets.

The aggregate amount of these misstatements was \$97,039. This activity has been corrected in the City's CAFR after we brought it to management's attention.

*Management's Response for Repeat Finding: The City experienced significant turnover in the Grants Administrator position and a lengthy vacancy in the Grants Accounting Technician position, which led to gaps in tracking of grant reimbursement requests, grant close out and preparation of the Federal grants rollforward. This did not allow adequate time for the City to fully address the finding before the FY18 audit.*

CRITERIA

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

EFFECT/POTENTIAL EFFECT

Overstatement accounts receivable and related revenue.

CAUSE

Turnover at Deputy Director of Finance position; Management oversight.

RECOMMENDATION

We recommend the City review year end accrual entries more closely to ensure ending balances agree to underlying records.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTION

Management agrees with this finding. The City experienced significant turnover in the Grants Administrator position and a lengthy vacancy in the Grants Accounting Technician position, which led to gaps in tracking of grant reimbursement requests, grant close out and preparation of the Federal grants rollforward. Grants staff will be provided additional training to ensure thorough understanding of the City's financial system reports, reimbursement request processes, and Federal grants rollforward. Federal grant expenditures and reimbursement requests/revenue received will be reviewed monthly by the Grant Administrator. Reconciliation between y-t-d expenses and y-t-d reimbursement requests/revenue received will be performed quarterly by the Grant Administrator to confirm all expenses have been captured in a reimbursement request. This reconciliation will be reviewed by the Budget and Grants Division Manager. Variances discovered between what has been expended and what has been requested for reimbursement/revenue received will be investigated and corrected timely. Amounts not reimbursable by the grantor that are discovered will be reclassified timely. At fiscal year-end, accruals and reversals will be identified by the Grant Administrator in conjunction with the Accountant to ensure all expenses are captured in the correct accounting period. Accruals and reversals will be recorded on the Federal grant rollforward by the Grant Administrator. The Budget and Grants Administrator will review and confirm accounts receivable amounts on the rollforward. Confirmed accounts receivable amounts will be provided to the Deputy Finance Director to be recorded in the financial statement preparation software.

**CITY OF RIO RANCHO, NEW MEXICO  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2018**

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**Section II – Financial Statement Findings (Continued)**

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**Reference Number:** NMSA-2018-002 (Previously 2017-002)

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTION (CONTINUED)

Timeline: Monthly review of expenses and reimbursement requests and quarterly reconciliation between the y-t-d expenses and the y-t-d reimbursement requests/revenue received will begin with the 2<sup>nd</sup> quarter of fiscal year 2019. Any needed corrections will be made in the accounting period an error is discovered. Year-end accruals and reversals will be identified beginning in July of each fiscal year for the previous fiscal year and recorded on the rollforward in the following September beginning in 2019. Accounts receivable amounts will be confirmed and provided to the Deputy Finance Director after completion of the rollforward each September beginning in 2019.

Responsible parties: The Grants Administrator will be responsible for monthly review of expenditures and reimbursement requests, reconciling y-t-d expenses with y-t-d reimbursement requests/revenue received, correcting any variances or non-reimbursable expenses, and recording accruals and reversals on the Federal grants rollforward. The Budget and Grants Manager will be responsible for reviewing quarterly reconciliations, the Federal grants rollforward, confirming accounts receivable amounts and providing them to the Deputy Finance Director. The Deputy Finance Director will be responsible for recording the accounts receivable amounts in the financial statement preparation software.

**CITY OF RIO RANCHO, NEW MEXICO  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
YEAR ENDED JUNE 30, 2018**

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**Section II – Financial Statement Findings**

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<b>Finding Reference</b>		<b>Status</b>
2017-001	Financial Close and Reporting Process	Repeated and Modified as 2018-001
2017-002	Year-end Cutoff Procedures	Repeated and Modified as 2018-002
2017-003	Security Deposits	Resolved
2017-004	Bank Reconciliation Review Process	Resolved
2017-005	Credit Card Approvals	Resolved

**Federal Findings**

<b>Finding Reference</b>		<b>Status</b>
2017-001	Financial Close and Reporting Process	Resolved

**CITY OF RIO RANCHO, NEW MEXICO  
EXIT CONFERENCE  
YEAR ENDED JUNE 30, 2018**

An exit conference was held at a closed meeting on December 5, 2018, 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

CliftonLarsonAllen LLP:

Raul J. Anaya, CPA, CFE, CGFM, Principal  
Roger A. Lilly, CPA, Senior Associate

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