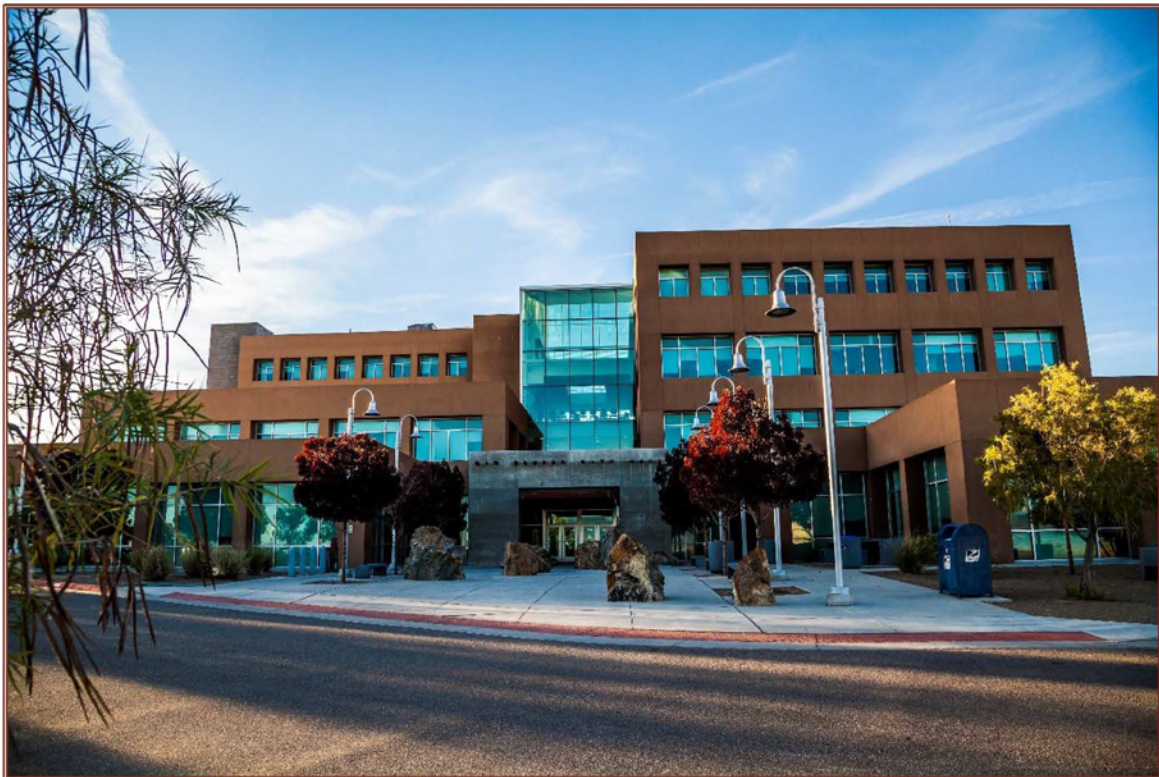


CITY OF RIO RANCHO NEW MEXICO

Comprehensive Annual Financial Report For the Year Ended June 30, 2019



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CITY OF RIO RANCHO, NEW MEXICO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2019

MAYOR AND CITY COUNCIL

Greggory D. Hull.....Mayor
Jim Owen..... Councilor – District 1
Jeremy Lenentine 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

David Campbell..... City Manager
Rebecca Martinez 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
Levi Martinez
Juan Mejia

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, 2019

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Department of Financial Services

December 13, 2019

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, 2019. 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 131.

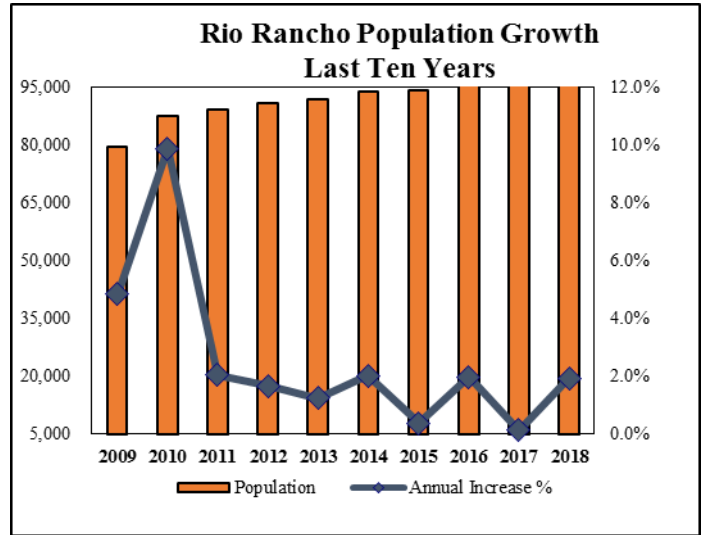
Federal and state regulations also require the City to undergo an annual "single audit" in conformance with the Federal Single Audit Act of 1984, as amended, and the U.S. Office of Management and Budget 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, 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 203.

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 2018, the City’s population was 98,023 according to the most recent estimates by the U.S. Census Bureau.

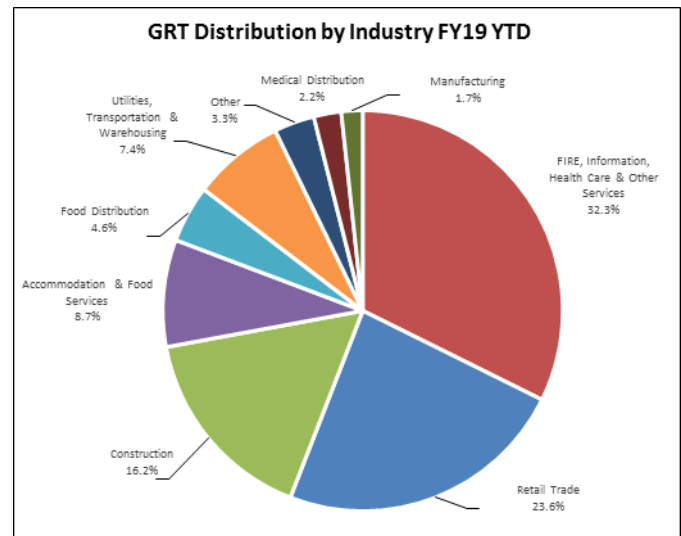


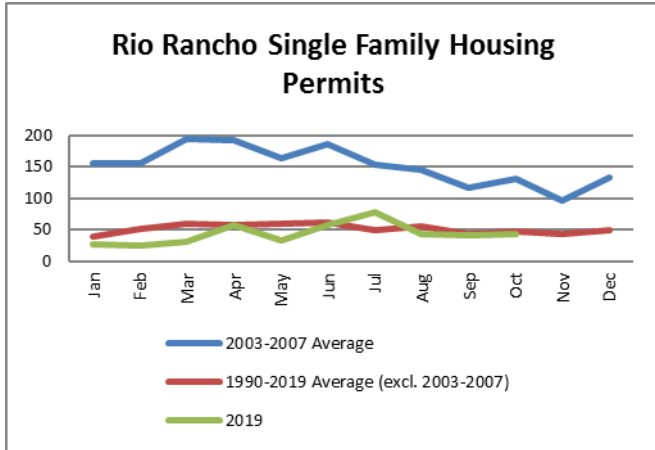
Government Structure. The City was incorporated in 1981 and adopted a municipal charter as a “home rule” city in 1991. The City has a hybrid Council/Manager form of government in which the Mayor is a member of the Governing Body. The City Manager is the Chief Administrative Officer, appointed by the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



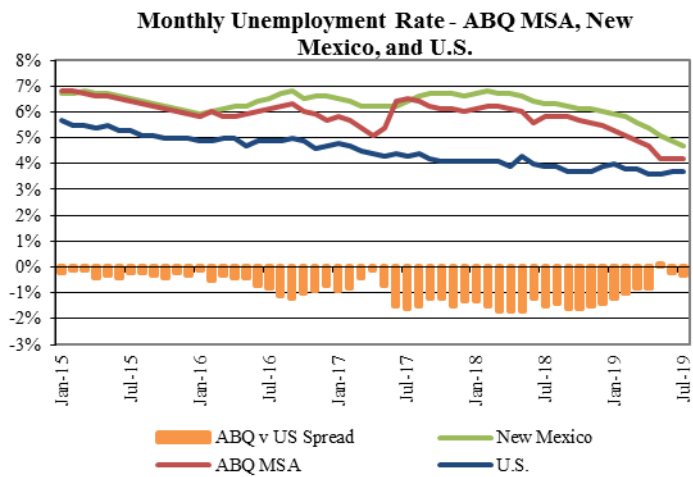


The City’s current financial condition reflects a local economy that is improving. Single-family building permits increased in calendar year 2018 compared to 2017, and in 2019 they are on pace to exceed 2017 and 2018 levels. Gross receipts tax revenue is expected to increase 5.1 percent in fiscal year 2020 from the fiscal year 2019 revised budget. This increase is primarily because the City implemented an additional 1/8th of 1.0 percent increment of gross receipts tax. The new tax, which took effect on January 1, 2019, is expected to bring in approximately \$1.3 million in additional revenue in FY20.

Metropolitan Statistical Area (MSA) is accelerating. For 2019, the MSA is expecting growth to average 4.7 percent, then slow to 4.0 percent in 2020 and increase again to 4.7 percent in 2021.

Personal income growth in the Albuquerque Metropolitan Statistical Area (MSA) is accelerating. For 2019, the MSA is expecting growth to average 4.7 percent, then slow to 4.0 percent in 2020 and increase again to 4.7 percent in 2021.

The unemployment rate in the metro area has declined over the last two years, averaging 4.9 percent since July 2017 going as high as 5.8 percent in July - September 2017 and as low as 4.0 percent in April 2019. 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 State’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 5,076 jobs in calendar 2019, a 1.3 percent increase for the year. Sectors leading the job growth include healthcare and social assistance sector (1,031 jobs), professional and technical services (934 jobs), and construction (786 jobs). Also adding a significant number of jobs were accommodation and food service (722 jobs), education services, transportation, warehousing and utilities, finance and insurance and perhaps surprisingly, manufacturing (164 jobs). Following a national downward trend, retail trade will shed a few jobs in 209 (-62 jobs). In the longer term, through 2024 (using 2019 as the base year), the Albuquerque MSA economy is forecast to add 17,106 jobs at an average annual growth (AAG) rate of 1.1 percent.



Local Economic Growth Highlights. Over the past fiscal year, Rio Rancho continued to experience steady growth across its major employers, anchor institutions, retailers and new residential construction. Intel is re-investing in its Rio Rancho facility, announcing plans to create ~400 jobs for the development or manufacture of new data transfer and memory technologies including Silicon Photonics. Safelite continues to grow its headcount in Rio Rancho with nearly 600 full-time employees.

The housing industry in Rio Rancho is strong, offering homebuyers affordability, quality, and value across a diverse array of housing products and styles. For the fiscal year, Rio Rancho had 438 new single family home starts, representing approximately 40% of the metro area’s new home starts. Looking forward, there are nearly 2,000 new single family lots in the pipeline along with renewed multi-family activity.

Defined Fitness, a New Mexico health club operator, is repositioning its footprint in Rio Rancho with the construction of a new facility in northern Rio Rancho and back-filling a vacant big-box store bringing redevelopment to an aging shopping center.

On the medical front, both Presbyterian Health Services' Rust Medical Center and UNM Sandoval Regional Medical Center took assertive steps to expand their facilities in 2020-2021.

Long-term Financial Planning and Policies. The General Fund ended fiscal year 2019 with an unassigned fund balance of \$20.8 million, which equals 37.5 percent 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 23.2 percent of expenditures (excluding transfers out), which exceeds the State of New Mexico requirement of 1/12th (8.3 percent) of expenditures as well as the City's policy target of 15 percent.

The City continues to budget and spend within its means. The fiscal year 2020 General Fund budget compared to actual fiscal year 2019 includes a \$5.9 million (11.1 percent) increase in expenditures. This includes a 2.5 percent cost of living increase for employees, a 5.0 percent increase for health insurance, and a 0.25 percent increase for pension contributions mandated by the legislature. For all other governmental funds, fiscal year 2020 budgeted operating expenditures compared to actual expenditures in fiscal year 2019 are increasing \$2.1 million (13.9 percent). 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, 2018. This was the 14th 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,



David S. Campbell
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

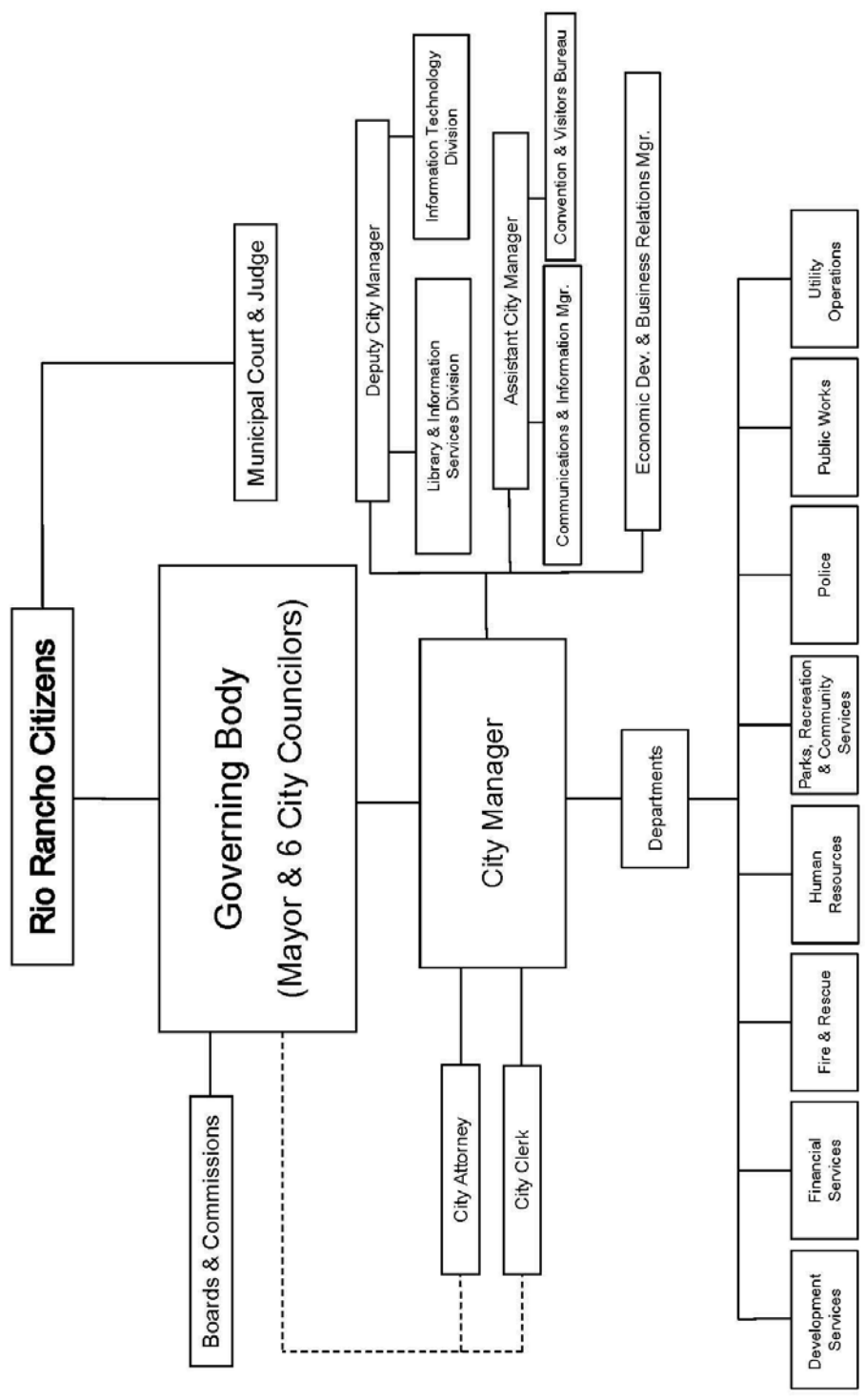
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morill

Executive Director/CEO

City of Rio Rancho Organizational Structure



Financial Section





INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members of the City Council
City of Rio Rancho, New Mexico
Mr. Brian Colón, 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 of the general fund of the City of Rio Rancho, New Mexico, as of and for the year ended June 30, 2019, 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.

Honorable Mayor and Members of the City Council
City of Rio Rancho, New Mexico
and Mr. Brian Colón, 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, 2019, 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.

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 86-87 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 and the introductory and statistical sections 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 supplementary information required by the New Mexico State Auditor as listed 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 supplementary 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 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.

Honorable Mayor and Members of the City Council
City of Rio Rancho, New Mexico
and Mr. Brian Colón, New Mexico State Auditor

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 it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2019, 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 results 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.

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

CliftonLarsonAllen LLP

Albuquerque, New Mexico
December 13, 2019

CITY OF RIO RANCHO, NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2019

The following is a discussion and analysis of the City of Rio Rancho's financial performance and activities for the year ended June 30, 2019. Please read it in conjunction with the transmittal letter in the Introductory Section of this report and with the financial statements that follow.

HIGHLIGHTS

Government-wide Level

- Combined net position increased \$34.7 million (8.25%) from the prior year. Assets and deferred outflows of resources increased \$59.2 million and \$2.9 million respectively. Liabilities increased \$28.7 million while deferred inflows of resources decreased \$1.2 million. Positively impacting the net position are increases in capital assets, cash/cash equivalents as well as restricted cash, various receivables and investments. These positive impacts were offset, in part, by increased liabilities for accounts payable, new debt issuance, and increased net pension liability.

Capital Assets and Long-term Liabilities

- The City added \$39.1 million in new capital assets including equipment and vehicles, major road and water/wastewater improvements including High Resort Boulevard, Zaragoza Road, Meadows Boulevard (road only), booster station and Tank 8 improvements, and developer contributions for Enchanted Hills Subdivision and Milagro Mesa Phase I. Reductions in machinery and equipment due to disposal of a number of assets offset some of the above additions.
- During FY2019, the City refunded the Joint Utilities Refund Series 2009 Bonds. This transaction resulted in a net present value savings of \$794,638 a total average annual debt service savings of \$253,333 through maturity in 2022.
- As of June 30, 2019, the City's share of the New Mexico Public Employees Retirement Association (PERA) net pension liability was \$80.7 million, which is 1.97%, 3.21%, 4.29% of PERA's total net pension liability for Muni General, Police, and Fire, respectively.
- As of June 30, 2019, the City's share of the New Mexico Retiree Health Care Authority (RHC) net OPEB liability was \$31.2 million. The City's share for fiscal year 2018 was \$34.2 million combined governmental and business-type activities. The City's proportionate share of OPEB liability was based on actual contributions to the Fund for the year ended June 30, 2018 and was .71711%.

Fund Level

- The General Fund ended the year with an unassigned fund balance of \$20.8 million, which equals 37.4% of the fund's fiscal year 2019 expenditures and is well above the policy target level of 15%.
- On a budgetary basis, General Fund revenues were \$2.5 million (4.1%) above the final budget and General Fund expenditures were \$4.9 million (8.3%) below the final budget.
- The Utility Fund net position increased \$20.1 million (8.7%) over the prior year and ended the year at \$251.8 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, 2019

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 three business-type activities that include a water/waste water utility, multi-purpose events center and a non-emergency medical interfacility transport service program.

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, 2019

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.

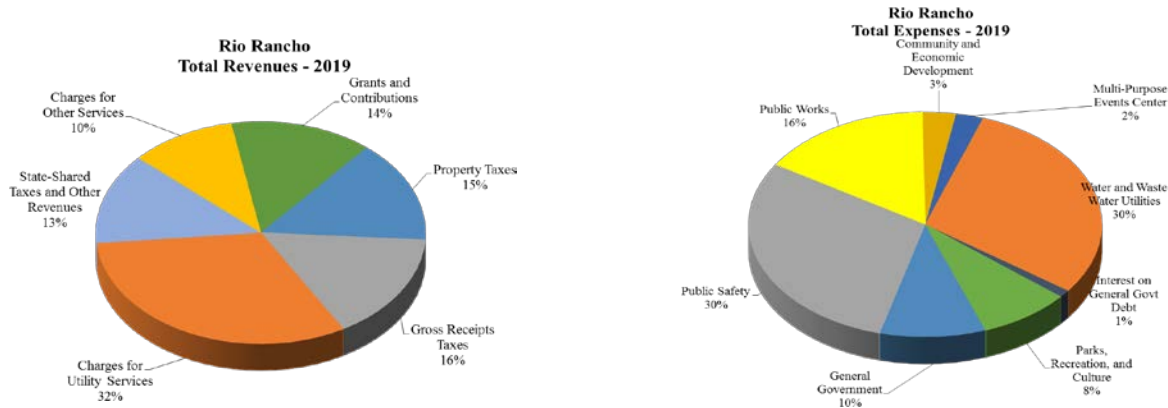
Restricted net position comprises 17.3% of total net position and is subject to external restrictions on how the resources may be used. The remaining balance of net position is *unrestricted* and may be used at the City's discretion to meet its ongoing obligations to citizens and creditors. The following table compares the current year's net position to the prior year.

City of Rio Rancho Net Position as of June 30						
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and Other Assets.....	\$ 74,465,712	\$ 50,241,057	\$ 90,773,165	\$ 72,815,939	\$ 165,238,877	\$ 123,056,996
Capital Assets.....	280,816,742	269,864,533	339,865,432	333,758,343	620,682,174	603,622,876
Total Assets.....	355,282,454	320,105,590	430,638,597	406,574,282	785,921,051	726,679,872
Total Deferred Outflows of Resources.....	20,233,808	16,231,133	7,749,217	8,826,227	27,983,025	25,057,360
Current and Other Liabilities.....	19,433,651	13,239,211	17,625,529	14,732,930	37,059,180	27,972,141
Long-term Liabilities.....	152,867,788	132,745,194	152,975,111	153,477,540	305,842,899	286,222,734
Total Liabilities.....	172,301,439	145,984,405	170,600,640	168,210,470	342,902,079	314,194,875
Total Deferred Inflows of Resources.....	14,943,039	16,173,087	667,118	664,607	15,610,157	16,837,694
Net Position:						
Net Investment in Capital Assets.....	248,304,596	261,320,063	220,547,306	181,184,997	468,851,902	442,505,060
Restricted.....	40,167,746	31,606,304	38,689,545	30,336,244	78,857,291	61,942,548
Unrestricted.....	(100,200,558)	(118,747,136)	7,883,205	35,004,191	(92,317,353)	(83,742,945)
Total Net Position.....	\$ 188,271,784	\$ 174,179,231	\$ 267,120,056	\$ 246,525,432	\$ 455,391,840	\$ 420,704,663
Percent change from prior year	8.1%	(1.4)%	8.4%	4.3%	8.2%	1.5%

CITY OF RIO RANCHO, NEW MEXICO
MANAGEMENT’S DISCUSSION AND ANALYSIS
Year Ended June 30, 2019

Changes in Net Position

The City’s combined net position increased by \$34.7 million (8.25%) from the prior year. Net position of governmental activities increased \$14.1 million (8.1%) while net position of business-type activities increased \$20.6 million (8.4%). 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 increased \$15.4 million (18.9%) from the prior year. The overall increase is the net result of increases and decreases in the various sources of funding. Total property tax revenue increased \$3.3 million (16.4%) due to a combination of new value added to the tax rolls, a 3.17% inflationary factor applied under New Mexico’s “yield control” formula, debt coverage for new general obligation bonds approved by voters in March, 2018, and recognition of revenue receivable but not previously recorded (\$579,000). Gross receipts taxes increased \$2.6 million (11.7%), in part due to a new 1/8th of 1% increment of tax being implemented effective 1/1/19 as well as increased business activity. Other general revenues increased \$1.1 million (7.4%) due to increased business activity. Charges for services decreased \$94,000 (.6%) primarily due to decreases in construction related activity and development fees.

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

	Governmental Activities		Business-type Activities		Total		Total Percent Change 2018 to 2019
	2019	2018	2019	2018	2019	2018	
Revenues							
General Revenues:							
Taxes.....	\$ 51,702,979	\$ 45,625,149	\$ —	\$ —	\$ 51,702,979	\$ 45,625,149	13.3 %
Other General Revenues.....	15,725,622	14,642,182	1,301,288	262,579	17,026,910	14,904,761	14.2
Program Revenues:							
Charges for Services.....	15,264,061	15,358,082	50,297,590	49,785,185	65,561,651	65,143,267	0.6
Operating Grants.....	2,280,450	2,211,030	6,376,415	4,444,620	8,656,865	6,655,650	30.1
Capital Grants.....	11,994,122	3,717,761	1,325,935	76,684	13,320,057	3,794,445	251.0
Total Revenues	96,967,234	81,554,204	59,301,228	54,569,068	156,268,462	136,123,272	14.8
Expenses							
General Government.....	10,838,081	10,816,403	—	—	10,838,081	10,816,403	0.2
Public Safety.....	36,801,320	35,731,849	—	—	36,801,320	35,731,849	3.0
Public Works.....	19,325,855	18,218,656	—	—	19,325,855	18,218,656	6.1
Parks, Recreation, and Culture.....	10,231,901	11,171,626	—	—	10,231,901	11,171,626	(8.4)
Community and Econ. Development.....	3,742,614	3,326,414	—	—	3,742,614	3,326,414	12.5
Interest on General Govt Debt.....	1,307,880	1,522,115	—	—	1,307,880	1,522,115	(14.1)
Water and Waste Water Utilities.....	—	—	36,260,532	36,836,367	36,260,532	36,836,367	(1.6)
Multi-Purpose Events Center.....	—	—	3,087,042	3,157,283	3,087,042	3,157,283	(2.2)
Total Expenses	82,247,651	80,787,063	39,347,574	39,993,650	121,595,225	120,780,713	0.7
Excess (Deficiency)	14,719,583	767,141	19,953,654	14,575,418	34,673,237	15,342,559	
Gain on Disposition of Capital Assets	-	-	13,940	-	13,940	-	
Transfers.....	(627,030)	(1,797,331)	627,030	1,797,331	—	—	
Change in Net Position.....	14,092,553	(1,030,190)	20,594,624	16,372,749	34,687,177	15,342,559	
Net Position - Beginning.....	174,179,231	213,757,377	246,525,432	232,181,523	420,704,663	445,938,900	
Restatement.....	—	(38,547,956)	—	(2,028,840)	—	(40,576,796)	
Net Position - Beginning, as restated.....	174,179,231	175,209,421	246,525,432	230,152,683	420,704,663	405,362,104	
Net Position - Ending.....	\$ 188,271,784	\$ 174,179,231	\$ 267,120,056	\$ 246,525,432	\$ 455,391,840	\$ 420,704,663	8.2 %

CITY OF RIO RANCHO, NEW MEXICO
MANAGEMENT’S DISCUSSION AND ANALYSIS
Year Ended June 30, 2019

Total governmental activities expenses increased \$1.5 million (1.8%) compared to the prior year. All categories of activity increased with the exceptions of Parks, Recreation and Culture which decreased \$940,000 (8.4%) and Interest on Long-Term Debt which decreased \$214,000 (\$14.1%). A 1.0% wage increase was given to City personnel and no increase to health insurance premiums was implemented. In addition, implementation of a career development plan for the Fire and Rescue Department was completed in fiscal year 2019 with a cost of \$150,000.

The following table shows to what extent the City’s governmental activities relied on self-generated revenues to cover program costs. For 2019, these activities covered \$30.2 million (36.5%) of their total expenses through grants and charges for services. Taxes and other general revenues covered the remaining 63.5% 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	
			2019	2018	2019	2018
			2019	2019	2019	2018
Activities:						
General Government.....	\$ 10,838,081	\$ (6,859,128)	\$ 3,978,953	\$ 5,089,499	63.3 %	62.7 %
Public Safety.....	36,801,320	(6,518,456)	30,282,864	30,456,655	17.7	16.5
Public Works.....	19,325,855	(9,058,989)	10,266,866	16,137,581	46.9	17.5
Parks, Recreation, and Culture.....	10,231,901	(4,575,281)	5,656,620	7,368,983	44.7	25.6
Community and Economic Development....	3,742,614	(2,526,780)	1,215,834	1,200,270	67.5	76.4
Interest on Long-term Debt.....	1,307,880	—	1,307,880	1,522,115	—	—
Total Governmental Activities.....	\$ 82,247,651	\$ (29,538,633)	\$ 52,709,017	\$ 61,775,103	35.9 %	26.3 %

Business-type Activities

Overall, net position for business-type activities increased \$20.6 million (8.4%) and ended the year at \$267.1 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 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 increases took place in fiscal years 2018 or 2019. Utility operating revenues grew \$3.6 million (6.9%) in fiscal year 2019 due to increases in operating and capital grants and contributions as well as slight increases to the customer base (1.75% for water and 0% for wastewater respectively) and increased water consumption driven primarily by increased demand in the single-family account classification.

Total Utility production cost expenses decreased \$1.4 million for various reasons but primarily because fewer repairs to the distribution system were needed in fiscal year 2019 than in fiscal year 2018. In fiscal year 2018, several service line replacement projects were completed, and large repairs were needed to the water lines at Unser Boulevard and Arena Drive (\$350,000) as well as at Camino Encantadas (\$327,000). Similar projects were not needed in fiscal year 2019, thus the cost of production decreased. Net position increased \$20.1 million (8.7%) and ended the year at \$251.8 million.

Multi-Purpose Events Center (MPEC). Operating revenues for the MPEC increased by \$90,000 (31.7%) due to more events held and resulting increases in ticket sales. Operating expenses decreased \$48,000 (2.3%) compared to the prior year. This decrease is primarily the result of expenditures related to large maintenance projects occurring in FY18 and not being repeated in FY19. Net position of the MPEC Fund increased \$409,000 (2.8%) to end the year at \$15.2 million.

Interfacility Transport and Community Medicine Services. In fiscal year 2019, the City created a new enterprise fund for recording activity associated with a new program. The Interfacility Transport and Community Medicine Services program provides non-emergency medical transport to patients by appointment as well as community medicine services for a fee. The fee is structured to cover 100% of program costs and generate fund balance that can be transferred to other funds to support the Fire and Rescue Department. A \$70,000 transfer from the General Fund was made to “seed” the program which will be repaid by program revenue.

CITY OF RIO RANCHO, NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2019

CAPITAL ASSETS, LONG-TERM DEBT, AND PENSIONS

Capital Assets

The City added \$39.1 million in new capital assets including public safety vehicles and equipment, High Resort Boulevard improvements (road, water, sewer), Zaragoza Road improvements (road, water, sewer), Meadows Boulevard improvements (road), booster station and tank 8 improvements and developer contributions for Enchanted Hills Subdivision and Milagro Mesa Phase I. 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 \$21.9 million in construction commitments including replacement of the Wastewater Treatment Plant 1, Well 13, water line replacement, Southern Boulevard improvements, improvements at A Park Above, and various other road projects.

The City's total net capital assets ended the year at \$620.7 million, an increase of \$39.1 million (6.5%) over the prior year due to the purchase of public safety vehicles and equipment, and a significant number of projects being undertaken utilizing general obligation bond funding which voters approved in March 2018. Note 8 provides more information about the City's capital assets.

Long-term Debt

Business Type Activities -

In February 2019, the City refunded the Joint Utilities Refund Series 2009 Bonds within the Water/Wastewater Enterprise fund. The refunded 2009 Series bonds had a par amount of \$16,325,000 and originally refunded the 1999 Series Joint Utility bonds. The transaction resulted in a total net present value savings of \$794,638 and an average annual debt service savings of \$253,333 through the bonds maturity in 2022.

In June 2019, the City entered into a loan agreement with the New Mexico Finance Authority (NMFA) for Water/Wastewater Utility for the acquisition of water rights. The loan has a principal amount of \$10,425,000 and a blended interest rate of 4.376704% over a 20-year term. Pledged revenue for this loan is the water rights acquisition fee charged monthly to each utility customer.

Governmental Activities -

Also in June 2019, the City entered into a loan agreement with the NMFA for acquisition of water and sewer infrastructure lines and related improvements. The loan has a principal amount of \$3,440,000 and a blended interest rate of 2.243557% over a 15-year term. Pledged revenue for this loan is a 1/16th of 1% increment of Environmental Gross Receipts Tax.

In January 2019, the City entered into a loan agreement with the NMFA for the purchase of street equipment, including a motor grader, two street sweepers and a walk and roll. The loan has a principal amount of \$609,056 and a blended interest rate of 2.426263% over 6-year term. Pledged revenue for this loan is the municipal gasoline tax.

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 2019, the City's net pension liability was \$78.0 million for governmental activities and \$2.7 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 2019, the City's OPEB liability was \$29.6 million for governmental activities and \$1.6 million for business-type activities. These liabilities reflected in the Statement of Net Position contributed to a deficit unrestricted net position for governmental activities of \$100.2 million in fiscal year 2019, 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

CITY OF RIO RANCHO, NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2019

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.

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 2018 to 2019
	2019	2018	2019	2018	2019	2018	
	General Obligation Bonds, net....	\$ 28,766,085	\$ 17,670,548	\$ —	\$ —	\$ 28,766,085	
GRT Revenue Bonds, net.....	9,186,483	10,540,897	22,590,000	24,000,000	31,776,483	34,540,897	(8.0)
Utility Revenue Bonds, net.....	—	—	112,598,559	120,838,055	112,598,559	120,838,055	(6.8)
Notes from Direct Borrowings....	13,250,913	10,413,645	24,951,020	15,484,861	38,201,933	25,898,506	47.5
Compensated Absences.....	5,057,520	5,043,457	134,101	110,013	5,191,621	5,153,470	0.7
Net Pension Liability.....	78,045,571	65,686,651	2,682,185	2,299,950	80,727,756	67,986,601	18.7
Net OPEB Liability.....	29,623,363	32,452,122	1,559,124	1,708,006	31,182,487	34,160,128	(8.7)
Total.....	\$ 163,929,935	\$ 141,807,320	\$ 164,514,989	\$ 164,440,885	\$ 328,444,924	\$ 306,248,205	7.2 %

FINANCIAL ANALYSIS OF THE CITY'S GOVERNMENTAL FUNDS

Fund Balances

At June 30, the City's governmental funds reported combined fund balances of \$64.5 million, an increase of \$19.2 million (42.4%) from 2018. Of the total fund balances, \$42.0 million (65.1%) is restricted for various purposes, such as debt service and future capital projects, and is therefore unavailable for discretionary spending. Committed fund balance totals \$1.7 million (2.7%) and is committed by policy for various purposes. The remaining \$20.8 million (32.2%) is unassigned and available for new spending. The following table presents the City's 2019 ending governmental fund balances.

	General Fund	Infrastructure Fund	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total
Restricted.....	\$ —	\$ 1,782,542	\$ 20,086,065	\$ 7,278,164	\$ 12,803,517	\$ 41,950,288
Committed.....	—	—	1,725,811	—	—	1,725,811
Unassigned.....	20,795,958	—	(8,663)	—	—	20,787,295
Total.....	\$ 20,795,958	\$ 1,782,542	\$ 21,803,213	\$ 7,278,164	\$ 12,803,517	\$ 64,463,394
Percent change from prior year....	51.4%	101.0%	40.8%	47.0%	15.3%	39.6%

General Fund

During 2019, fund balance in the General Fund increased \$7.1 million (51.4%) due, in part, to a \$3.2 million transfer from the 2018 General Obligation Bond fund to reimburse for expenses made from the General Fund in FY18 for General Obligation Bond projects. The bonds were issued in August 2018 and used, in part, to reimburse the General Fund. The remainder of the increase was due to positive revenue and expense variances.

Revenues. Municipal gross receipts taxes increased \$2.2 million (12.4%) from the prior year. This is in due to a new 1/8th of 1% increment of tax being implemented effective 1/1/19 as well as increased business activity. Property tax revenue increased \$796,000 (5.0%) due to a combination of new properties and improvements added to the tax rolls, and a 3.17% inflationary factor applied under New Mexico's "yield control" formula. In total, actual General Fund revenues increased \$5.7 million (9.8%) over the prior year.

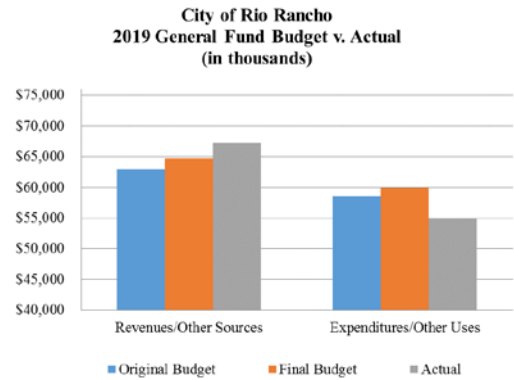
Expenditures and Transfers. Total expenditures increased \$1.6 million (2.9%) and transfers made to other funds decreased \$1.9 million (28.7%) in 2019. Personnel expenditures increased because of a variety of factors. The City gave a 1.0% wage increase to staff, and certain public safety personnel saw a larger increase due to changes negotiated in their bargaining unit contracts. Premium charges for the City's self-insured health insurance plan remained flat. Transfers were significantly lower than in the prior fiscal year. This is due to a transfer made to the

CITY OF RIO RANCHO, NEW MEXICO
MANAGEMENT’S DISCUSSION AND ANALYSIS
Year Ended June 30, 2019

General Obligation Bond fund made in FY18. That transfer was 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. Those expenses were reimbursed by the 2018 general obligation bonds once they were issued in August 2018.

Budgetary Highlights. On a budgetary (cash) basis, the original 2019 General Fund budget estimated a \$164,000 decrease in fund balance; however, fund balance actually increased 7.1 million. This increase was the result of positive variances in both revenues (\$2.5 million) and expenses (\$4.9 million). 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 increased during the year from \$58.3 million to \$59.7 million. This increase was the result of higher than projected gross receipts tax revenue early in the year. General Fund revenues ended the year \$2.5 million (4.1%) higher than the final amended budget projection. A rebound in gross receipts taxes, originally budgeted using a “pessimistic” scenario that did not materialize, contributed to the positive variance. Property tax revenue, franchise taxes, and intergovernmental – State revenue also contributed to the positive variance. Some of this positive variance was offset a by a negative variance in charges for services, intergovernmental – Federal revenue and miscellaneous revenue.
- Franchise tax revenue projections came in \$383,000 (10.8%) higher than the final amended budget due to an increase in the fee assessed to the Public Service Company of New Mexico (PNM).
- Actual Fines and forfeitures revenue were lower than final estimates by \$22,000 (2.4%).
- Actual Property tax revenues were \$620,000 (3.9%) more than projected.
- Charges for services such as alarms, ambulance, certain development related services and recreational services were \$97,000 (1.7%) less than the final amended budget.



On a budgetary (cash) basis, total General Fund revenues were \$3.9 million (6.6%) higher than the original budget and \$2.5 million (4.1%) above the final budget. Total expenditures were \$3.6 million (6.3%) and \$4.9 million (8.3%) 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 expenditures in 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.

Infrastructure Fund

For fiscal year 2019, the Infrastructure Fund is reported as a major governmental fund. The fund, which is primarily used to account for road projects, had a significant increase in revenue and expenditures in fiscal year 2019 over fiscal year 2018. Revenues increased \$7.6 million (675.3%) from \$1.1 million in FY18 to \$8.7 million in FY2019, while expenditures increased \$7.9 million (584.8%) from \$1.3 million in FY18 to \$9.2 million in FY19. The largest project in the fund is the Southern Boulevard reconstruction project. This project is anticipated to be completed in early 2020. The Infrastructure Fund reported a fund balance of \$1.8 million for FY19 which is a 101.0% increase over the FY18 fund balance of \$887,000 (reported in nonmajor governmental funds in FY18).

Nonmajor Governmental Funds

The City’s nonmajor governmental fund balances increased a total of \$11.2 million (36.7%), excluding the Infrastructure Fund, primarily due to the accumulation of cash for future funding of projects. Following are the most significant activities within the City’s nonmajor governmental funds.

Special Revenue Funds. Special Revenue expenses increased \$163,000 (1.6%) in total from prior year. Special Revenue funds related to public safety increased in total by \$286,000 (6.8%), primarily for fire protection expenses. Special Revenue fund expenses related to capital outlay increased by \$598,000 (42.3%), primarily for public works and fire protection equipment and general government expenses increased \$24,000 (3.3%). Special Revenue funds related to public works and parks, recreation and culture both decreased. Specifically, intergovernmental funding

CITY OF RIO RANCHO, NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2019

for Libraries was reduced which necessitated reductions in expenses of \$527,000 (78.9%). Debt related expenses also decreased \$34,000 (\$4.3%). Fund balances of all special revenue funds ended the year at \$21.8 million, most of which is restricted for the specific purposes of the funds in which the balances reside.

Debt Service Funds. Debt service expenditures increased by \$87,000 (1.3%), while revenue, primarily property tax revenue, increased \$1.6 million (23.2%). Property tax revenue increased from a combination of factors including new value added to the tax rolls, debt coverage for new general obligation bonds approved by voters in March 2018, and recognition of revenue receivable but not previously recorded. Fund balances ended the year at \$7.3 million, all of which is restricted for future debt service payments.

Capital Projects Funds. Total capital projects funds expenditures increased \$9.5 million (1047.6%) from the prior year due to the several major road projects which were funded by the Series 2018 General Obligation Bonds. In addition, in FY19 public safety vehicles and equipment, and heavy equipment were purchased from the Series 2018 General Obligation Bonds and a loan respectively. Fund balances ended the year at \$12.8 million, all of which is restricted for specific projects. The Infrastructure Fund information for FY18 is excluded from this comparison as it is reported as a major fund in FY19 and discussed above.

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 2019 were as follows.

Health Self-Insurance Fund

Expenses for claims and administration expenses decreased by \$79,000 (1.3%) from the prior year. Revenues decreased \$217,000 (3.4%). In the absence of a change to health insurance premiums, this revenue is dependent upon which benefits selections employees make upon hire or open enrollment. Net position of the health insurance fund decreased \$32,000 (4.7%), and ended the year at \$658,000.

Dental Self-Insurance Fund

Charges to departments and employees for dental insurance decreased by \$16,000 (3.0%) from the prior year. Expenses for claims and administration expenses increased \$12,000 (2.8%) due to increased claims activity. Net position increased \$72,000 (26.7%), and ended the year at \$342,000.

OTHER MATTERS

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

During the 2019 legislative session, the New Mexico legislature passed a bill that would enable local governments to receive gross receipts taxes revenue from internet sales. The bill, which was subsequently signed by the Governor, became law effective July 1, 2019. During the first two years (FY20 and FY21) the State of New Mexico Taxation and Revenue Department (TRD) will make a monthly distributions to local governments based on population while TRD makes the necessary changes to their systems to collect and distribute the internet sales tax based on the location from where the sale originated. In fiscal year 2020, the City is expected to receive \$964,000 from internet sales tax.

In March of 2020, the City intends to request voter approval of general obligation bonds. Two questions will be proposed to voters. The first will seek approval to issue bonds for road improvements and the second will seek approval to issue bonds for public safety vehicles, equipment and facilities. If approved, the bonds will be issued in early summer 2020 and represent a continuation of the City's general obligation bonding cycle.

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 NE, Rio Rancho, New Mexico 87144.

Basic Financial Statements

CITY OF RIO RANCHO, NEW MEXICO

Statement of Net Position June 30, 2019

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents.....	\$ 34,854,803	\$ 30,717,614	\$ 65,572,417
Receivables:			
Accounts, net.....	1,429,401	6,990,974	8,420,375
Interest	45,482	117,669	163,151
Property Taxes.....	1,247,553	—	1,247,553
Gross Receipt Taxes.....	4,365,345	—	4,365,345
Due From Other Governments.....	6,625,526	364,754	6,990,280
Prepaid Bond Insurance.....	21,877	128,391	150,268
Restricted Cash	15,837,158	36,619,738	52,456,896
Investments.....	10,038,567	13,764,218	23,802,785
Restricted Investments.....	—	2,069,807	2,069,807
Capital Assets:			
Land.....	65,924,595	55,782,610	121,707,205
Construction-in-Progress.....	18,837,194	14,358,514	33,195,708
Infrastructure.....	328,696,613	204,651,080	533,347,693
Buildings and Improvements.....	55,109,609	102,843,135	157,952,744
Land Improvements.....	21,268,987	15,435,203	36,704,190
Machinery and Equipment.....	33,346,266	55,422,648	88,768,914
Less: Accumulated Depreciation.....	(242,366,522)	(108,627,758)	(350,994,280)
Total Capital Assets.....	<u>280,816,742</u>	<u>339,865,432</u>	<u>620,682,174</u>
Total Assets.....	<u>355,282,454</u>	<u>430,638,597</u>	<u>785,921,051</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amount on Bond Refundings.....	871,609	4,201,715	5,073,324
Deferred OPEB Items.....	593,228	28,176	621,404
Deferred Pension Plan Items.....	18,768,971	664,474	19,433,445
Excess Consideration Provided for Acquisition.....	—	2,854,852	2,854,852
Total Deferred Outflows of Resources.....	<u>20,233,808</u>	<u>7,749,217</u>	<u>27,983,025</u>
LIABILITIES			
Accounts Payable	6,466,915	4,248,641	10,715,556
Accrued Liabilities.....	1,899,112	664,657	2,563,769
Unearned Revenue.....	5,477	—	5,477
Deposits.....	—	1,172,353	1,172,353
Long-term Liabilities:			
Due Within One Year.....	11,062,147	11,539,878	22,602,025
Due in More Than One Year.....	45,198,854	148,733,802	193,932,656
Net OPEB Liability.....	29,623,363	1,559,124	31,182,487
Net Pension Liability.....	78,045,571	2,682,185	80,727,756
Total Liabilities.....	<u>172,301,439</u>	<u>170,600,640</u>	<u>342,902,079</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred OPEB Items.....	9,254,525	487,080	9,741,605
Deferred Pension Plan Items.....	5,688,514	180,038	5,868,552
Total Deferred Inflows of Resources.....	<u>14,943,039</u>	<u>667,118</u>	<u>15,610,157</u>
NET POSITION			
Net Investment in Capital Assets.....	248,304,596	220,547,306	468,851,902
Restricted for:			
Debt Service.....	7,278,164	38,689,545	45,967,709
Capital Improvements.....	14,586,059	—	14,586,059
Other.....	18,303,523	—	18,303,523
Unrestricted.....	<u>(100,200,558)</u>	<u>7,883,205</u>	<u>(92,317,353)</u>
Total Net Position.....	<u>\$ 188,271,784</u>	<u>\$ 267,120,056</u>	<u>\$ 455,391,840</u>

See accompanying Notes to the Financial Statements.

CITY OF RIO RANCHO, NEW MEXICO

Statement of Activities Year Ended June 30, 2019

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
Primary Government:							
Governmental Activities:							
General Government.....	\$ 10,838,081	\$ 6,636,349	\$ 59,578	\$ 163,202	\$ (3,978,953)	\$ —	\$ (3,978,953)
Public Safety.....	36,801,320	4,182,622	1,478,710	857,124	(30,282,864)	—	(30,282,864)
Public Works.....	19,325,855	203,959	361,294	8,493,735	(10,266,866)	—	(10,266,866)
Parks, Recreation, and Culture.....	10,231,901	1,714,351	380,868	2,480,061	(5,656,620)	—	(5,656,620)
Community and Economic Development.....	3,742,614	2,526,780	—	—	(1,215,834)	—	(1,215,834)
Interest on Long-Term Debt.....	1,307,880	—	—	—	(1,307,880)	—	(1,307,880)
Total Governmental Activities.....	<u>82,247,651</u>	<u>15,264,061</u>	<u>2,280,450</u>	<u>11,994,122</u>	<u>(52,709,017)</u>	<u>—</u>	<u>(52,709,017)</u>
Business-type Activities:							
Water and Waste Water Utilities.....	36,260,532	49,900,736	4,455,909	1,325,935	—	19,422,048	19,422,048
Multi-Purpose Events Center.....	3,087,042	396,854	1,920,506	—	—	(769,682)	(769,682)
Total Business-type Activities.....	<u>39,347,574</u>	<u>50,297,590</u>	<u>6,376,415</u>	<u>1,325,935</u>	<u>—</u>	<u>18,652,366</u>	<u>18,652,366</u>
Total Primary Government.....	<u>\$ 121,595,225</u>	<u>\$ 65,561,651</u>	<u>\$ 8,656,865</u>	<u>\$ 13,320,057</u>	<u>(52,709,017)</u>	<u>18,652,366</u>	<u>(34,056,651)</u>
General Revenues and Transfers:							
Taxes:							
Property Taxes, General Purpose.....					17,317,370	—	17,317,370
Property Taxes, Debt Service.....					6,100,271	—	6,100,271
Gross Receipt Taxes.....					24,520,960	—	24,520,960
Franchise Taxes.....					3,764,378	—	3,764,378
Total Taxes.....					<u>51,702,979</u>	<u>—</u>	<u>51,702,979</u>
Unrestricted Grants, Aid, and State-Shared Revenue.....					15,017,305	—	15,017,305
Investment Income.....					708,316	1,301,288	2,009,604
Miscellaneous.....					—	—	—
Gain on Disposition of Capital Assets.....					—	13,940	13,940
Transfers.....					(627,030)	627,030	—
Total General Revenues and Transfers.....					<u>66,801,570</u>	<u>1,942,258</u>	<u>68,743,828</u>
Change in Net Position.....					14,092,553	20,594,624	34,687,177
Net Position - Beginning.....					174,179,231	246,525,432	420,704,663
Net Position - Ending.....					<u>\$ 188,271,784</u>	<u>\$ 267,120,056</u>	<u>\$ 455,391,840</u>

See accompanying Notes to the Financial Statements.

CITY OF RIO RANCHO, NEW MEXICO

Balance Sheet Governmental Funds June 30, 2019

	General	Infrastructure Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents.....	\$ 13,674,160	\$ 715,469	\$ 19,274,013	\$ 33,663,642
Receivables:				
Accounts, net.....	1,394,011	—	35,390	1,429,401
Interest.....	5,513	—	35,559	41,072
Property Taxes.....	931,567	—	315,986	1,247,553
Gross Receipt Taxes.....	3,698,571	—	666,774	4,365,345
Due From Federal Government.....	80,399	2,902,328	559,862	3,542,589
Due From State Government.....	2,198,000	13,328	837,299	3,048,627
Due From Local Governments.....	—	—	34,310	34,310
Due From Other Funds.....	780,834	—	—	780,834
Investments	1,293,630	—	7,710,033	9,003,663
Restricted Cash.....	—	—	15,837,158	15,837,158
Total Assets.....	<u>\$ 24,056,685</u>	<u>\$ 3,631,125</u>	<u>\$ 45,306,384</u>	<u>\$ 72,994,194</u>
LIABILITIES				
Accounts Payable.....	\$ 1,074,332	1,848,583	\$ 2,312,996	\$ 5,235,911
Accrued Liabilities.....	1,383,385	—	82,627	1,466,012
Due To Other Funds.....	—	—	780,834	780,834
Unearned Revenue.....	—	—	5,477	5,477
Total Liabilities.....	<u>2,457,717</u>	<u>1,848,583</u>	<u>3,181,934</u>	<u>7,488,234</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Property Taxes.....	803,010	—	239,556	1,042,566
Total Deferred Inflows of Resources.....	<u>803,010</u>	<u>—</u>	<u>239,556</u>	<u>1,042,566</u>
FUND BALANCES				
Restricted.....	—	1,782,542	40,167,746	41,950,288
Committed.....	—	—	1,725,811	1,725,811
Unassigned.....	20,795,958	—	(8,663)	20,787,295
Total Fund Balances.....	<u>20,795,958</u>	<u>1,782,542</u>	<u>41,884,894</u>	<u>64,463,394</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances.....	<u>\$ 24,056,685</u>	<u>3,631,125</u>	<u>\$ 45,306,384</u>	<u>\$ 72,994,194</u>

See accompanying Notes to the Financial Statements.

CITY OF RIO RANCHO, NEW MEXICO

Reconciliation of the Balance Sheet — Governmental Funds to the Statement of Net Position June 30, 2019

Total Fund Balances – Governmental Funds..... \$ 64,463,394

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.....	\$ 65,924,595	
Infrastructure.....	328,696,613	
Other capital assets.....	128,562,056	
Accumulated depreciation.....	(242,366,522)	280,816,742
		<u>280,816,742</u>

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.....		1,042,566
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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.....

(433,100)

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.....

999,471

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.....	(49,220,913)	
Unamortized premiums and discounts on bonds.....	(1,982,568)	
Deferred amount on bond refundings.....	871,609	
Prepaid bond insurance costs.....	21,877	
Deferred OPEB items, net.....	(8,661,297)	
Net OPEB liability.....	(29,623,363)	
Net pension liability.....	(78,045,571)	
Deferred pension plan items, net.....	13,080,457	
Compensated absences.....	(5,057,520)	(158,617,289)
		<u>(158,617,289)</u>

Net Position of Governmental Activities..... \$ 188,271,784

CITY OF RIO RANCHO, NEW MEXICO

Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds Year Ended June 30, 2019

	General	Infrastructure Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Property Taxes.....	\$ 16,647,216	\$ —	\$ 6,100,271	\$ 22,747,487
Municipal Taxes.....	20,369,275	—	4,151,685	24,520,960
Franchise Taxes.....	3,707,166	—	57,212	3,764,378
Licenses and Permits.....	368,108	—	—	368,108
Intergovernmental - Federal.....	194,310	7,310,594	1,520,066	9,024,970
Intergovernmental - State.....	12,275,825	822,766	4,788,636	17,887,227
Intergovernmental - Local.....	95,124	543,318	55,055	693,497
Impact Fees.....	—	—	811,328	811,328
Investment Income (Loss).....	68,781	—	639,536	708,317
Charges for Services.....	6,200,202	26,048	897,587	7,123,837
Fines and Forfeitures.....	886,131	—	72,236	958,367
Miscellaneous.....	2,187,496	—	2,140,459	4,327,955
Total Revenues.....	<u>62,999,634</u>	<u>8,702,726</u>	<u>21,234,071</u>	<u>92,936,431</u>
EXPENDITURES				
Current:				
General Government.....	8,689,428	—	822,982	9,512,410
Public Safety.....	27,579,494	—	4,524,082	32,103,576
Public Works.....	6,979,240	285,026	1,260,567	8,524,833
Parks, Recreation, and Culture.....	7,877,624	—	463,089	8,340,713
Community and Economic Development.....	2,977,644	—	565,205	3,542,849
Capital Outlay.....	764,031	8,928,420	12,167,638	21,860,089
Debt Service:				
Principal.....	—	—	6,176,788	6,176,788
Interest and Other Charges.....	—	—	1,326,004	1,326,004
Loan Issuance Costs.....	—	—	87,918	87,918
Bond Issuance Costs.....	—	—	131,389	131,389
Total Expenditures.....	<u>54,867,461</u>	<u>9,213,446</u>	<u>27,525,662</u>	<u>91,606,569</u>
Revenues Over (Under) Expenditures.....	8,132,173	(510,720)	(6,291,590)	1,329,863
OTHER FINANCING SOURCES (USES)				
Loan Proceeds.....	—	—	4,049,056	4,049,056
Issuance of General Obligation Bonds.....	—	—	14,100,000	14,100,000
Premium on Bonds Issued.....	—	—	837,327	837,327
Sale of Capital Assets.....	—	—	24,930	24,930
Transfers In.....	3,748,505	1,406,539	2,970,236	8,125,280
Transfers Out.....	(4,823,928)	—	(4,454,332)	(9,278,260)
Total Other Financing Sources (Uses).....	<u>(1,075,423)</u>	<u>1,406,539</u>	<u>17,527,217</u>	<u>17,858,333</u>
Net Change in Fund Balances.....	7,056,750	895,819	11,235,627	19,188,196
Fund Balances - Beginning.....	<u>13,739,208</u>	<u>886,723</u>	<u>30,649,267</u>	<u>45,275,198</u>
Fund Balances - Ending.....	<u>\$ 20,795,958</u>	<u>\$ 1,782,542</u>	<u>\$ 41,884,894</u>	<u>\$ 64,463,394</u>

See accompanying Notes to the Financial Statements.

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, 2019

Net Change in Fund Balances – Total Governmental Funds.....		\$ 19,188,196
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.....	\$ 21,860,089	
Assets received from developers and others.....	1,654,018	
Capital assets transfers from Utilities Fund.....	525,950	
Depreciation expense.....	<u>(12,976,075)</u>	11,063,982
Expenses related to the net OPEB liability not reported in the funds.....		945,649
Expenses related to the net Pension liability not reported in the funds.....		(5,117,089)
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.....	6,176,788	
Issuance of general obligation bonds (including premium).....	(14,937,327)	
Issuance of note payable.....	<u>(4,049,056)</u>	<u>(12,809,595)</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.....		39,661
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.....		<u>670,154</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.....	97,913	
Change in accrued interest on long-term debt.....	139,518	
Change in compensated absences.....	(14,063)	
Loss on disposal of assets.....	<u>(111,773)</u>	<u>111,595</u>
Change in Net Position of Governmental Activities.....		<u>\$ 14,092,553</u>

See accompanying Notes to the Financial Statements.

CITY OF RIO RANCHO, NEW MEXICO

Statement of Revenues, Expenditures, and Changes in Fund Balances — Budget and Actual —General Fund Year Ended June 30, 2019

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
REVENUES				
Property Taxes.....	\$ 16,013,908	\$ 16,013,908	\$ 16,634,198	\$ 620,290
Municipal and State-Shared Taxes.....	18,635,228	19,320,284	20,008,224	687,940
Franchise Taxes.....	3,533,960	3,533,960	3,917,131	383,171
Licenses and Permits.....	326,900	350,900	368,108	17,208
Intergovernmental - Federal.....	45,000	227,720	136,524	(91,196)
Intergovernmental - State.....	10,629,558	11,014,902	12,122,419	1,107,517
Intergovernmental - Local.....	103,250	103,500	102,000	(1,500)
Charges for Services.....	5,955,031	5,873,295	5,775,864	(97,431)
Fines and Forfeitures.....	908,000	908,000	886,131	(21,869)
Investment Income.....	19,215	19,215	30,591	11,376
Miscellaneous.....	2,142,724	2,354,314	2,193,813	(160,501)
Total Revenues.....	<u>58,312,774</u>	<u>59,719,998</u>	<u>62,175,003</u>	<u>2,455,005</u>
EXPENDITURES				
Current:				
General Government.....	9,618,315	10,028,901	8,158,768	1,870,133
Public Safety.....	27,502,018	27,897,761	27,332,340	565,421
Public Works.....	7,734,089	7,975,245	6,968,701	1,006,544
Parks, Recreation, and Culture.....	8,643,565	8,757,026	7,829,244	927,782
Community and Economic Development.....	3,280,664	3,273,730	2,963,084	310,646
Capital Outlay.....	867,972	968,635	782,946	185,689
Total Expenditures.....	<u>57,646,623</u>	<u>58,901,298</u>	<u>54,035,083</u>	<u>4,866,215</u>
Revenues Over (Under) Expenditures.....	666,151	818,700	8,139,920	7,321,220
OTHER FINANCING SOURCES (USES)				
Transfers In.....	4,646,658	5,071,991	5,071,991	—
Transfers Out.....	(5,476,587)	(6,166,768)	(6,148,007)	18,761
Total Other Financing Sources (Uses).....	<u>(829,929)</u>	<u>(1,094,777)</u>	<u>(1,076,016)</u>	<u>18,761</u>
Net Change in Fund Balances.....	(163,778)	(276,077)	7,063,904	7,339,981
Fund Balances - Beginning, Budgetary Basis.....	7,693,437	8,461,351	8,512,443	51,092
Fund Balances - Ending, Budgetary Basis.....	<u>\$ 7,529,659</u>	<u>\$ 8,185,274</u>	<u>\$ 15,576,347</u>	<u>\$ 7,391,073</u>

Budget to GAAP Reconciliation

Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 62,175,003
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.....	8,043,894
Prior year accrued revenue.....	(6,548,699)
Allowances for doubtful accounts are considered expenditures for financial reporting not for budgetary reporting.....	<u>(670,564)</u>
Total Actual Revenues - GAAP Basis.....	<u>\$ 62,999,634</u>

Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 54,035,083
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.....	2,241,652
Prior year accrued expenditures.....	<u>(1,409,274)</u>
Total Actual Expenditures - GAAP Basis.....	<u>\$ 54,867,461</u>

See accompanying Notes to the Financial Statements.

CITY OF RIO RANCHO, NEW MEXICO

Statement of Net Position — Proprietary Funds June 30, 2019

	Business-type Activities - Enterprise Funds			Total	Governmental Activities - Internal Service Funds
	Utilities Fund	Multi-Purpose Events Center Fund	Interfacility Transportation Fund		
ASSETS					
Current Assets:					
Cash and Cash Equivalents.....	\$ 30,382,247	\$ 265,367	\$ 70,000	\$ 30,717,614	\$ 1,191,161
Receivables:					
Accounts, net.....	6,953,805	37,169	—	6,990,974	—
Interest.....	108,849	8,820	—	117,669	4,410
Due From Federal Government.....	26,302	—	—	26,302	—
Due From State Government.....	—	338,452	—	338,452	—
Total Current Assets.....	<u>37,471,203</u>	<u>649,808</u>	<u>70,000</u>	<u>38,191,011</u>	<u>1,195,571</u>
Noncurrent Assets:					
Restricted Cash.....	36,452,765	166,973	—	36,619,738	—
Investments.....	13,764,218	—	—	13,764,218	1,034,904
Restricted Investments.....	—	2,069,807	—	2,069,807	—
Prepaid Bond Insurance.....	128,391	—	—	128,391	—
Capital Assets:					
Land.....	55,450,110	332,500	—	55,782,610	—
Construction in Progress.....	14,358,514	—	—	14,358,514	—
Infrastructure.....	204,651,080	—	—	204,651,080	—
Buildings and Improvements.....	61,863,841	40,979,294	—	102,843,135	—
Land Improvements.....	15,001,962	433,241	—	15,435,203	—
Machinery and Equipment.....	54,121,342	1,301,306	—	55,422,648	—
Less: Accumulated Depreciation.....	(98,701,458)	(9,926,300)	—	(108,627,758)	—
Total Noncurrent Assets.....	<u>357,090,765</u>	<u>35,356,821</u>	<u>—</u>	<u>392,447,586</u>	<u>1,034,904</u>
Total Assets.....	<u>394,561,968</u>	<u>36,006,629</u>	<u>70,000</u>	<u>430,638,597</u>	<u>2,230,475</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Amount on Bond Refundings.....	2,338,611	1,863,104	—	4,201,715	—
Deferred OPEB Items.....	28,176	—	—	28,176	—
Deferred Pension Plan Items.....	664,474	—	—	664,474	—
Excess Consideration Provided for Acquisition.....	2,854,852	—	—	2,854,852	—
Total Deferred Outflows of Resources.....	<u>5,886,113</u>	<u>1,863,104</u>	<u>—</u>	<u>7,749,217</u>	<u>—</u>
LIABILITIES					
Current Liabilities:					
Accounts Payable.....	4,245,612	3,029	—	4,248,641	—
Accrued Liabilities.....	599,351	65,306	—	664,657	—
Claims Payable.....	—	—	—	—	1,231,004
Deposits.....	1,172,353	—	—	1,172,353	—
Compensated Absences.....	96,509	—	—	96,509	—
Current Portion of Long-term Debt.....	10,003,369	1,440,000	—	11,443,369	—
Total Current Liabilities.....	<u>16,117,194</u>	<u>1,508,335</u>	<u>—</u>	<u>17,625,529</u>	<u>1,231,004</u>
Noncurrent Liabilities:					
Notes Payable.....	23,640,151	—	—	23,640,151	—
Bonds Payable, net.....	103,906,059	21,150,000	—	125,056,059	—
Net OPEB Liability.....	1,559,124	—	—	1,559,124	—
Net Pension Liability.....	2,682,185	—	—	2,682,185	—
Compensated Absences.....	37,592	—	—	37,592	—
Total Noncurrent Liabilities.....	<u>131,825,111</u>	<u>21,150,000</u>	<u>—</u>	<u>152,975,111</u>	<u>—</u>
Total Liabilities.....	<u>147,942,305</u>	<u>22,658,335</u>	<u>—</u>	<u>170,600,640</u>	<u>1,231,004</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred OPEB Items.....	487,080	—	—	487,080	—
Deferred Pension Plan Items.....	180,038	—	—	180,038	—
Total Deferred Inflows of Resources.....	<u>667,118</u>	<u>—</u>	<u>—</u>	<u>667,118</u>	<u>—</u>
NET POSITION					
Net Investment in Capital Assets.....	207,987,188	12,560,118	—	220,547,306	—
Restricted for Debt Service.....	36,452,765	2,236,780	—	38,689,545	—
Unrestricted.....	7,398,705	414,500	70,000	7,883,205	999,471
Total Net Position.....	<u>\$ 251,838,658</u>	<u>\$ 15,211,398</u>	<u>\$ 70,000</u>	<u>\$ 267,120,056</u>	<u>\$ 999,471</u>

See accompanying Notes to the Financial Statements.

CITY OF RIO RANCHO, NEW MEXICO

Statement of Revenues, Expenses, and Changes in Net Position — Proprietary Funds Year Ended June 30, 2019

	Business-type Activities - Enterprise Funds			Total	Governmental Activities - Internal Service Funds
	Utilities Fund	Multi-Purpose Events Center Fund	Interfacility Transportation Fund		
OPERATING REVENUES					
Charges for Services.....	\$ 49,900,736	\$ 396,854	\$ —	\$ 50,297,590	\$ 6,622,362
Total Revenues.....	<u>49,900,736</u>	<u>396,854</u>	<u>—</u>	<u>50,297,590</u>	<u>6,622,362</u>
OPERATING EXPENSES					
General and Administrative.....	4,127,872	1,126,863	—	5,254,735	576,075
Production Costs.....	19,825,105	—	—	19,825,105	—
Depreciation.....	7,963,137	902,551	—	8,865,688	—
Claims and Premiums.....	—	—	—	—	6,055,229
Total Expenses.....	<u>31,916,114</u>	<u>2,029,414</u>	<u>—</u>	<u>33,945,528</u>	<u>6,631,304</u>
Operating Income (Loss).....	<u>17,984,622</u>	<u>(1,632,560)</u>	<u>—</u>	<u>16,352,062</u>	<u>(8,942)</u>
NON-OPERATING REVENUES (EXPENSES)					
Intergovernmental Revenue - Federal.....	3,592,972	—	—	3,592,972	—
Intergovernmental Revenue - State.....	—	1,920,506	—	1,920,506	—
Intergovernmental Revenue - Local.....	—	—	—	—	—
Impact Fees.....	862,937	—	—	862,937	—
Interest Expense.....	(4,839,657)	(824,740)	—	(5,664,397)	—
Amortization of Deferred Bond Items.....	674,134	(232,888)	—	441,246	—
Amortization of Excess Consideration.....	(178,895)	—	—	(178,895)	—
Investment Income (Loss).....	1,205,111	96,177	—	1,301,288	48,603
Gain on Disposition of Capital Assets.....	13,940	—	—	13,940	—
Total Non-Operating Revenues (Expenses).....	<u>1,330,542</u>	<u>959,055</u>	<u>—</u>	<u>2,289,597</u>	<u>48,603</u>
Income (Loss) Before					
Capital Contributions and Transfers.....	19,315,164	(673,505)	—	18,641,659	39,661
Capital Grants and Contributions.....	1,325,935	—	—	1,325,935	—
Transfers In.....	—	1,082,980	70,000	1,152,980	—
Transfers Out.....	(525,950)	—	—	(525,950)	—
Change in Net Position.....	<u>20,115,149</u>	<u>409,475</u>	<u>70,000</u>	<u>20,594,624</u>	<u>39,661</u>
Net Position - Beginning.....	<u>231,723,509</u>	<u>14,801,923</u>	<u>—</u>	<u>246,525,432</u>	<u>959,810</u>
Net Position - Ending.....	<u>\$ 251,838,658</u>	<u>\$ 15,211,398</u>	<u>\$ 70,000</u>	<u>\$ 267,120,056</u>	<u>\$ 999,471</u>

See accompanying Notes to the Financial Statements.

CITY OF RIO RANCHO, NEW MEXICO

Statement of Cash Flows — Proprietary Funds Year Ended June 30, 2019

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Utilities Fund	Multi-Purpose Events Center Fund	Interfacility Transportation Fund	Total	
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from Customers and Users.....	\$ 49,213,918	\$ 390,872	\$ —	\$ 49,604,790	\$ 6,622,362
Payments to Suppliers and Contractors.....	(19,325,370)	(1,125,683)	—	(20,451,053)	(6,506,004)
Payments to Employees.....	(2,001,249)	—	—	(2,001,249)	—
Net Cash Provided (Used) by Operating Activities.....	27,887,299	(734,811)	—	27,152,488	116,358
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES					
Transfers (To) From Other Funds.....	(525,950)	1,082,980	70,000	627,030	—
Intergovernmental Revenues.....	3,592,972	1,920,506	—	5,513,478	—
Net Cash Provided (Used) by Non-Capital Financing Activities.....	3,067,022	3,003,486	70,000	6,140,508	—
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Development Impact Fees.....	862,937	—	—	862,937	—
Capital Grants.....	1,325,935	—	—	1,325,935	—
Acquisition of Capital Assets.....	(14,972,777)	—	—	(14,972,777)	—
Proceeds from Bonds and Notes.....	9,658,659	—	—	9,658,659	—
Principal Paid on Bonds and Notes.....	(7,547,451)	(1,410,000)	—	(8,957,451)	—
Interest and Other Charges Paid on Bonds and Notes.....	(4,344,418)	(824,740)	—	(5,169,158)	—
Proceeds from Disposal of Capital Assets.....	13,940	—	—	13,940	—
Net Cash Provided (Used) by Capital and Related Financing Activities.....	(15,003,175)	(2,234,740)	—	(17,237,915)	—
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of Investments.....	(7,745,651)	(1,164,760)	—	(8,910,411)	(554,378)
Proceeds from Sale of Investments.....	7,146,931	1,074,727	—	8,221,658	537,363
Investment Income.....	1,205,111	96,177	—	1,301,288	20,257
Net Cash Provided (Used) by Investing Activities.....	606,391	6,144	—	612,535	3,242
Net Cash Provided (Used) - All Activities.....	16,557,537	40,079	70,000	16,667,616	119,600
Cash and Cash Equivalents - Beginning.....	50,277,475	392,261	—	50,669,736	1,071,561
Cash and Cash Equivalents - Ending.....	\$ 66,835,012	\$ 432,340	\$ 70,000	\$ 67,337,352	\$ 1,191,161
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating Income (Loss).....	\$ 17,984,622	\$ (1,632,560)	\$ —	\$ 16,352,062	\$ (8,942)
Adjustments to Reconcile Operating Income (Loss):					
Depreciation Expense.....	7,963,137	902,551	—	8,865,688	—
(Increase) Decrease in Accounts Receivable.....	(686,818)	(5,982)	—	(692,800)	—
(Increase) Decrease in Deferred Outflow in Pension.....	(128,143)	—	—	(128,143)	—
(Increase) Decrease in Deferred Outflow in OPEB.....	769	—	—	769	—
(Increase) Decrease in Excess Consideration.....	178,894	—	—	178,894	—
Increase (Decrease) in Accounts Payable.....	2,207,140	1,420	—	2,208,560	—
Increase (Decrease) in Accrued Liabilities.....	(13,824)	(240)	—	(14,064)	125,300
Increase (Decrease) in Deposits.....	121,570	—	—	121,570	—
Increase (Decrease) in Compensated Absences.....	24,088	—	—	24,088	—
Increase (Decrease) in Net Pension Liability.....	382,235	—	—	382,235	—
Increase (Decrease) in OPEB Liability.....	(148,882)	—	—	(148,882)	—
Increase (Decrease) in Deferred Inflow of Pension.....	(95,831)	—	—	(95,831)	—
Increase (Decrease) in Deferred Inflow of OPEB.....	98,342	—	—	98,342	—
Net Cash Provided (Used) by Operating Activities.....	\$ 27,887,299	\$ (734,811)	\$ —	\$ 27,152,488	\$ 116,358
NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES					
Capital Contributions from Developers and Others.....	\$ 1,325,935	\$ —	\$ —	\$ 1,325,935	\$ —
Gain (Loss) on Sale of Capital Assets.....	—	—	—	—	—
Total Non-Cash Investing, Capital and Financing Activities.....	\$ 1,325,935	\$ —	\$ —	\$ 1,325,935	\$ —

See accompanying Notes to the Financial Statements.

CITY OF RIO RANCHO, NEW MEXICO

Statement of Fiduciary Assets and Liabilities — Proprietary Funds June 30, 2019

	<u>Agency Funds</u>
ASSETS	
Cash	\$ 6,067,741
Total Assets.....	<u>\$ 6,067,741</u>
LIABILITIES	
Deposits Held for Others.....	<u>\$ 6,067,741</u>
Total Liabilities.....	<u>\$ 6,067,741</u>

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2019

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CITY OF RIO RANCHO, NEW MEXICO
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2019

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

Year Ended June 30, 2019

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, as amended. 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. The fiduciary fund activity is excluded from the government-wide financial statements. 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, 2019

The City reports two major governmental funds:

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

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.
- **Inter-facility Transportation Fund.** This fund accounts for the operation of the City's nonemergency interfacility transfer and community medicine services program that transfers medical patients from one facility to another, and performs community medicine services for a fee. 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.

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

Year Ended June 30, 2019

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 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 mils (\$20 per \$1,000 assessed valuation), of which the City's portion, by state regulation, is limited to 5.151 mils.

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

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

Capital Assets. The City defines a capital asset as an asset with an initial cost of \$5,000 or more and an estimated useful life of more than two years. Such assets are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at acquisition value on the date of donation.

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

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

The account Excess Consideration Provided for Acquisition represents the excess of the cost of an acquisition over fair value of the City's share of the net identifiable assets of the controlled entity/associate at the date of the acquisition of the Utility. Software is capitalized when acquired while library books are not capitalized because the aggregated cost of books is considered immaterial.

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

Year Ended June 30, 2019

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

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

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

Deferred Outflows/Inflows of Resources. In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The City has recognized deferred outflows of resources for its FY2019 pension contributions and OPEB contributions.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The City has reported the following in this category:

- In the governmental funds balance sheet, it has reported *unavailable revenue*. The unavailable revenue is from one source: property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available.
- The City has recognized deferred inflows of resources for its pension liability and OPEB liability based on actuarial valuation that was performed.

For additional pension and OPEB information, refer to Notes 11 and 12, respectively.

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.

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.

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

Year Ended June 30, 2019

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.

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.

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.

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.

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

Year Ended June 30, 2019

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 \$73,600,179 and the bank balance was \$74,481,968. The difference represents outstanding checks, deposits, and other reconciling items. The City also had \$5,710 of cash on hand at June 30. Following are discussions of the City's exposure to various risks related to its cash management activities.

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, 2019, \$74,408,461 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.....	\$ 74,408,461
Less FDIC insured amount.....	(250,000)
Total uninsured deposits.....	74,158,461
50% collateral requirement.....	37,079,231
Pledged securities, fair value.....	84,532,270
Pledged in excess of requirement.....	\$ 47,453,039

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:

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

Year Ended June 30, 2019

Investment Type	Fair Value	Weighted Average Maturity	Category
State Treasurer's Investment Pool.....	\$ 6,594	N/A	N/A
US Bank - U.S. Government Issues.....	25,872,590	985.5 days	Level 1
Bank of New York Mellon Money Market.....	503,594	N/A	Level 1
US Treasuries held by NMFA.....	38,633,427	N/A	Level 1
BAQ Short-Term Cash Investments.....	11,347,551	N/A	Level 1
Total.....	\$ 76,363,756		

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.

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 & Poor's. 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.

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

Year Ended June 30, 2019

C. 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 effective duration of three 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 36 months. The effective duration was 2.55 years or 930.75 days. The weighted average maturity of the total portfolio was 2.70 years or 985.5 days.

NOTE 3. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

For fiscal year 2019, the Multi-Purpose Event Center's actual transfers exceeded budgetary authority by \$24,977.

NOTE 4. INTERFUND BALANCES

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

	Due From Other Funds - General Fund
Due To Other Funds reported in:	
Nonmajor Special Revenue Funds:	
Public Safety and Other Grants Fund.....	\$ 393,026
Library Fund.....	24,972
Keep Rio Rancho Beautiful Fund.....	34,505
HUD CDBG Grant Fund.....	3,697
Crime Victim Assistance Fund.....	15,251
Nonmajor Capital Project Funds:	
State Appropriation Capital Projects Fund.....	309,383
Total.....	\$ 780,834

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

Year Ended June 30, 2019

NOTE 5. INTERFUND TRANSFERS

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

	Transfers Out reported in:		
	General Fund	Nonmajor Special Revenue Funds	Total Transfers In
Transfers In reported in:			
General Fund.....	\$ —	\$ 3,748,505	\$ 3,748,505
Infrastructure Fund.....	1,406,539	—	1,406,539
Nonmajor Special Revenue Funds:			
Library Fund.....	23,953	—	23,953
Regional Emergency Comm Center.....	1,770,367	—	1,770,367
Local Govt Corrections Fund.....	296,000	—	296,000
Promotion and Marketing Fund.....	96,302	—	96,302
Crime Victim Assistance Fund.....	19,536	—	19,536
RioVision Cable Fund.....	6,812	—	6,812
Public Safety and Other Grants Fund.....	26,642	—	26,642
Nonmajor Debt Service Funds:			
GO Bond.....	—	705,827	705,827
Nonmajor Capital Project Funds:			
Recreation Development Fund.....	24,797	—	24,797
Total Transfers Out - Governmental Funds.....	3,670,948	4,454,332	8,125,280
Enterprise Funds:			
MPEC Fund.....	1,082,980	—	1,082,980
Interfacility Transport.....	70,000	—	70,000
Total Enterprise Funds.....	1,152,980	—	1,152,980
Total.....	\$ 4,823,928	\$ 4,454,332	\$ 9,278,260

*During the year, capital assets with a net carrying value of \$525,950 were shown as a Transfer Out of the Utilities at the fund-level, and as a Transfer-In in the governmental activities for government-wide financial statement preparation.

During the year ended June 30, 2019, transfers from the General Fund were primarily used for the following:

- Creation of new proprietary fund – Interfacility Transport fund.
- 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

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

Year Ended June 30, 2019

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 Vision Cable Fund	Public Safety Enforcement Aid Fund	Regional Emergency Comm Center	Total	Utility Fund	MPEC Fund	Total
Accounts Receivable.....	\$ 2,416,095	\$ 14,502	\$ 15,108	\$ 5,780	\$ 2,451,485	\$ 7,799,307	\$ 37,169	\$ 7,836,476
Allowance for Uncollectible Accounts.....	(1,022,084)	—	—	—	(1,022,084)	(845,502)	—	(845,502)
Net Accounts Receivable....	<u>\$ 1,394,011</u>	<u>\$ 14,502</u>	<u>\$ 15,108</u>	<u>\$ 5,780</u>	<u>\$ 1,429,401</u>	<u>\$ 6,953,805</u>	<u>\$ 37,169</u>	<u>\$ 6,990,974</u>

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 2019 were \$503,736. Future minimum lease commitments for non-cancelable operating leases as of June 30 are as follows:

Fiscal Year	Future Commitments for Operating Leases		
	Governmental Activities	Business-type Activities	Total
2020.....	\$ 214,060	\$ 7,967	\$ 222,027
2021.....	78,709	—	78,709
2022.....	46,208	—	46,208
2023.....	40,950	—	40,950
2024.....	4,034	—	4,034
Total.....	<u>\$ 383,961</u>	<u>\$ 7,967</u>	<u>\$ 391,928</u>

NOTE 8. CAPITAL ASSETS

A. Depreciation – Governmental Activities

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

General Government.....	\$ 383,530
Public Safety.....	1,238,561
Public Works.....	10,279,228
Parks, Recreation, and Culture	1,071,413
Community and Economic Development.....	3,343
Total.....	<u>\$ 12,976,075</u>

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 \$21,907,346.

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2019

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
Governmental Activities:						
<i>Capital assets not being depreciated:</i>						
Land and Related Assets.....	\$	65,735,425	\$ 189,170	\$ —	\$ —	\$ 65,924,595
Construction-In-Progress.....		8,251,088	16,497,853	(93,131)	(5,818,616)	18,837,194
Total.....		73,986,513	16,687,023	(93,131)	(5,818,616)	84,761,789
<i>Capital assets being depreciated:</i>						
Infrastructure.....		321,975,382	1,654,018	—	5,067,213	328,696,613
Buildings and Improvements.....		54,515,216	—	—	594,393	55,109,609
Land Improvements.....		21,001,584	—	—	267,403	21,268,987
Equipment.....		29,210,069	5,173,066	(1,556,515)	519,646	33,346,266
Total.....		426,702,251	6,827,084	(1,556,515)	6,448,655	438,421,475
Less Accumulated Depreciation for:						
Infrastructure.....		(188,328,053)	(8,991,204)	—	—	(197,319,257)
Buildings and Improvements.....		(13,153,633)	(1,093,913)	—	(10,214)	(14,257,760)
Land Improvements.....		(8,495,275)	(917,748)	—	22,722	(9,390,301)
Equipment.....		(20,847,270)	(1,973,210)	1,537,873	(116,597)	(21,399,204)
Total.....		(230,824,231)	(12,976,075)	1,537,873	(104,089)	(242,366,522)
Capital assets being depreciated, net.....		195,878,020	(6,148,991)	(18,642)	6,344,566	196,054,953
Governmental Activities Capital Assets, Net.....	\$	269,864,533	\$ 10,538,032	\$ (111,773)	\$ 525,950	\$ 280,816,742
		Capital Assets - Business-type Activities				
		Beginning Balance	Additions	Deletions	* Transfers	Ending Balance
Business-type Activities:						
<i>Capital assets not being depreciated:</i>						
Land and Related Assets.....	\$	55,107,257	\$ 270,353	\$ —	\$ 405,000	\$ 55,782,610
Construction-In-Progress.....		7,445,961	12,967,216	(62,662)	(5,992,001)	14,358,514
Total.....		62,553,218	13,237,857	(62,662)	(5,587,001)	70,141,124
<i>Capital assets being depreciated:</i>						
Infrastructure.....		201,471,726	1,325,934	—	1,853,420	204,651,080
Buildings and Improvements.....		99,773,389	—	—	3,069,746	102,843,135
Land Improvements.....		15,435,203	—	—	—	15,435,203
Equipment.....		54,542,830	997,886	(151,864)	33,796	55,422,648
Total.....		371,223,148	2,323,821	(151,864)	4,956,962	378,352,066
Less Accumulated Depreciation for:						
Infrastructure.....		(35,610,072)	(3,358,837)	—	—	(38,968,909)
Buildings and Improvements.....		(24,932,042)	(2,078,175)	—	—	(27,010,217)
Land Improvements.....		(4,817,646)	(641,997)	—	—	(5,459,643)
Equipment.....		(34,658,263)	(2,786,680)	151,865	104,089	(37,188,989)
Total.....		(100,018,023)	(8,865,689)	151,865	104,089	(108,627,758)
Capital assets being depreciated, net.....		271,205,125	(6,541,868)	1	5,061,051	269,724,308
Business-type Activities Capital Assets, Net.....	\$	333,758,343	\$ 6,695,989	\$ (62,661)	\$ (525,950)	\$ 339,865,432

*During the year, capital assets with a net carrying value of \$525,950, were shown as a Transfer Out of the Utilities at the fund-level, and as a Transfer-In in the governmental activities for government-wide financial statement preparation.

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2019

NOTE 9. LONG-TERM LIABILITIES

A. Changes in Long-term Liabilities

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

Long-term Liabilities					
	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Governmental Activities:					
General Obligation Bonds.....	\$ 16,955,000	\$ 14,100,000	\$ (3,705,000)	\$ 27,350,000	\$ 5,395,000
Gross Receipts Tax Revenue Bonds.....	9,880,000	—	(1,260,000)	8,620,000	1,310,000
Unamortized Premiums.....	1,376,445	837,327	(231,204)	1,982,568	—
Notes from Direct Borrowings.....	10,413,645	4,049,056	(1,211,788)	13,250,913	1,365,962
Compensated Absences.....	5,043,457	3,203,387	(3,189,324)	5,057,520	2,991,185
Total Governmental Long-term Liabilities.....	\$ 43,668,547	\$ 22,189,770	\$ (9,597,316)	\$ 56,261,001	\$ 11,062,147
Business-type Activities:					
Utility Revenue Bonds.....	\$ 110,325,000	\$ 15,800,000	\$ (24,990,000)	\$ 101,135,000	\$ 8,692,500
MPEC Revenue Bonds.....	24,000,000	—	(1,410,000)	22,590,000	1,440,000
Unamortized Premiums.....	10,513,055	2,893,285	(1,942,781)	11,463,559	—
Notes from Direct Borrowings.....	15,484,861	10,425,000	(958,841)	24,951,020	1,310,869
Compensated Absences.....	110,013	126,537	(102,449)	134,101	96,509
Total Business-type Long-term Liabilities.....	\$ 160,432,929	\$ 29,244,822	\$ (29,404,071)	\$ 160,273,680	\$ 11,539,878

B. Debt Service Requirements to Maturity – Summary

The following tables summarize the City’s debt service requirements to maturity for all bonds and notes from direct borrowings:

Fiscal Year	Governmental Activities						Total Governmental Activities
	General Obligation Bonds		Gross Receipts Tax Revenue Bonds		Notes from Direct Borrowings		
	Principal	Interest	Principal	Interest	Principal	Interest	
2020.....	\$ 5,395,000	\$ 928,375	\$ 1,310,000	\$ 265,838	\$ 1,365,962	\$ 287,575	\$ 9,552,749
2021.....	5,435,000	692,525	1,365,000	213,438	1,379,724	270,731	9,356,418
2022.....	3,450,000	504,425	1,425,000	158,838	1,355,893	241,524	7,135,680
2023.....	1,625,000	401,575	1,480,000	101,838	1,230,733	210,221	5,049,367
2024.....	1,625,000	335,225	1,505,000	72,238	1,200,802	182,618	4,920,882
2025 - 2029..	8,100,000	819,025	1,535,000	38,375	4,809,136	514,344	15,815,880
2030 - 2034..	1,720,000	51,000	—	—	1,908,663	151,582	3,831,245
2035 - 2039..	—	—	—	—	—	—	—
2040 - 2044..	—	—	—	—	—	—	—
Total.....	\$ 27,350,000	\$ 3,732,150	\$ 8,620,000	\$ 850,563	\$ 13,250,913	\$ 1,858,595	\$ 55,662,221

Fiscal Year	Business-type Activities						Total Business-type Activities
	Utility Revenue Bonds		Multi-Purpose Events Center Revenue Bonds		Notes from Direct Borrowings		
	Principal	Interest	Principal	Interest	Principal	Interest	
2020.....	\$ 8,692,500	\$ 4,196,600	\$ 1,440,000	\$ 796,780	\$ 1,310,869	\$ 884,510	\$ 17,321,259
2021.....	9,126,667	3,779,425	1,470,000	764,812	1,284,483	921,232	17,346,618
2022.....	9,558,333	3,341,192	1,505,000	727,768	1,324,449	881,209	17,337,950
2023.....	5,812,500	2,878,525	1,550,000	684,123	1,375,909	836,841	13,137,897
2024.....	5,687,500	2,587,901	1,595,000	636,848	1,418,656	788,891	12,714,795
2025 - 2029..	24,469,167	9,553,384	8,850,000	2,317,667	7,969,650	3,100,027	56,259,896
2030 - 2034..	21,458,333	4,816,501	6,180,000	524,243	6,071,750	1,500,216	40,551,042
2035 - 2039..	11,620,834	1,791,548	—	—	4,195,254	489,717	18,097,353
2040 - 2044..	4,709,166	206,400	—	—	—	—	4,915,566
Total.....	\$ 101,135,000	\$ 33,151,476	\$ 22,590,000	\$ 6,452,238	\$ 24,951,020	\$ 9,402,643	\$ 197,682,377

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

Year Ended June 30, 2019

C. General Obligation Bonds

During 2019, the City issued a Series 2018 General Obligation (GO) Bond in the amount of \$14,100,000 for Public Safety initiatives. 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, 2019
Series 2009 Project Bonds.....	5/27/2009	8/1/2021	2.50% to 4.00%	\$ 25,000,000	\$ 5,825,000
Series 2016 Imprv/Refund Bonds....	5/25/2016	8/1/2028	2.00% to 5.00%	11,310,000	7,425,000
Series 2018 Public Safety Bonds.....	8/28/2018	8/1/2030	2.50% to 3.00%	14,100,000	14,100,000
Total General Obligation Bonds Outstanding.....					27,350,000
Add Unamortized Premium.....					1,416,085
Total General Obligation Bonds Payable.....					\$ 28,766,085

Debt Service Requirements to Maturity - General Obligation Bonds

Fiscal Year	Series 2009			Series 2016 Improvement & Refunding		
	Principal	Interest	Total	Principal	Interest	Total
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.....	—	—	—	745,000	94,425	839,425
2025 - 2029..	—	—	—	3,700,000	195,825	3,895,825
2030 - 2034..	—	—	—	—	—	—
Total.....	\$ 5,825,000	\$ 342,500	\$ 6,167,500	\$ 7,425,000	\$ 891,450	\$ 8,316,450

Fiscal Year	Series 2018 Public Safety Bonds			Total General Obligation Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2020.....	\$ 2,650,000	\$ 551,550	\$ 3,201,550	\$ 5,395,000	\$ 928,375	\$ 6,323,375
2021.....	2,690,000	418,050	3,108,050	5,435,000	692,525	6,127,525
2022.....	880,000	328,800	1,208,800	3,450,000	504,425	3,954,425
2023.....	880,000	284,800	1,164,800	1,625,000	401,575	2,026,575
2024.....	880,000	240,800	1,120,800	1,625,000	335,225	1,960,225
2025 - 2029..	4,400,000	623,200	5,023,200	8,100,000	819,025	8,919,025
2030 - 2034..	1,720,000	51,000	1,771,000	1,720,000	51,000	1,771,000
Total.....	\$ 14,100,000	\$ 2,498,200	\$ 16,598,200	\$ 27,350,000	\$ 3,732,150	\$ 31,082,150

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

Year Ended June 30, 2019

D. Gross Receipts Tax Revenue Bonds – Governmental Activities

During 2019, the City did not issue any new Gross Receipts Tax (GRT) Revenue Bonds. GRT Revenue Bonds Payable at June 30 consisted of the following:

Gross Receipts Tax Revenues Bonds Payable - Governmental Activities					
	Issue Date	Maturity Date	Interest Rate	Original Amount	Balance June 30, 2019
Series 2013 Refunding Bonds.....	5/15/2013	6/1/2025	2.00% to 4.00%	\$ 13,420,000	\$ 8,620,000
Total Gross Receipts Tax Revenue Bonds Outstanding, Governmental Activities.....					8,620,000
Add Unamortized Premium.....					566,483
Total Gross Receipts Tax Revenue Bonds Payable, Governmental Activities.....					\$ 9,186,483

Debt Service Requirements to Maturity						
Gross Receipts Tax Revenue Bonds, Governmental Activities						
Fiscal Year	Series 2013 Refunding			Total Gross Receipts Tax Revenue Bonds		
	Principal	Interest	Total	Principal	Interest	Total
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.....	1,505,000	72,238	1,577,238	1,505,000	72,238	1,577,238
2025 - 2029..	1,535,000	38,375	1,573,375	1,535,000	38,375	1,573,375
Total.....	\$ 8,620,000	\$ 850,563	\$ 9,470,563	\$ 8,620,000	\$ 850,563	\$ 9,470,563

E. Notes from Direct Borrowings – Governmental Activities

During 2019, the City issued new loans with NMFA for water and sewer infrastructure and to purchase heavy street equipment. Notes from Direct Borrowings for governmental activities at June 30 consisted of the following:

Notes from Direct Borrowings - Governmental Activities					
	Issue Date	Maturity Date	Interest Rate	Original Amount	Balance June 30, 2019
2007 NMFA Fire Apparatus.....	3/9/2007	5/1/2022	3.32% to 3.91%	\$ 1,649,286	\$ 422,350
2010 NMFA Fire Pumper & Equipment.....	1/15/2010	5/1/2020	0.98% to 3.22%	337,259	37,731
2010 NMFA Infrastructure Improvements....	8/12/2010	5/1/2025	3.460%	3,942,260	1,779,324
2013 NMFA Fire Admin Building.....	5/17/2013	5/1/2033	0.32% to 3.50%	795,925	590,996
2013 NMFA Fire Truck.....	12/20/2013	6/1/2023	0.18% to 2.75%	495,000	220,000
2016 NMFA Police Vehicles.....	5/20/2016	5/1/2021	0.69% to 1.16%	259,950	106,456
2018 NMFA HP Loan Refunding.....	10/6/2018	6/1/2028	1.81%	3,515,000	3,095,000
2018 NMFA High School Loan Refunding..	10/6/2018	6/1/2028	1.78%	3,370,000	2,950,000
2019 NMFA Heavy Equipment & Vehicles..	1/11/2019	8/1/2025	2.43%	609,056	609,056
2019 NMFA Los Diamontes Development...	6/28/2019	5/1/2034	2.243557%	3,440,000	3,440,000
Total Notes Outstanding, Governmental Activities.....					13,250,913
Total Notes Payable, Governmental Activities.....					\$ 13,250,913

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2019

Debt Service Requirements to Maturity - Notes from Direct Borrowings, Governmental Activities

Fiscal Year	2007 Fire Apparatus			2010 Fire Pumper and Equipment			2010 Infrastructure Improvements		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
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.....	—	—	—	—	—	—	312,774	26,922	339,696
2025 - 2029..	—	—	—	—	—	—	325,754	13,942	339,696
Total.....	\$ 422,350	\$ 35,416	\$ 457,766	\$ 37,731	\$ 1,215	\$ 38,946	\$ 1,779,324	\$ 258,853	\$ 2,038,177

Fiscal Year	2013 Fire Admin Building			2013 Fire Truck			2016 Police Vehicles		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
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.....	38,740	14,300	53,040	—	—	—	—	—	—
2025 - 2029..	210,857	54,338	265,195	—	—	—	—	—	—
2030 - 2034..	194,663	17,493	212,156	—	—	—	—	—	—
Total.....	\$ 590,996	\$ 151,551	\$ 742,547	\$ 220,000	\$ 14,504	\$ 234,504	\$ 106,456	\$ 1,792	\$ 108,248

Fiscal Year	2018 NMFA HP Loan Refunding			2018 NMFA High School Loan Refunding			2019 NMFA Heavy Equipment & Vehicles		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2020.....	\$ 325,000	51,758	\$ 376,758	\$ 325,000	\$ 48,489	\$ 373,489	\$ 48,553	\$ 14,477	\$ 63,030
2021.....	325,000	48,345	373,345	325,000	45,077	370,077	88,338	12,297	100,635
2022.....	330,000	44,575	374,575	330,000	41,307	371,307	90,184	10,381	100,565
2023.....	335,000	40,285	375,285	330,000	37,017	367,017	92,168	8,329	100,497
2024.....	340,000	35,461	375,461	335,000	32,265	367,265	94,288	6,138	100,426
2025 - 2029..	1,440,000	79,397	1,519,397	1,305,000	68,288	1,373,288	195,525	5,087	200,612
Total.....	\$ 3,095,000	\$ 299,820	\$ 3,394,820	\$ 2,950,000	\$ 272,441	\$ 3,222,441	\$ 609,056	\$ 56,710	\$ 665,766

Fiscal Year	2019 NMFA Los Diamontes			Total Notes from Direct Borrowings		
	Principal	Interest	Total	Principal	Interest	Total
2020.....	\$ 80,000	\$ 61,088	\$ 141,088	\$ 1,365,962	\$ 287,575	\$ 1,653,537
2021.....	76,000	71,324	147,324	1,379,724	270,731	1,650,455
2022.....	78,000	70,116	148,116	1,355,893	241,524	1,597,417
2023.....	80,000	68,852	148,852	1,230,733	210,221	1,440,954
2024.....	80,000	67,532	147,532	1,200,802	182,618	1,383,420
2025 - 2029..	1,332,000	293,293	1,625,293	4,809,136	514,344	5,323,480
2030 - 2034..	1,714,000	134,089	1,848,089	1,908,663	151,582	2,060,245
Total.....	\$ 3,440,000	\$ 766,294	\$ 4,206,294	\$ 13,250,913	\$ 1,858,595	\$ 15,109,508

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2019

F. Utility Revenue Bonds

During 2019, the City issued a 2019 Utility Revenue Bond to refund the Series 2009 Revenue Bond. 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, 2019
Series 2013 Refunding Bonds.....	5/30/2013	5/15/2025	2.00% to 5.00%	\$ 16,600,000	\$ 9,100,000
Series 2015 Refunding Bonds.....	9/22/2015	5/15/2032	2.00% to 5.00%	27,365,000	25,620,000
Series 2017 Senior Lien Bonds.....	7/13/2016	5/15/2041	3.59%	22,900,000	22,189,167
Series 2017 Senior Lien Refunding Bonds.....	7/13/2016	5/15/2034	3.59%	9,080,000	8,550,833
Series 2017 Subordinate Lien Refunding Bonds.....	7/13/2016	5/15/2041	3.56%	21,825,000	20,040,000
Series 2019 Refunding Bonds (of Series 2009).....	2/21/2019	5/15/2022	2.39%	15,800,000	15,635,000
Total Utility Bonds Outstanding.....					<u>101,135,000</u>
Add Unamortized Premium.....					<u>9,669,561</u>
Total Utility Bonds Payable.....					<u>\$ 110,804,561</u>

Debt Service Requirements to Maturity - Utility Revenue Bonds									
Fiscal Year	Series 2013 Refunding			Series 2015 Refunding			Series 2017 Senior Lien		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2020.....	\$ 1,410,000	\$ 381,700	\$ 1,791,700	\$ 335,000	\$ 1,091,400	\$ 1,426,400	\$ 640,833	\$ 824,008	\$ 1,464,842
2021.....	1,465,000	325,300	1,790,300	345,000	1,078,000	1,423,000	675,833	791,967	1,467,800
2022.....	1,525,000	266,700	1,791,700	360,000	1,064,200	1,424,200	710,833	758,175	1,469,008
2023.....	1,580,000	205,700	1,785,700	2,000,000	1,046,200	3,046,200	745,833	722,633	1,468,467
2024.....	1,655,000	126,700	1,781,700	2,095,000	946,200	3,041,200	781,667	685,342	1,467,009
2025 - 2029.....	1,465,000	43,950	1,508,950	12,035,000	3,195,850	15,230,850	4,415,833	2,918,534	7,334,367
2030 - 2034.....	—	—	—	8,450,000	685,000	9,135,000	5,290,000	2,039,717	7,329,717
Total.....	<u>\$ 9,100,000</u>	<u>\$ 1,350,050</u>	<u>\$ 10,450,050</u>	<u>\$ 25,620,000</u>	<u>\$ 9,106,850</u>	<u>\$ 34,726,850</u>	<u>\$ 22,189,167</u>	<u>\$ 9,832,884</u>	<u>\$ 32,022,051</u>

Fiscal Year	Series 2017 Senior Lien Refunding			Series 2017 Subordinate Lien Refunding			Series 2019 Refunding (of Series 2009)		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2020.....	\$ 419,167	\$ 352,392	\$ 771,558	\$ 937,500	\$ 765,350	\$ 1,702,850	\$ 4,950,000	\$ 781,750	\$ 5,731,750
2021.....	443,333	331,433	774,767	982,500	718,475	1,700,975	5,215,000	534,250	5,749,250
2022.....	464,167	309,267	773,433	1,028,333	669,350	1,697,683	5,470,000	273,500	5,743,500
2023.....	488,333	286,058	774,392	998,333	617,933	1,616,267	—	—	—
2024.....	510,000	261,642	771,642	645,833	568,017	1,213,850	—	—	—
2025 - 2029.....	2,891,667	975,633	3,867,300	3,661,667	2,419,417	6,081,084	—	—	—
2030 - 2034.....	3,334,166	400,867	3,735,033	4,384,167	1,690,917	6,075,084	—	—	—
2035 - 2039.....	—	—	—	5,267,500	811,916	6,079,416	—	—	—
2040 - 2044.....	—	—	—	2,134,166	93,525	2,227,691	—	—	—
Total.....	<u>\$ 8,550,833</u>	<u>\$ 2,917,292</u>	<u>\$ 11,468,125</u>	<u>\$ 20,040,000</u>	<u>\$ 8,354,900</u>	<u>\$ 28,394,900</u>	<u>\$ 15,635,000</u>	<u>\$ 1,589,500</u>	<u>\$ 17,224,500</u>

Total Utility Revenue Bonds			
Fiscal Year	Principal	Interest	Total
2020.....	\$ 8,692,500	\$ 4,196,600	\$ 12,889,100
2021.....	9,126,667	3,779,425	12,906,092
2022.....	9,558,333	3,341,192	12,899,525
2023.....	5,812,500	2,878,525	8,691,025
2024.....	5,687,500	2,587,901	8,275,401
2025 - 2029.....	24,469,167	9,553,384	34,022,551
2030 - 2034.....	21,458,333	4,816,501	26,274,834
2035 - 2039.....	11,620,834	1,791,548	13,412,382
2040 - 2044.....	4,709,166	206,400	4,915,566
Total.....	<u>\$ 101,135,000</u>	<u>\$ 33,151,476</u>	<u>\$ 134,286,476</u>

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

Year Ended June 30, 2019

G. Multi-Purpose Events Center Revenue Bonds

During 2019, the City did not issue any new bonds for the Multi-Purpose Events Center (MPEC). MPEC Revenue Bonds Payable at June 30 consisted of the following:

Multi-Purpose Events Center Revenue Bonds Payable - Business-type Activities					
	Issue Date	Maturity Date	Interest Rate	Original Amount	Balance June 30, 2018
Series 2013 Taxable Subordinate Lien					
GRT Revenue Refunding Bonds.....	5/30/2013	6/1/2032	1.15% to 4.25%	28,100,000	\$ 22,590,000
Total MPEC Revenue Bonds Payable.....					\$ 22,590,000

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

Series 2013 Taxable Subordinate						
	Lien GRT Refunding			Total MPEC Revenue Bonds		
Fiscal Year	Principal	Interest	Total	Principal	Interest	Total
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.....	1,595,000	636,848	2,231,848	1,595,000	636,848	2,231,848
2025 - 2029..	8,850,000	2,317,667	11,167,667	8,850,000	2,317,667	11,167,667
2030 - 2034..	6,180,000	524,243	6,704,243	6,180,000	524,243	6,704,243
Total.....	\$ 22,590,000	\$ 6,452,238	\$ 29,042,238	\$ 22,590,000	\$ 6,452,238	\$ 29,042,238

H. Notes from Direct Borrowings – Business-type Activities

During 2019, the City obtained a new loan with NMFA for the purpose of acquiring water rights. Notes from Direct Borrowings for business-type activities at June 30 consisted of the following:

Notes from Direct Borrowings - Business-type Activities					
	Issue Date	Maturity Date	Interest Rate	Original Amount	Balance June 30, 2019
2011 NMFA Water Rights.....	1/21/2011	5/1/2030	4.028%	\$ 7,000,000	\$ 4,389,683
2011 NMFA Water Rights Acquisition.....	12/23/2011	5/1/2031	3.197%	9,335,000	6,270,000
2015 NMFA Water Rights Acquisition.....	4/17/2015	5/1/2035	2.777%	4,292,192	3,548,259
2016 NMFA Water Conservation/Treatment.....	1/15/2016	6/1/2035	.25%	384,000	318,078
2019 NMFA Water Rights Acquisition.....	6/27/2019	5/1/2039	2.8674%	10,425,000	10,425,000
Total Notes Payable, Business-type Activities.....					24,951,020
Add Unamortized Premium.....					1,793,998
Total Utility Bonds Payable.....					\$ 26,745,018

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2019

Debt Service Requirements to Maturity - Notes from Direct Borrowings Business-type Activities

Fiscal Year	2011 Water Rights			2011 Water Rights Acquisition			2015 Water Rights		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
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.....	377,951	133,534	511,485	490,000	160,110	650,110	200,999	80,648	281,647
2025 - 2029..	2,145,725	411,701	2,557,426	2,710,000	544,242	3,254,242	1,069,656	338,579	1,408,235
2030 - 2034..	488,849	22,634	511,483	1,230,000	72,974	1,302,974	1,232,385	175,850	1,408,235
2035 - 2039..	—	—	—	—	—	—	270,000	9,666	279,666
Total.....	\$ 4,389,683	\$ 1,236,650	\$ 5,626,333	\$ 6,270,000	\$ 1,546,044	\$ 7,816,044	\$ 3,548,259	\$ 956,112	\$ 4,504,371

Fiscal Year	2016 Water Conservation/Treatment			2019 Water Rights Acquisition			Total Notes from Direct Borrowings		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2020.....	\$ 19,510	\$ 795	\$ 20,305	\$ 330,000	\$ 398,536	\$ 728,536	\$ 1,310,869	\$ 884,510	\$ 2,195,379
2021.....	19,559	746	20,305	280,000	458,750	738,750	1,284,483	921,232	2,205,715
2022.....	19,607	698	20,305	295,000	444,750	739,750	1,324,449	881,209	2,205,658
2023.....	19,657	649	20,306	320,000	430,000	750,000	1,375,909	836,841	2,212,750
2024.....	19,706	599	20,305	330,000	414,000	744,000	1,418,656	788,891	2,207,547
2025 - 2029..	99,269	2,255	101,524	1,945,000	1,803,250	3,748,250	7,969,650	3,100,027	11,069,677
2030 - 2034..	100,516	1,008	101,524	3,020,000	1,227,750	4,247,750	6,071,750	1,500,216	7,571,966
2035 - 2039..	20,254	51	20,305	3,905,000	480,000	4,385,000	4,195,254	489,717	4,684,971
Total.....	\$ 318,078	\$ 6,801	\$ 324,879	\$ 10,425,000	\$ 5,657,036	\$ 16,082,036	\$ 24,951,020	\$ 9,402,643	\$ 34,353,663

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 \$9.4 million and outstanding NMFA loans of \$3.1 million as of June 30, 2019. 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 2034.

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 \$15.6 million and the total principal and interest paid on the bonds and loans was \$2 million, or 13 percent of gross receipts tax revenues.

Fire Protection Revenue. The City has pledged future fire protection revenues to repay outstanding NMFA loans of \$1.2 million as of June 30, 2019. 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 \$885,025 and the total principal and interest paid on the loans was approximately \$251,000 or 28 percent of gross revenues.

Law Enforcement Protection Revenue. The City has pledged future law enforcement protection revenues to repay an outstanding NMFA loan of \$108,240 as of June 30, 2019. 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 \$101,590, and the total principal and interest paid on the loan was approximately \$54,000 or 53 percent of gross revenues.

Environmental Gross Receipt Tax. The City has pledged future environmental gross receipt taxes to repay outstanding NMFA loans of \$6.2 million as of June 30, 2019. 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 approximately \$780,000 and the total principal and interest paid on the loan was approximately \$340,000 or 47 percent of gross revenues.

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

Year Ended June 30, 2019

Municipal Gross Receipt Tax. The City has pledged future municipal gross receipt taxes to repay an outstanding NMFA loans from direct borrowings of \$3.4 million as of June 30, 2019. Proceeds from the loan provided financing for infrastructure improvements and is payable through 2028.

Total annual principal and interest payments for the loan is expected to require less than 2 percent of gross revenues. The current total municipal gross receipt tax revenues were \$24.2 million and the total principal and interest paid on the loan was \$375,000 or 1.5 percent of gross revenues.

Gasoline Tax. The City has pledged future gasoline tax receipts to repay an outstanding NMFA loan of approximately \$609,000 with NMFA as of June 30, 2019. Proceeds from the loan provided financing for heavy street equipment.

Total annual principal and interest payments for the loan is expected to require less than 2 percent of gross revenues. The current total gasoline tax revenues were approximately \$5,000,000 and the total principal and interest expected to be paid annually is approximately \$101,000 or 2 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 \$22.6 million as of June 30, 2019. 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 2034.

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 \$15.6 million and the total principal and interest paid on the bonds and loans was \$2.2 million or 14 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 \$134.3 million as of June 30, 2019. 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 \$25.4 million and the total principal and interest paid on the bonds and loans was \$14.6 million or 57 percent of net revenues.

Water Rights Acquisition Fees. The City has pledged future water rights acquisition fees to repay outstanding NMFA loans from direct borrowings of \$34 million as of June 30, 2019. Proceeds from the loans provided financing for water rights acquisition purchases and are payable through 2039.

Total annual principal and interest payments for all the bonds and loans from direct borrowings 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, 2019, the City issued the following:

- A Utility Bond in the amount of \$15,800,000 with an interest rate of 5%, to refund the 2009 Utility Revenue bond with a balance of \$21,245,000 for an aggregate difference of \$5,445,000. This resulted in a net present value savings of \$794,638.

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.

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

Year Ended June 30, 2019

Payments made by the assessed property owners within the districts are pledged to pay the debt service on the bonds. In the event of default by a property owner, the lien created by the assessment is sold at public auction and the proceeds are used to offset the defaulted assessment.

As trustee for improvement districts, the City is solely responsible for collection of assessments levied against the owners of property within the improvement districts and for disbursement of these amounts for retirement of the respective bonds issued to finance the improvements. The City is not obligated in any manner to pay the debt service on Special Assessment Bonds with any general or other funds of the City. Special assessment bonds outstanding at June 30, 2019 were \$7,146,177.

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, 2019, 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.....	\$	2,304,731,258
Debt Limit (4% of assessed value).....		92,189,250
<hr/>		
Debt Applicable to Limit:		
General Obligation Bonds Payable.....		27,350,000
Less amount restricted for repayment of General Obligation Bonds.....		(6,844,148)
Net Debt Applicable to Limit.....		20,505,852
Additional Bonding Capacity.....	\$	<u>71,683,398</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, 2019, the City reported a deficit unrestricted net position of \$100.2 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 \$40,167,746 of net position of governmental activities that is restricted by enabling legislation.

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

Year Ended June 30, 2019

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

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

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

	Nonmajor Governmental Funds				Nonmajor Total
	Infrastructure Fund	Special Revenue	Debt Service	Capital Projects	
Fund Balances restricted for:					
Roads and Public Improvements.....	\$ 1,782,542	\$ —	\$ —	\$ 12,803,517	\$ 12,803,517
Community Programs.....	—	18,950,204	—	—	18,950,204
Parks and Recreation Programs.....	—	214,037	—	—	214,037
Library Materials.....	—	—	—	—	—
Public Safety Programs.....	—	921,824	—	—	921,824
Insurance Premiums and Claims.....	—	—	—	—	—
Debt Service.....	—	—	7,278,164	—	7,278,164
Sub-Total	<u>1,782,542</u>	<u>20,086,065</u>	<u>7,278,164</u>	<u>12,803,517</u>	<u>40,167,746</u>
Fund Balances committed for:					
Community Programs.....	—	1,515,341	—	—	1,515,341
Parks and Recreation Programs.....	—	210,470	—	—	210,470
Sub-Total	<u>—</u>	<u>1,725,811</u>	<u>—</u>	<u>—</u>	<u>1,725,811</u>
Total.....	<u>\$ 1,782,542</u>	<u>\$ 21,811,876</u>	<u>\$ 7,278,164</u>	<u>\$ 12,803,517</u>	<u>\$ 41,893,557</u>

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.

C. Deficit Fund Balances

The following funds reported deficit fund balances at June 30:

Nonmajor Governmental Funds:	
Keep Rio Rancho Beautiful Fund	\$ (812)
Library Fund	<u>(7,851)</u>
Deficit Fund Balances	<u>\$ (8,663)</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.

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2019

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 a comprehensive annual financial report that can be obtained at <https://www.saonm.org/> using the Audit Report Search function for agency 366.

B. Benefits Provided

For a description of the benefits provided and recent changes to the benefits, see Note 1 in the PERA audited financial statements for the fiscal year ended June 30, 2019 available at

<http://www.nmpera.org/assets/uploads/downloads/GASB/Final-Version-NMPERA-2018-GASB-68-Report.pdf>

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

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2019

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, 2019 are shown in the table below.

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

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

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 proportion of the net pension liability for each membership group that the employer participates in is based on the employer contributing entity's percentage of that membership group's total employer contributions for the fiscal year ended June 30, 2018. The Schedule of Employer Allocations reflects fiscal year 2018 employer contributions received during the period July 1, 2017 to June 30, 2018. Only pay period end dates that fell within the period July 1, 2017 to June 30, 2018 are included in the total contributions for that employer. Regular and adjustment contributions that applied to fiscal year 2018 are included in the total contribution amounts. In the event that an employer is behind in reporting to PERA its required contributions, an estimate (receivable) has been used to project the unremitted employer contributions. This allows for fair and consistent measurement of the contributions with the total population. This methodology was used in order 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, 2019 are shown in the table below.

Current Year Pension Expense and Net Pension Liability					
PERA Plan	FY19 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..	\$ 1,518,081	\$ 4,101,615	\$ 31,358,071	1.97%	1.8452%
Municipal Police Plan 5.....	1,286,203	2,468,952	21,934,036	3.2147%	3.2418%
Municipal Fire Plan 5.....	1,197,947	2,705,922	27,435,649	4.2864%	4.3034%
Total.....	<u>\$ 4,002,231</u>	<u>\$ 9,276,489</u>	<u>\$ 80,727,756</u>		

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2019

At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources for each of the City's three PERA Fund divisions:

	Municipal General Plan 2		Municipal Police Plan 5		Municipal Fire Plan 5	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience.....	\$ 906,311	\$ (823,296)	\$ 1,073,789	\$ (2,174,232)	\$ 440,898	\$ (2,000,874)
Changes of assumptions.....	2,843,053	(180,297)	2,502,704	(134,091)	1,584,498	(100,183)
Net difference between projected and actual earnings on pension plan investments.....	2,325,673	—	1,509,373	—	962,096	—
Changes in proportion and differences between City contributions and proportionate share of contributions.....	1,143,760	(103,620)	27,455	(154,435)	111,604	(197,524)
City contributions subsequent to the measurement date.....	1,518,081	—	1,286,203	—	1,197,947	—
Total.....	\$ 8,736,878	\$ (1,107,213)	\$ 6,399,524	\$ (2,462,758)	\$ 4,297,043	\$ (2,298,581)

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

	Municipal General Plan 2	Municipal Police Plan 5	Municipal Fire Plan 5
Amount reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date of June 30, 2018 that will be recognized as a reduction of the net pension liability in the measurement period ending June 30, 2019.....	\$ 1,518,081	\$ 1,286,203	\$ 1,197,947

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

Measurement period ended June 30:

2019.....	\$ 3,651,675	\$ 1,751,187	\$ 718,324
2020.....	1,660,997	347,142	(149,338)
2021.....	678,499	473,701	183,380
2022.....	120,413	78,533	48,149
2023.....	—	—	—

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, 2017 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, 2017.

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

Year Ended June 30, 2019

Using the information from the June 30, 2017 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, 2017 actuarial valuation:

Actuarial valuation date June 30, 2017
 Actuarial cost method Entry-age normal
 Amortization method Level percentage of pay
 Amortization period Solved for based on statutory rates
 Actuarial assumptions:
 Investment rate of return 7.25%, net of investment expense
 Projected benefit payment 100 years
 Payroll growth 3%
 Projected salary increases 3.25 to 13.50% annual rate
 Includes inflation at 2.50% annual rate first 9 years, 2.75% all other years
 Mortality rates: RPH-2014 Blue Collar mortality table with female ages set forward one year.
 Future improvement in mortality rates is assumed using 60% of the MP-2017 projection scale generationally.
 For non-public safety groups, 25% of in-service deaths are assumed to be duty related and 35% are assumed to be duty-related for public safety groups.
 Experience Study Dates: July 1, 2008 to June 30, 2017 (demographic) and July 1, 2010 through June 20, 2018 (economic)

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

ALL FUNDS - Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity.....	43.50%	7.48%
Risk Reduction & Mitigation.....	21.50%	2.37%
Credit Oriented Fixed Income...	15.00%	5.47%
Real Assets.....	20.00%	6.48%
Total.....	100.00%	

F. Discount Rate

The discount rate used to measure the total pension liability was 7.25% for the first 10 years (select period) and 7.75% for all other years (ultimate). The projection of cash flows used to determine the discount rate assumed that future contributions will be made in accordance with statutory rates. On this basis, the pension plan's fiduciary net position together with the expected future contributions are sufficient to provide all projected future benefit payments of current plan members as determined in accordance with GASB Statement 67. Therefore, the 7.25% 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 7.25%, 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 (6.25%) or one percentage point higher (8.25%) than the current discount rate.

CITY OF RIO RANCHO, NEW MEXICO
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Proportionate Share of Net Pension Liability:	Assumed Discount Rate		
	1% Decrease	Current Rate	1% Increase
	6.25%	7.25%	8.25%
Municipal General Plan 2..	\$ 48,320,387	\$ 31,358,071	\$ 17,335,687
Municipal Police Plan 5.....	33,725,546	21,934,036	1,232,162
Municipal Fire Plan 5.....	36,624,507	27,435,649	19,908,061
Total.....	<u>\$ 118,670,440</u>	<u>\$ 80,727,756</u>	<u>\$ 38,475,910</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/GASB/Final-Version-NMPERA-2018-GASB-68-Report.pdf>

H. Payables to the Pension Plan

The City reported \$281,057 as payable to PERA at June 30, 2019. The liability is included in the City’s accrued payroll adjustment for wages and benefits earned but not yet paid at year-end.

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

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.

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 \$621,404 for the year ended June 30, 2019.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. At June 30, 2019, the City reported a liability of \$31,182,487 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of 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, 2018. At June 30, 2018, the City’s proportion was .71711%.

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

Year Ended June 30, 2019

For the year ended June 30, 2019, the City recognized OPEB income of \$398,360. At June 30, 2019, 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	\$ -	\$ 1,846,203
Change of Assumptions	-	5,821,632
Differences Between Actual and Projected Earnings on OPEB Plan Investments	-	389,146
Change in Proportion	-	1,684,624
City's Contributions Subsequent to the Measurement Date	621,404	-
	\$ 621,404	\$ 9,741,605

Deferred outflows of resources totaling \$621,404 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, 2020. 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
2020	\$ (2,404,017)
2021	(2,404,017)
2022	(2,404,017)
2023	(1,937,794)
2024	(591,760)

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	3.25% to 12.50%, based on years of service, including inflation
Investment rate of return	7.25%, net of OPEB plan investment expense and margin for adverse deviation including inflation
Health care cost trend rate	8% graded down to 4.5% over 14 years for Non-Medicare medical plan costs and 7.5% graded down to 4.5% over 12 for Medicare medical plan costs
Mortality	ERB members: RP-2000 Combined Healthy Mortality Table with White Collar Adjustment (males) and GRS Southwest Region Teacher Mortality Table (females) PERA members: RP-2000 Combined Health Mortality

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

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO THE FINANCIAL STATEMENTS
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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	2.1%
U.S. equity – large cap	7.1
Non U.S. – emerging markets	10.2
Non U.S. – developed equities	7.8
Private equity	11.8
Credit and structured finance	5.3
Real estate	4.9
Absolute return	4.1
U.S. equity – small/mid cap	7.1

Discount rate. The discount rate used to measure the Fund’s total OPEB liability is 4.08% as of June 30, 2018. The projection of cash flows used to determine the discount rate assumed that 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, 2029. Thus, the 7.25% discount rate was used to calculate the net OPEB liability through 2029. Beyond 2029, the index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher. Thus, 4.08% is the blended discount rate.

Sensitivity of the net OPEB liability to changes in the discount rate and healthcare cost trend rates. The following presents the net OPEB liability of the 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 (3.08%) or 1-percentage-point higher (5.08%) than the current discount rate:

1% Decrease	Current Rate	1% Increase
3.08%	4.08%	5.08%
\$ 37,738,152	\$ 31,182,487	\$ 26,015,162

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
\$ 26,360,134	\$ 31,182,487	\$ 34,963,320

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

Payable changes in the Net OPEB liability. At June 30, 2019, the City reported a payable of \$25,363 for outstanding contributions due to NMRHCA for the year ended June 30, 2019.

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

Year Ended June 30, 2019

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.

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

Year Ended June 30, 2019

Agency Number	6147
Agency Name	City of Rio Rancho
Agency Type	Local Public Body (Home Rule Municipality)
Tax Abatement Agreement Name	Stonegate Tax Increment Development District (TIDD)
Recipient(s) of tax abatement	Stonegate TIDD
Parent company(is) of recipient(s) of tax abatement	N/A
Tax abatement program (name and brief description)	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.
Specific Tax(es) Being Abated	General purposes municipal GRT, municipal infrastructure GRT, and state shared GRT generated within the District and distributed to the City.
Legal authority under which tax abatement agreement was entered into	Tax Increment Development Act, Sections 5-15-1, <i>et seq.</i> NMSA 1978 as amended.
Criteria that make a recipient eligible to receive a tax abatement	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.
How are the tax abatement recipient's taxes reduced? (For example: through a reduction of assessed value)	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.
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.	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.
Are there provisions for recapturing abated taxes? (Yes or No)	No
If there are provisions for recapturing abated taxes, describe them, including the conditions under which abated taxes become eligible for recapture.	N/A
List each specific commitment made by the recipient of the abatement.	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.
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.	162,159.94
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	N/A
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	N/A
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	N/A
List each specific commitment made by your agency or any other government, other than the tax abatement.	N/A
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.	No
If your agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission.	N/A
In the report disclosure is this abatement aggregated?	No
Threshold amount for aggregation	N/A

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

Year Ended June 30, 2019

Agency Number	6147
Agency Name	City of Rio Rancho
Agency Type	Local Public Body (Home Rule Municipality)
Tax Abatement Agreement Name	The Village at Rio Rancho Tax Increment Development District (TIDD)
Recipient(s) of tax abatement	The Village at Rio Rancho TIDD
Parent company(ies) of recipient(s) of tax abatement	N/A
Tax abatement program (name and brief description)	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.
Specific Tax(es) Being Abated	General purposes municipal GRT, municipal infrastructure GRT, and state shared GRT generated within the District and distributed to the City.
Legal authority under which tax abatement agreement was entered into	Tax Increment Development Act, Sections 5-15-1, <i>et seq.</i> NMSA 1978 as amended.
Criteria that make a recipient eligible to receive a tax abatement	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.
How are the tax abatement recipient's taxes reduced? (For example: through a reduction of assessed value)	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.
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.	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.
Are there provisions for recapturing abated taxes? (Yes or No)	No
If there are provisions for recapturing abated taxes, describe them, including the conditions under which abated taxes become eligible for recapture.	N/A
List each specific commitment made by the recipient of the abatement.	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.
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.	\$ 1,410.12
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	N/A
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	N/A
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	N/A
List each specific commitment made by your agency or any other government, other than the tax abatement.	N/A
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.	No
If your agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission.	N/A
In the report disclosure is this abatement aggregated?	No
Threshold amount for aggregation	N/A

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2019

Agency Number	6147
Agency Name	City of Rio Rancho
Agency Type	Local Public Body (Home Rule Municipality)
Tax Abatement Agreement Name	Petroglyph Real Estate Development Gross Receipts Investment Policy (GRIP) Agreement
Recipient(s) of tax abatement	Petroglyph Real Estate Development, LLC
Parent company(ies) of recipient(s) of tax abatement	N/A
Tax abatement program (name and brief description)	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.
Specific Tax(es) Being Abated	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
Legal authority under which tax abatement agreement was entered into	City of Rio Rancho Gross Receipts Investment Policy Ordinance, Section 36.77(A)
Criteria that make a recipient eligible to receive a tax abatement	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.
How are the tax abatement recipient's taxes reduced? (For example: through a reduction of assessed value)	The City refunds the taxes directly to the developer after the monthly GRT distribution is received from TRD.
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.	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.
Are there provisions for recapturing abated taxes? (Yes or No)	No
If there are provisions for recapturing abated taxes, describe them, including the conditions under which abated taxes become eligible for recapture.	N/A
List each specific commitment made by the recipient of the abatement.	The recipient will construct public infrastructure related to the commercial development and dedicate it to the City.
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.	\$ 97,791.27
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	N/A
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	N/A
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	N/A
List each specific commitment made by your agency or any other government, other than the tax abatement.	N/A
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.	No
If your agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission.	N/A
In the report disclosure is this abatement aggregated?	No
Threshold amount for aggregation	N/A

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

Year Ended June 30, 2019

Agency Number	6147
Agency Name	City of Rio Rancho
Agency Type	Local Public Body (Home Rule Municipality)
Tax Abatement Agreement Name	RR Premier Realty, LP Gross Receipts Investment Policy (GRIP) Agreement
Recipient(s) of tax abatement	RR Premier Realty, LP
Parent company(ies) of recipient(s) of tax abatement	N/A
Tax abatement program (name and brief description)	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.
Specific Tax(es) Being Abated	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.
Legal authority under which tax abatement agreement was entered into	City of Rio Rancho Gross Receipts Investment Policy Ordinance, Section 36.77(A)
Criteria that make a recipient eligible to receive a tax abatement	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.
How are the tax abatement recipient's taxes reduced? (For example: through a reduction of assessed value)	The City refunds the taxes directly to the developer after the monthly GRT distribution is received from TRD.
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.	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.
Are there provisions for recapturing abated taxes? (Yes or No)	No
If there are provisions for recapturing abated taxes, describe them, including the conditions under which abated taxes become eligible for recapture.	N/A
List each specific commitment made by the recipient of the abatement.	The recipient will construct public infrastructure related to the commercial development and dedicate it to the City.
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.	\$ 14,260.07
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	N/A
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	N/A
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	N/A
List each specific commitment made by your agency or any other government, other than the tax abatement.	N/A
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.	No
If your agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission.	N/A
In the report disclosure is this abatement aggregated?	No
Threshold amount for aggregation	N/A

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2019

Agency Number	6147
Agency Name	City of Rio Rancho
Agency Type	Local Public Body (Home Rule Municipality)
Tax Abatement Agreement Name	Titan City Center, LLC Project - Industrial Revenue Bonds Series 2009
Recipient(s) of tax abatement	Titan City Center, LLC
Parent company(ies) of recipient(s) of tax abatement	N/A
Tax abatement program (name and brief description)	HP IRB -Issuance of an Industrial Revenue Bond in the maximum principal amount of \$63,500,000 to provide funds to finance the acquisition, construction and equipping of an industrial revenue project. The City will lease the property to the Titan City Center, LLC which will be sub-leased to Hewlett-Packard Company.
Specific Tax(es) Being Abated	Property Taxes
Legal authority under which tax abatement agreement was entered into	Sections 3-32-1 through 3-32-16, NMSA 1978 Annotated, Exempt from Property Tax under Section 7-36-3(A) NMSA 1978 Annotated
Criteria that make a recipient eligible to receive a tax abatement	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.
How are the tax abatement recipient's taxes reduced? (For example: through a reduction of assessed value)	City of Rio Rancho owns the property and leases it to Titan. No property tax is assessed because it is a City owned property.
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.	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.
Are there provisions for recapturing abated taxes? (Yes or No)	yes
If there are provisions for recapturing abated taxes, describe them, including the conditions under which abated taxes become eligible for recapture.	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.
List each specific commitment made by the recipient of the abatement.	Operate a client service and consulting center which will employ 1,350 people full-time by the end of 2012.
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.	\$ 136,041.80
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	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.
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	N/A
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	Rio Rancho School District, \$144,216.32
List each specific commitment made by your agency or any other government, other than the tax abatement.	N/A
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.	Yes. State of New Mexico, Sandoval County, Rio Rancho School District, Central NM Community College, Southern Sandoval County Arroyo Flood Control Authority
If your agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission.	N/A
In the report disclosure is this abatement aggregated?	No
Threshold amount for aggregation	N/A

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

Year Ended June 30, 2019

Agency Number	6147
Agency Name	City of Rio Rancho
Agency Type	Local Public Body (Home Rule Municipality)
Tax Abatement Agreement Name	Call, LLC Project - Industrial Revenue Bonds Series 1998A
Recipient(s) of tax abatement	Call, LLC
Parent company(ies) of recipient(s) of tax abatement	N/A
Tax abatement program (name and brief description)	Safelite Solutions Improvement Project
Specific Tax(es) Being Abated	Property Taxes
Legal authority under which tax abatement agreement was entered into	Sections 3-32-1 through 3-32-16, NMSA 1978 Annotated, Exempt from Property Tax under Section 7-36-3(A) NMSA 1978 Annotated
Criteria that make a recipient eligible to receive a tax abatement	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. Sub-lease the facility to Safelite Solutions LLC which will create and maintain 600 full-time jobs.
How are the tax abatement recipient's taxes reduced? (For example: through a reduction of assessed value)	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.
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.	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.
Are there provisions for recapturing abated taxes? (Yes or No)	No
If there are provisions for recapturing abated taxes, describe them, including the conditions under which abated taxes become eligible for recapture.	N/A
List each specific commitment made by the recipient of the abatement.	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.
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.	\$ 49,294.04
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	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 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.
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	N/A
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	Rio Rancho School District, \$52,256.03
List each specific commitment made by your agency or any other government, other than the tax abatement.	N/A
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.	Yes. State of New Mexico, Sandoval County, Rio Rancho School District, Central NM Community College, Southern Sandoval County Arroyo Flood Control Authority
If your agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission.	N/A
In the report disclosure is this abatement aggregated?	No
Threshold amount for aggregation	N/A

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

Year Ended June 30, 2019

Agency Number	6147
Agency Name	City of Rio Rancho
Agency Type	Local Public Body (Home Rule Municipality)
Tax Abatement Agreement Name	Bank of America - Industrial Revenue Bonds Series 1998B
Recipient(s) of tax abatement	Bank of America
Parent company(ies) of recipient(s) of tax abatement	N/A
Tax abatement program (name and brief description)	Bank of America - IRB
Specific Tax(es) Being Abated	Property Taxes
Legal authority under which tax abatement agreement was entered into	Sections 3-32-1 through 3-32-16, NMSA 1978 Annotated, Exempt from Property Tax under Section 7-36-3(A) NMSA 1978 Annotated
Criteria that make a recipient eligible to receive a tax abatement	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.
How are the tax abatement recipient's taxes reduced? (For example: through a reduction of assessed value)	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.
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.	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.
Are there provisions for recapturing abated taxes? (Yes or No)	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.
If there are provisions for recapturing abated taxes, describe them, including the conditions under which abated taxes become eligible for recapture.	N/A
List each specific commitment made by the recipient of the abatement.	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.
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.	\$ 36,891.24
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	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.
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	N/A
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	Rio Rancho School District, \$39,107.97
List each specific commitment made by your agency or any other government, other than the tax abatement.	None
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.	Yes. State of New Mexico, Sandoval County, Rio Rancho School District, Central NM Community College, Southern Sandoval County Arroyo Flood Control Authority
If your agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission.	N/A
In the report disclosure is this abatement aggregated?	No
Threshold amount for aggregation	N/A

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

Year Ended June 30, 2019

Agency number for Agency making the disclosure (Abating Agency)	6147
Abating Agency Name	City of Rio Rancho
Abating Agency Type	Municipality (Home Rule)
Tax Abatement Agreement Name	Industrial Revenue Bond Project-Lease Agreement
Name of agency affected by abatement agreement (Affected Agency)	State of New Mexico
Agency number of Affected Agency	333 - New Mexico Taxation & Revenue Department
Agency type of Affected Agency	State
Recipient(s) of tax abatement	Titan City Center, LLC
Tax abatement program (name and brief description)	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.
Specific Tax(es) Being Abated	Property Taxes
Authority under which abated tax would have been paid to Affected Agency	Property Tax Code NMSA Chapter 7 Articles 35-38
Gross dollar amount, on an accrual basis, by which the Affected Agency's tax revenues were reduced during the reporting period as a result of the tax abatement agreement	\$ 17,759.34
For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by the Affected Agency in association with the foregone tax revenue, list the amount of payments received in the current fiscal year	N/A
If the Abating Agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission	N/A
Is the abatement amount aggregated?	No
Threshold amount for aggregation	N/A

Agency number for Agency making the disclosure (Abating Agency)	6147
Abating Agency Name	City of Rio Rancho
Abating Agency Type	Municipality (Home Rule)
Tax Abatement Agreement Name	Industrial Revenue Bond Project-Lease Agreement
Name of agency affected by abatement agreement (Affected Agency)	State of New Mexico
Agency number of Affected Agency	333 - New Mexico Taxation & Revenue Department
Agency type of Affected Agency	State
Recipient(s) of tax abatement	Call, LLC
Tax abatement program (name and brief description)	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.
Specific Tax(es) Being Abated	Property Taxes
Authority under which abated tax would have been paid to Affected Agency	Property Tax Code NMSA Chapter 7 Articles 35-38
Gross dollar amount, on an accrual basis, by which the Affected Agency's tax revenues were reduced during the reporting period as a result of the tax abatement agreement	\$ 6,435.01
For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by the Affected Agency in association with the foregone tax revenue, list the amount of payments received in the current fiscal year	N/A
If the Abating Agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission	N/A
Is the abatement amount aggregated?	No
Threshold amount for aggregation	N/A

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

Year Ended June 30, 2019

Agency number for Agency making the disclosure (Abating Agency)	6147
Abating Agency Name	City of Rio Rancho
Abating Agency Type	Municipality (Home Rule)
Tax Abatement Agreement Name	Industrial Revenue Bond Project-Lease Agreement
Name of agency affected by abatement agreement (Affected Agency)	State of New Mexico
Agency number of Affected Agency	333 - New Mexico Taxation & Revenue Department
Agency type of Affected Agency	State
Recipient(s) of tax abatement	Bank of America
Tax abatement program (name and brief description)	Industrial Revenue Bonds - Authorize issuance of \$9,000,000 in industrial revenue bonds, Series 1998B, the proceeds of which will be used to finance the acquisition and construction of property. The property is leased to the Bank of America.
Specific Tax(es) Being Abated	Property Taxes
Authority under which abated tax would have been paid to Affected Agency	Property Tax Code NMSA Chapter 7 Articles 35-38
Gross dollar amount, on an accrual basis, by which the Affected Agency's tax revenues were reduced during the reporting period as a result of the tax abatement agreement	\$ 4,815.90
For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by the Affected Agency in association with the foregone tax revenue, list the amount of payments received in the current fiscal year	N/A
If the Abating Agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission	N/A
Is the abatement amount aggregated?	No
Threshold amount for aggregation	N/A

Agency number for Agency making the disclosure (Abating Agency)	6147
Abating Agency Name	City of Rio Rancho
Abating Agency Type	Municipality (Home Rule)
Tax Abatement Agreement Name	Industrial Revenue Bond Project - Lease Agreement
Name of agency affected by abatement agreement (Affected Agency)	Sandoval County
Agency number of Affected Agency	5025
Agency type of Affected Agency	County
Recipient(s) of tax abatement	Titan City Center, LLC
Tax abatement program (name and brief description)	HP IRB -Issuance of an Industrial Revenue Bond in the maximum principal amount of \$63,500,000 to provide funds to finance the acquisition, construction and equipping of an industrial revenue project. The City will lease the property to the Titan City Center, LLC which will be sub-leased to Hewlett-Packard Company.
Specific Tax(es) Being Abated	Property Taxes
Authority under which abated tax would have been paid to Affected Agency	Property Tax Code NMSA Chapter 7 Articles 35-38
Gross dollar amount, on an accrual basis, by which the Affected Agency's tax revenues were reduced during the reporting period as a result of the tax abatement agreement	\$ 142,897.43
For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by the Affected Agency in association with the foregone tax revenue, list the amount of payments received in the current fiscal year	N/A
If the Abating Agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission	N/A
Is the abatement amount aggregated?	No
Threshold amount for aggregation	N/A

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

Year Ended June 30, 2019

Agency number for Agency making the disclosure (Abating Agency)	6147
Abating Agency Name	City of Rio Rancho
Abating Agency Type	Municipality (Home Rule)
Tax Abatement Agreement Name	Industrial Revenue Bond Project - Lease Agreement
Name of agency affected by abatement agreement (Affected Agency)	Sandoval County
Agency number of Affected Agency	5025
Agency type of Affected Agency	County
Recipient(s) of tax abatement	Call, LLC
Tax abatement program (name and brief description)	Authorize an additional \$5,000,000 in Industrial Revenue Bonds in addition to \$11,000,000 in bonds that were issued in 1998 (Series A) for a total of \$16,000,000. Extend the Series A final maturity from 2023 to 2028. The bonds were issued for the purpose of making facility improvements and upgrades, as well as expanding parking capacity for the facility. The City will lease the facility to Call, LLC who will be sub-lease to Safelite Solutions LLC.
Specific Tax(es) Being Abated	Property Taxes
Authority under which abated tax would have been paid to Affected Agency	Property Tax Code NMSA Chapter 7 Articles 35-38
Gross dollar amount, on an accrual basis, by which the Affected Agency's tax revenues were reduced during the reporting period as a result of the tax abatement agreement	\$ 51,778.14
For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by the Affected Agency in association with the foregone tax revenue, list the amount of payments received in the current fiscal year	N/A
If the Abating Agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission	N/A
Is the abatement amount aggregated?	No
Threshold amount for aggregation	N/A

Agency number for Agency making the disclosure (Abating Agency)	6147
Abating Agency Name	City of Rio Rancho
Abating Agency Type	Municipality (Home Rule)
Tax Abatement Agreement Name	Industrial Revenue Bond Project - Lease Agreement
Name of agency affected by abatement agreement (Affected Agency)	Sandoval County
Agency number of Affected Agency	5025
Agency type of Affected Agency	County
Recipient(s) of tax abatement	Bank of America
Tax abatement program (name and brief description)	Industrial Revenue Bonds - Authorize issuance of \$9,000,000 in industrial revenue bonds, Series 1998B, the proceeds of which will be used to finance the acquisition and construction of property. The property is leased to the Bank of America.
Specific Tax(es) Being Abated	Property Taxes
Authority under which abated tax would have been paid to Affected Agency	Property Tax Code NMSA Chapter 7 Articles 35-38
Gross dollar amount, on an accrual basis, by which the Affected Agency's tax revenues were reduced during the reporting period as a result of the tax abatement agreement	\$ 38,750.32
For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by the Affected Agency in association with the foregone tax revenue, list the amount of payments received in the current fiscal year	N/A
If the Abating Agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission	N/A
Is the abatement amount aggregated?	No
Threshold amount for aggregation	N/A

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

Year Ended June 30, 2019

Agency number for Agency making the disclosure (Abating Agency)	6147
Abating Agency Name	City of Rio Rancho
Abating Agency Type	Municipality (Home Rule)
Tax Abatement Agreement Name	Industrial Revenue Bond Project - Lease Agreement
Name of agency affected by abatement agreement (Affected Agency)	Rio Rancho Public Schools
Agency number of Affected Agency	7090
Agency type of Affected Agency	School District
Recipient(s) of tax abatement	Titan City Center, LLC
Tax abatement program (name and brief description)	HP IRB -Issuance of an Industrial Revenue Bond in the maximum principal amount of \$63,500,000 to provide funds to finance the acquisition, construction and equipping of an industrial revenue project. The City will lease the property to the Titan City Center, LLC which will be sub-leased to Hewlett-Packard Company.
Specific Tax(es) Being Abated	Property Taxes
Authority under which abated tax would have been paid to Affected Agency	Property Tax Code NMSA Chapter 7 Articles 35-38
Gross dollar amount, on an accrual basis, by which the Affected Agency's tax revenues were reduced during the reporting period as a result of the tax abatement agreement	\$ 144,216.32
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	\$ 144,216.32
If the Abating Agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission	N/A
Is the abatement amount aggregated?	No
Threshold amount for aggregation	N/A

Agency number for Agency making the disclosure (Abating Agency)	6147
Abating Agency Name	City of Rio Rancho
Abating Agency Type	Municipality (Home Rule)
Tax Abatement Agreement Name	Industrial Revenue Bond Project - Lease Agreement
Name of agency affected by abatement agreement (Affected Agency)	Rio Rancho Public Schools
Agency number of Affected Agency	7090
Agency type of Affected Agency	School District
Recipient(s) of tax abatement	Call, LLC
Tax abatement program (name and brief description)	Authorize an additional \$5,000,000 in Industrial Revenue Bonds in addition to \$11,000,000 in bonds that were issued in 1998 (Series A) for a total of \$16,000,000. Extend the Series A final maturity from 2023 to 2028. The bonds were issued for the purpose of making facility improvements and upgrades, as well as expanding parking capacity for the facility. The City will lease the facility to Call, LLC who will be sub-lease to Safelite Solutions LLC.
Specific Tax(es) Being Abated	Property Taxes
Authority under which abated tax would have been paid to Affected Agency	Property Tax Code NMSA Chapter 7 Articles 35-38
Gross dollar amount, on an accrual basis, by which the Affected Agency's tax revenues were reduced during the reporting period as a result of the tax abatement agreement	\$ 52,256.03
For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by the Affected Agency in association with the foregone tax revenue, list the amount of payments received in the current fiscal year	\$ 52,256.03
If the Abating Agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission	N/A
Is the abatement amount aggregated?	No
Threshold amount for aggregation	N/A

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

Year Ended June 30, 2019

Agency number for Agency making the disclosure (Abating Agency)	6147
Abating Agency Name	City of Rio Rancho
Abating Agency Type	Municipality (Home Rule)
Tax Abatement Agreement Name	Industrial Revenue Bond Project - Lease Agreement
Name of agency affected by abatement agreement (Affected Agency)	Rio Rancho Public Schools
Agency number of Affected Agency	7090
Agency type of Affected Agency	School District
Recipient(s) of tax abatement	Bank of America
Tax abatement program (name and brief description)	Industrial Revenue Bonds - Authorize issuance of \$9,000,000 in industrial revenue bonds, Series 1998B, the proceeds of which will be used to finance the acquisition and construction of property. The property is leased to the Bank of America.
Specific Tax(es) Being Abated	Property Taxes
Authority under which abated tax would have been paid to Affected Agency	Property Tax Code NMSA Chapter 7 Articles 35-38
Gross dollar amount, on an accrual basis, by which the Affected Agency's tax revenues were reduced during the reporting period as a result of the tax abatement agreement	\$ 39,107.97
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	\$ 39,107.97
If the Abating Agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission	N/A
Is the abatement amount aggregated?	No
Threshold amount for aggregation	N/A

Agency number for Agency making the disclosure (Abating Agency)	6147
Abating Agency Name	City of Rio Rancho
Abating Agency Type	Municipality (Home Rule)
Tax Abatement Agreement Name	Industrial Revenue Bond Project - Lease Agreement
Name of agency affected by abatement agreement (Affected Agency)	Central New Mexico Community College
Agency number of Affected Agency	966
Agency type of Affected Agency	Community College
Recipient(s) of tax abatement	Titan City Center, LLC
Tax abatement program (name and brief description)	HP IRB -Issuance of an Industrial Revenue Bond in the maximum principal amount of \$63,500,000 to provide funds to finance the acquisition, construction and equipping of an industrial revenue project. The City will lease the property to the Titan City Center, LLC which will be sub-leased to Hewlett-Packard Company.
Specific Tax(es) Being Abated	Property Taxes
Authority under which abated tax would have been paid to Affected Agency	Property Tax Code NMSA Chapter 7 Articles 35-38
Gross dollar amount, on an accrual basis, by which the Affected Agency's tax revenues were reduced during the reporting period as a result of the tax abatement agreement	\$ 52,233.36
For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by the Affected Agency in association with the foregone tax revenue, list the amount of payments received in the current fiscal year	N/A
If the Abating Agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission	N/A
Is the abatement amount aggregated?	No
Threshold amount for aggregation	N/A

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

Year Ended June 30, 2019

Agency number for Agency making the disclosure (Abating Agency)	6147
Abating Agency Name	City of Rio Rancho
Abating Agency Type	Municipality (Home Rule)
Tax Abatement Agreement Name	Industrial Revenue Bond Project - Lease Agreement
Name of agency affected by abatement agreement (Affected Agency)	Central New Mexico Community College
Agency number of Affected Agency	966
Agency type of Affected Agency	Community College
Recipient(s) of tax abatement	Call, LLC
Tax abatement program (name and brief description)	Authorize an additional \$5,000,000 in Industrial Revenue Bonds in addition to \$11,000,000 in bonds that were issued in 1998 (Series A) for a total of \$16,000,000. Extend the Series A final maturity from 2023 to 2028. The bonds were issued for the purpose of making facility improvements and upgrades, as well as expanding parking capacity for the facility. The City will lease the facility to Call, LLC who will be sub-lease to Safelite Solutions LLC.
Specific Tax(es) Being Abated	Property Taxes
Authority under which abated tax would have been paid to Affected Agency	Property Tax Code NMSA Chapter 7 Articles 35-38
Gross dollar amount, on an accrual basis, by which the Affected Agency's tax revenues were reduced during the reporting period as a result of the tax abatement agreement	\$ 18,926.49
For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by the Affected Agency in association with the foregone tax revenue, list the amount of payments received in the current fiscal year	N/A
If the Abating Agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission	N/A
Is the abatement amount aggregated?	No
Threshold amount for aggregation	N/A

Agency number for Agency making the disclosure (Abating Agency)	6147
Abating Agency Name	City of Rio Rancho
Abating Agency Type	Municipality (Home Rule)
Tax Abatement Agreement Name	Industrial Revenue Bond Project - Lease Agreement
Name of agency affected by abatement agreement (Affected Agency)	Central New Mexico Community College
Agency number of Affected Agency	966
Agency type of Affected Agency	Community College
Recipient(s) of tax abatement	Bank of America
Tax abatement program (name and brief description)	Industrial Revenue Bonds - Authorize issuance of \$9,000,000 in industrial revenue bonds, Series 1998B, the proceeds of which will be used to finance the acquisition and construction of property. The property is leased to the Bank of America.
Specific Tax(es) Being Abated	Property Taxes
Authority under which abated tax would have been paid to Affected Agency	Property Tax Code NMSA Chapter 7 Articles 35-38
Gross dollar amount, on an accrual basis, by which the Affected Agency's tax revenues were reduced during the reporting period as a result of the tax abatement agreement	\$ 14,164.42
For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by the Affected Agency in association with the foregone tax revenue, list the amount of payments received in the current fiscal year	N/A
If the Abating Agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission	N/A
Is the abatement amount aggregated?	No
Threshold amount for aggregation	N/A

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

Year Ended June 30, 2019

Agency number for Agency making the disclosure (Abating Agency)	6147
Abating Agency Name	City of Rio Rancho
Abating Agency Type	Municipality (Home Rule)
Tax Abatement Agreement Name	Industrial Revenue Bond Project - Lease Agreement
Name of agency affected by abatement agreement (Affected Agency)	Southern Sandoval County Arroyo Flood Control Authority
Agency number of Affected Agency	4096
Agency type of Affected Agency	Special District
Recipient(s) of tax abatement	Titan City Center, LLC
Tax abatement program (name and brief description)	HP IRB -Issuance of an Industrial Revenue Bond in the maximum principal amount of \$63,500,000 to provide funds to finance the acquisition, construction and equipping of an industrial revenue project. The City will lease the property to the Titan City Center, LLC which will be sub-leased to Hewlett-Packard Company.
Specific Tax(es) Being Abated	Property Taxes
Authority under which abated tax would have been paid to Affected Agency	Property Tax Code NMSA Chapter 7 Articles 35-38
Gross dollar amount, on an accrual basis, by which the Affected Agency's tax revenues were reduced during the reporting period as a result of the tax abatement agreement	\$ 40,768.14
For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by the Affected Agency in association with the foregone tax revenue, list the amount of payments received in the current fiscal year	N/A
If the Abating Agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission	N/A
Is the abatement amount aggregated?	No
Threshold amount for aggregation	N/A

Agency number for Agency making the disclosure (Abating Agency)	6147
Abating Agency Name	City of Rio Rancho
Abating Agency Type	Municipality (Home Rule)
Tax Abatement Agreement Name	Industrial Revenue Bond Project - Lease Agreement
Name of agency affected by abatement agreement (Affected Agency)	Southern Sandoval County Arroyo Flood Control Authority
Agency number of Affected Agency	4096
Agency type of Affected Agency	Special District
Recipient(s) of tax abatement	Call, LLC
Tax abatement program (name and brief description)	Authorize an additional \$5,000,000 in Industrial Revenue Bonds in addition to \$11,000,000 in bonds that were issued in 1998 (Series A) for a total of \$16,000,000. Extend the Series A final maturity from 2023 to 2028. The bonds were issued for the purpose of making facility improvements and upgrades, as well as expanding parking capacity for the facility. The City will lease the facility to Call, LLC who will be sub-lease to Safelite Solutions LLC.
Specific Tax(es) Being Abated	Property Taxes
Authority under which abated tax would have been paid to Affected Agency	Property Tax Code NMSA Chapter 7 Articles 35-38
Gross dollar amount, on an accrual basis, by which the Affected Agency's tax revenues were reduced during the reporting period as a result of the tax abatement agreement	\$ 14,772.12
For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by the Affected Agency in association with the foregone tax revenue, list the amount of payments received in the current fiscal year	N/A
If the Abating Agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission	N/A
Is the abatement amount aggregated?	No
Threshold amount for aggregation	N/A

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

Year Ended June 30, 2019

Agency number for Agency making the disclosure (Abating Agency)	6147
Abating Agency Name	City of Rio Rancho
Abating Agency Type	Municipality (Home Rule)
Tax Abatement Agreement Name	Industrial Revenue Bond Project - Lease Agreement
Name of agency affected by abatement agreement (Affected Agency)	Southern Sandoval County Arroyo Flood Control Authority
Agency number of Affected Agency	4096
Agency type of Affected Agency	Special District
Recipient(s) of tax abatement	Bank of America
Tax abatement program (name and brief description)	Industrial Revenue Bonds - Authorize issuance of \$9,000,000 in industrial revenue bonds, Series 1998B, the proceeds of which will be used to finance the acquisition and construction of property. The property is leased to the Bank of America.
Specific Tax(es) Being Abated	Property Taxes
Authority under which abated tax would have been paid to Affected Agency	Property Tax Code NMSA Chapter 7 Articles 35-38
Gross dollar amount, on an accrual basis, by which the Affected Agency's tax revenues were reduced during the reporting period as a result of the tax abatement agreement	\$ 11,055.33
For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by the Affected Agency in association with the foregone tax revenue, list the amount of payments received in the current fiscal year	N/A
If the Abating Agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission	N/A
Is the abatement amount aggregated?	No
Threshold amount for aggregation	N/A

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 \$1,073,428 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 two fiscal years for the City's Health and Dental Self-Insurance Programs:

Self-Insured Claims Liability

	2019	2018
Beginning Liability.....	\$ 1,148,659	\$ -
Claims Incurred and		
Changes in Estimates.....	5,809,717	7,097,675
Claims Paid.....	(5,684,417)	(5,949,016)
Ending Liability.....	<u>\$ 1,273,959</u>	<u>\$ 1,148,659</u>

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

Year Ended June 30, 2019

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.



Required Supplementary Information

CITY OF RIO RANCHO, NEW MEXICO

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
MUNICIPAL GENERAL PLAN 2					
City's proportion of the net pension liability.....	1.84%	1.87%	1.85%	1.85%	1.97%
City's proportionate share of the net pension liability.....	\$ 14,317,308	\$ 19,098,897	\$ 29,628,670	\$ 39,739,046	\$ 31,358,071
City's covered payroll.....	\$ 14,891,796	\$ 15,446,492	\$ 15,895,592	\$ 16,205,131	\$ 16,591,518
City's proportionate share of the net pension liability as a percentage of covered payroll.....	96.14%	123.65%	186.40%	245.23%	189.00%
Plan fiduciary net position as a percentage of the total pension liability.....	81.29%	76.99%	69.18%	73.74%	71.13%
MUNICIPAL POLICE PLAN 5					
City's proportion of the net pension liability.....	3.16%	3.26%	3.25%	3.24%	3.21%
City's proportionate share of the net pension liability.....	\$ 10,287,239	\$ 15,686,967	\$ 24,001,602	\$ 28,721,471	\$ 21,934,036
City's covered payroll.....	\$ 6,071,232	\$ 6,378,370	\$ 6,487,069	\$ 6,681,370	\$ 6,791,788
City's proportionate share of the net pension liability as a percentage of covered payroll.....	169.44%	245.94%	369.99%	429.87%	322.95%
Plan fiduciary net position as a percentage of the total pension liability.....	81.29%	76.99%	69.18%	73.74%	71.13%
MUNICIPAL FIRE PLAN 5					
City's proportion of the net pension liability.....	4.25%	4.37%	4.27%	4.30%	4.29%
City's proportionate share of the net pension liability.....	\$ 17,732,794	\$ 22,540,946	\$ 28,501,252	\$ 32,999,407	\$ 27,435,649
City's covered payroll.....	\$ 4,714,718	\$ 4,979,095	\$ 4,968,305	\$ 5,214,952	\$ 5,446,827
City's proportionate share of the net pension liability as a percentage of covered payroll.....	376.12%	452.71%	573.66%	632.78%	503.70%
Plan fiduciary net position as a percentage of the total pension liability.....	81.29%	76.99%	69.18%	73.74%	71.13%

* 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>	<u>2018</u>	<u>2019</u>
MUNICIPAL GENERAL PLAN 2					
Contractually required contribution.....	\$ 1,475,140	\$ 1,518,029	\$ 1,547,590	\$ 1,584,490	\$ 1,518,081
Contributions in relation to the contractually required contribution.....	<u>(1,475,140)</u>	<u>(1,518,029)</u>	<u>(1,547,590)</u>	<u>(1,584,490)</u>	<u>(1,518,081)</u>
Contribution deficiency (excess).....	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
City's covered payroll.....	\$ 15,446,492	\$ 15,895,592	\$ 16,205,131	\$ 16,591,518	\$ 15,896,136
Contributions as a percentage of covered payroll.....	9.55%	9.55%	9.55%	9.55%	9.55%
MUNICIPAL POLICE PLAN 5					
Contractually required contribution.....	\$ 1,205,512	\$ 1,226,056	\$ 1,262,779	\$ 1,283,648	\$ 1,286,203
Contributions in relation to the contractually required contribution.....	<u>(1,205,512)</u>	<u>(1,226,056)</u>	<u>(1,262,779)</u>	<u>(1,283,648)</u>	<u>(1,286,203)</u>
Contribution deficiency (excess).....	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
City's covered payroll.....	\$ 6,378,370	\$ 6,487,069	\$ 6,681,372	\$ 6,791,788	\$ 6,805,307
Contributions as a percentage of covered payroll.....	18.90%	18.90%	18.90%	18.90%	18.90%
MUNICIPAL FIRE PLAN 5					
Contractually required contribution.....	\$ 1,077,974	\$ 1,075,638	\$ 1,129,037	\$ 1,179,238	\$ 1,197,947
Contributions in relation to the contractually required contribution.....	<u>(1,077,974)</u>	<u>(1,075,638)</u>	<u>(1,129,037)</u>	<u>(1,179,238)</u>	<u>(1,197,947)</u>
Contribution deficiency (excess).....	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
City's covered payroll.....	\$ 4,979,095	\$ 4,968,305	\$ 5,214,951	\$ 5,446,827	\$ 5,533,242
Contributions as a percentage of covered payroll.....	21.65%	21.65%	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.

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
Year Ended June 30, 2019

**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, 2019 is available at the web address listed above.

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

“the unfunded liability based upon the statutory contribution rates is an infinite period.”

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 *

	Measurement Date	
	June 30, 2017	June 30, 2018
City's proportion of the net OPEB liability	0.75381%	0.71711%
City's proportionate share of the net OPEB liability	\$ 34,160,128	\$ 31,182,487
City's covered-employee payroll	\$ 31,400,996	\$ 30,768,442
City's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	108.79%	101.35%
Plan fiduciary net position as a percentage of the total OPEB liability	11.34%	13.14%

*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 *

	2018	2019
Contractually required contribution	\$ 636,785	\$ 621,404
Contributions in relation to the contractually required contribution	636,785	621,404
Contribution deficiency (excess)	\$ -	\$ -
City's covered-employee payroll	\$ 31,400,996	\$ 30,768,442
Contributions as a percentage of covered-employee payroll	2.03%	2.02%

*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 Annual Actuarial Valuation as of June 30, 2018 report is available at <http://saonm.org/> using the Audit Search function for agency 343.

Supplementary Information



CITY OF RIO RANCHO, NEW MEXICO

Combining Balance Sheet Nonmajor Governmental Funds — By Fund Type June 30, 2019

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
ASSETS				
Cash and Cash Equivalents.....	\$ 10,503,381	\$ 6,057,181	\$ 2,713,451	\$ 19,274,013
Receivables:				
Accounts, net.....	35,390	—	—	35,390
Interest.....	32,252	—	3,307	35,559
Gross Receipt Taxes.....	598,274	68,500	—	666,774
Property Taxes.....	—	315,986	—	315,986
Due From Federal Government.....	559,862	—	—	559,862
Due From State Government.....	162,400	365,516	309,383	837,299
Due From Local Governments.....	34,310	—	—	34,310
Restricted Cash	4,502,681	714,037	10,620,440	15,837,158
Investments.....	6,933,855	—	776,178	7,710,033
Total Assets	<u>\$ 23,362,405</u>	<u>\$ 7,521,220</u>	<u>\$ 14,422,759</u>	<u>\$ 45,306,384</u>
LIABILITIES				
Accounts Payable.....	\$ 999,637	\$ 3,500	\$ 1,309,859	\$ 2,312,996
Accrued Liabilities.....	82,627	—	—	82,627
Due To Other Funds.....	471,451	—	309,383	780,834
Unearned Revenue.....	5,477	—	—	5,477
Total Liabilities.....	<u>1,559,192</u>	<u>3,500</u>	<u>1,619,242</u>	<u>3,181,934</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Property Taxes.....	—	239,556	—	239,556
Total Deferred Inflows of Resources.....	<u>—</u>	<u>239,556</u>	<u>—</u>	<u>239,556</u>
FUND BALANCES				
Fund Balances:				
Restricted.....	20,086,065	7,278,164	12,803,517	40,167,746
Committed.....	1,725,811	—	—	1,725,811
Unassigned.....	(8,663)	—	—	(8,663)
Total Fund Balances.....	<u>21,803,213</u>	<u>7,278,164</u>	<u>12,803,517</u>	<u>41,884,894</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances.....	<u>\$ 23,362,405</u>	<u>\$ 7,521,220</u>	<u>\$ 14,422,759</u>	<u>\$ 45,306,384</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, 2019

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
REVENUES				
Property Taxes.....	\$ —	\$ 6,100,271	\$ —	\$ 6,100,271
Municipal Taxes.....	3,784,768	366,917	—	4,151,685
Franchise Taxes.....	57,212	—	—	57,212
Intergovernmental - Federal.....	1,520,066	—	—	1,520,066
Intergovernmental - State.....	1,964,681	2,008,008	815,947	4,788,636
Intergovernmental - Local.....	55,055	—	—	55,055
Impact Fees.....	—	—	811,328	811,328
Investment Income (Loss).....	347,705	9,213	282,618	639,536
Charges for Services.....	897,587	—	—	897,587
Fines and Forfeitures.....	72,236	—	—	72,236
Miscellaneous.....	2,110,252	—	30,207	2,140,459
Total Revenues.....	<u>10,809,562</u>	<u>8,484,409</u>	<u>1,940,100</u>	<u>21,234,071</u>
EXPENDITURES				
Current:				
General Government.....	735,117	—	87,865	822,982
Public Safety.....	4,513,949	—	10,133	4,524,082
Public Works.....	1,246,407	—	14,160	1,260,567
Parks, Recreation, and Culture.....	463,089	—	—	463,089
Community and Economic Development.....	565,205	—	—	565,205
Capital Outlay.....	2,012,005	—	10,155,633	12,167,638
Debt Service:				
Principal.....	516,788	5,660,000	—	6,176,788
Interest and Other Charges.....	121,855	1,204,149	—	1,326,004
Loan Issuance Costs.....	87,918	—	—	87,918
Bond Issuance Costs.....	—	—	131,389	131,389
Total Expenditures.....	<u>10,262,333</u>	<u>6,864,149</u>	<u>10,399,180</u>	<u>27,525,662</u>
Revenues Over (Under) Expenditures.....	547,230	1,620,260	(8,459,080)	(6,291,590)
OTHER FINANCING SOURCES (USES)				
Loan Proceeds.....	4,049,056	—	—	4,049,056
Issuance of General Obligation Bonds.....	—	—	14,100,000	14,100,000
Premium on Bonds Issued.....	—	—	837,327	837,327
Sale of Capital Assets.....	—	—	24,930	24,930
Transfers In.....	2,239,612	705,827	24,797	2,970,236
Transfers Out.....	(513,592)	—	(3,940,740)	(4,454,332)
Total Other Financing Sources (Uses).....	<u>5,775,076</u>	<u>705,827</u>	<u>11,046,314</u>	<u>17,527,217</u>
Net Change in Fund Balances.....	6,322,306	2,326,087	2,587,234	11,235,627
Fund Balances - Beginning.....	15,480,907	4,952,077	10,216,283	30,649,267
Fund Balances - Ending.....	<u>\$ 21,803,213</u>	<u>\$ 7,278,164</u>	<u>\$ 12,803,517</u>	<u>\$ 41,884,894</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, 2019

	Animal Shelter Fund	Recreation Activities Fund	Keep Rio Rancho Beautiful Fund	Community Response Program Fund	Workers Compensation Fund	Senior Services Fund
ASSETS						
Cash and Cash Equivalents.....	\$ 43,047	\$ 241,625	\$ —	\$ —	\$ 414,020	\$ 31,294
Receivables:						
Accounts, net.....	—	—	—	—	—	—
Interest.....	—	—	—	—	4,410	—
Gross receipt tax.....	—	—	—	—	—	—
Due From Federal Government.....	—	—	—	—	—	—
Due From State Government.....	—	—	34,237	—	—	—
Due From Local Governments.....	—	—	—	—	—	—
Investments.....	—	—	—	—	1,034,904	—
Restricted Cash.....	—	—	—	—	—	—
Total Assets.....	<u>\$ 43,047</u>	<u>\$ 241,625</u>	<u>\$ 34,237</u>	<u>\$ —</u>	<u>\$ 1,453,334</u>	<u>\$ 31,294</u>
LIABILITIES						
Liabilities:						
Accounts Payable.....	\$ 3,398	\$ 29,506	\$ —	\$ —	\$ 118,049	\$ 51
Accrued Liabilities.....	—	1,649	544	—	—	—
Due To Other Funds.....	—	—	34,505	—	—	—
Unearned Revenue.....	—	—	—	—	—	—
Total Liabilities.....	<u>3,398</u>	<u>31,155</u>	<u>35,049</u>	<u>—</u>	<u>118,049</u>	<u>51</u>
FUND BALANCES						
Restricted.....	—	—	—	—	—	31,243
Committed.....	39,649	210,470	—	—	1,335,285	—
Unassigned.....	—	—	(812)	—	—	—
Total Fund Balances.....	<u>39,649</u>	<u>210,470</u>	<u>(812)</u>	<u>—</u>	<u>1,335,285</u>	<u>31,243</u>
Total Liabilities and Fund Balances.....	<u>\$ 43,047</u>	<u>\$ 241,625</u>	<u>\$ 34,237</u>	<u>\$ —</u>	<u>\$ 1,453,334</u>	<u>\$ 31,294</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>
\$ —	\$ 810,780	\$ 99,560	\$ 219,683	\$ 33,208	\$ 99,989	\$ 18,685	\$ 530,220	\$ 66,116
—	—	—	—	14,502	—	—	15,108	—
—	—	—	—	—	—	1	—	—
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
34,310	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	798	—	—
<u>\$ 34,310</u>	<u>\$ 810,780</u>	<u>\$ 99,560</u>	<u>\$ 219,683</u>	<u>\$ 47,710</u>	<u>\$ 99,989</u>	<u>\$ 19,484</u>	<u>\$ 545,328</u>	<u>\$ 66,116</u>
\$ 17,189	\$ —	\$ 785	\$ 182	\$ 4,962	\$ 21,850	\$ 998	\$ 42,536	\$ —
—	—	1,116	5,464	—	—	—	—	135
24,972	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
<u>42,161</u>	<u>—</u>	<u>1,901</u>	<u>5,646</u>	<u>4,962</u>	<u>21,850</u>	<u>998</u>	<u>42,536</u>	<u>135</u>
—	810,780	-	214,037	-	78,139	18,486	502,792	65,981
—	—	97,659	—	42,748	—	—	—	—
(7,851)	—	—	—	—	—	—	—	—
<u>(7,851)</u>	<u>810,780</u>	<u>97,659</u>	<u>214,037</u>	<u>42,748</u>	<u>78,139</u>	<u>18,486</u>	<u>502,792</u>	<u>65,981</u>
<u>\$ 34,310</u>	<u>\$ 810,780</u>	<u>\$ 99,560</u>	<u>\$ 219,683</u>	<u>\$ 47,710</u>	<u>\$ 99,989</u>	<u>\$ 19,484</u>	<u>\$ 545,328</u>	<u>\$ 66,116</u>

CITY OF RIO RANCHO, NEW MEXICO

Combining Balance Sheet Nonmajor Special Revenue Funds (Continued) June 30, 2019

	DWI Seized Vehicle Fund	NM Gang Task Force Fund	Fire Protection Fund	Emergency Medical Services Fund	DWI Program Fund	Summer Lunch Program Fund
ASSETS						
Cash and Cash Equivalents.....	\$ 7,935	\$ —	\$ 67,948	\$ 2,048	\$ 229,646	\$ 116,560
Receivables:						
Accounts, net.....	—	—	—	—	—	—
Interest.....	—	—	248	—	—	—
Gross receipt tax.....	—	—	—	—	—	—
Due From Federal Government.....	—	—	—	—	—	—
Due From State Government.....	—	—	—	—	—	—
Due From Local Governments.....	—	—	—	—	—	—
Restricted Cash	—	—	159,173	—	—	—
Investments.....	—	—	—	—	—	—
Total Assets	<u>\$ 7,935</u>	<u>\$ —</u>	<u>\$ 227,369</u>	<u>\$ 2,048</u>	<u>\$ 229,646</u>	<u>\$ 116,560</u>
LIABILITIES						
Accounts Payable.....	\$ —	\$ —	\$ 6,916	\$ 674	\$ —	\$ 51,584
Accrued Liabilities.....	—	—	—	—	—	2,726
Due To Other Funds.....	—	—	—	—	—	—
Unearned Revenue.....	—	—	—	—	—	5,477
Total Liabilities.....	<u>—</u>	<u>—</u>	<u>6,916</u>	<u>674</u>	<u>—</u>	<u>59,787</u>
FUND BALANCES						
Restricted.....	7,935	—	220,453	1,374	229,646	56,773
Committed.....	—	—	—	—	—	—
Unassigned.....	—	—	—	—	—	—
Total Fund Balances.....	<u>7,935</u>	<u>-</u>	<u>220,453</u>	<u>1,374</u>	<u>229,646</u>	<u>56,773</u>
Total Liabilities and Fund Balances.....	<u>\$ 7,935</u>	<u>\$ —</u>	<u>\$ 227,369</u>	<u>\$ 2,048</u>	<u>\$ 229,646</u>	<u>\$ 116,560</u>

Public Safety and Other Grants Fund	Environmental Gross Receipts Tax Fund	Higher Education Gross Receipts Tax Fund	Municipal Road Fund	Regional Emergency Comm Center Fund	HUD CDBG Grant Fund	Crime Victim Assistance Fund	Total Nonmajor Special Revenue Funds
\$ 1,331	\$ 351,026	\$ 5,776,130	\$ 334,873	\$ 1,007,657	\$ —	\$ —	\$ 10,503,381
—	—	—	—	5,780	—	—	35,390
—	4,660	22,051	882	—	—	—	32,252
—	138,170	460,104	—	—	—	—	598,274
472,021	—	—	—	—	49,720	38,120	559,862
12,990	—	—	115,173	—	—	—	162,400
—	—	—	—	—	—	—	34,310
—	3,732,611	—	610,099	—	—	—	4,502,681
—	517,452	5,174,518	206,981	—	—	—	6,933,855
<u>\$ 486,342</u>	<u>\$ 4,743,919</u>	<u>\$ 11,432,803</u>	<u>\$ 1,268,008</u>	<u>\$ 1,013,437</u>	<u>\$ 49,720</u>	<u>\$ 38,120</u>	<u>\$ 23,362,405</u>
\$ 61,308	\$ 55,201	\$ 62,222	\$ 470,751	\$ 10,215	\$ 41,022	\$ 238	\$ 999,637
5,704	95	—	—	61,042	1,588	2,564	82,627
393,026	—	—	—	—	3,697	15,251	471,451
—	—	—	—	—	—	—	5,477
<u>460,038</u>	<u>55,296</u>	<u>62,222</u>	<u>470,751</u>	<u>71,257</u>	<u>46,307</u>	<u>18,053</u>	<u>1,559,192</u>
26,304	4,688,623	11,370,581	797,257	942,180	3,413	20,067	20,086,065
—	—	—	—	—	—	—	1,725,811
—	—	—	—	—	—	—	(8,663)
<u>26,304</u>	<u>4,688,623</u>	<u>11,370,581</u>	<u>797,257</u>	<u>942,180</u>	<u>3,413</u>	<u>20,067</u>	<u>21,803,213</u>
<u>\$ 486,342</u>	<u>\$ 4,743,919</u>	<u>\$ 11,432,803</u>	<u>\$ 1,268,008</u>	<u>\$ 1,013,437</u>	<u>\$ 49,720</u>	<u>\$ 38,120</u>	<u>\$ 23,362,405</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, 2019

	Animal Shelter Fund	Recreation Activities Fund	Keep Rio Rancho Beautiful Fund	Community Response Program Fund	Workers Compensation Fund	Senior Services Fund
REVENUES						
Municipal Taxes.....	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Franchise Taxes.....	—	—	—	—	—	—
Intergovernmental - Federal.....	—	—	—	—	—	—
Intergovernmental - State.....	—	—	70,126	—	—	—
Intergovernmental - Local.....	—	—	—	—	—	—
Investment Income (Loss).....	—	—	—	—	48,161	—
Charges for Services.....	44,734	192,808	—	—	—	16,285
Fines and Forfeitures.....	1,005	—	—	—	—	—
Miscellaneous.....	4,710	—	—	—	557,768	947
Total Revenues.....	<u>50,449</u>	<u>192,808</u>	<u>70,126</u>	<u>—</u>	<u>605,929</u>	<u>17,232</u>
EXPENDITURES						
Current:						
General Government.....	—	—	—	—	735,117	—
Public Safety.....	50,098	—	—	—	—	—
Public Works.....	—	—	—	—	—	—
Parks, Recreation, and Culture.....	2,681	175,986	—	—	—	28,647
Community and Economic Development.....	—	—	71,188	—	—	—
Capital Outlay.....	—	—	—	—	—	—
Debt Service:						
Principal.....	—	—	—	—	—	—
Interest and Other Charges.....	—	—	—	—	—	—
Loan Issuance Costs.....	—	—	—	—	—	—
Total Expenditures.....	<u>52,779</u>	<u>175,986</u>	<u>71,188</u>	<u>—</u>	<u>735,117</u>	<u>28,647</u>
Revenues Over (Under) Expenditures.....	(2,330)	16,822	(1,062)	—	(129,188)	(11,415)
OTHER FINANCING SOURCES (USES)						
Loan Proceeds.....	—	—	—	—	—	—
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.....	(2,330)	16,822	(1,062)	—	(129,188)	(11,415)
Fund Balances - Beginning.....	41,979	193,648	250	—	1,464,473	42,658
Fund Balances - Ending.....	<u>\$ 39,649</u>	<u>\$ 210,470</u>	<u>\$ (812)</u>	<u>\$ —</u>	<u>\$ 1,335,285</u>	<u>\$ 31,243</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>
\$ —	\$ —	\$ —	\$ 372,808	\$ —	\$ —	\$ —	\$ —	\$ —
—	—	—	—	57,212	—	—	—	—
1,500	—	—	—	—	—	—	—	—
102,025	—	—	—	—	—	100,800	—	—
55,055	—	—	—	—	—	—	—	—
—	180	—	—	—	—	798	—	—
—	—	91,497	—	—	224,567	—	312,304	—
—	—	—	—	—	—	—	—	71,231
15,943	25,000	—	2,848	—	—	—	839	—
<u>174,523</u>	<u>25,180</u>	<u>91,497</u>	<u>375,656</u>	<u>57,212</u>	<u>224,567</u>	<u>101,598</u>	<u>313,143</u>	<u>71,231</u>
—	—	—	—	—	—	—	—	—
—	—	—	—	—	436,905	29,443	72,831	48,790
141,536	—	—	—	—	—	—	—	—
—	—	117,265	310,730	66,022	—	—	—	—
—	—	—	—	—	—	51,134	77,178	93,255
—	—	—	—	—	—	52,465	—	—
—	—	—	—	—	—	1,659	—	—
—	—	—	—	—	—	—	—	—
<u>141,536</u>	<u>—</u>	<u>117,265</u>	<u>310,730</u>	<u>66,022</u>	<u>436,905</u>	<u>134,701</u>	<u>150,009</u>	<u>142,045</u>
32,987	25,180	(25,768)	64,926	(8,810)	(212,338)	(33,103)	163,134	(70,814)
—	—	—	—	—	—	—	—	—
23,953	—	96,302	—	6,812	296,000	—	—	—
<u>23,953</u>	<u>—</u>	<u>96,302</u>	<u>—</u>	<u>6,812</u>	<u>296,000</u>	<u>—</u>	<u>—</u>	<u>—</u>
56,940	25,180	70,534	64,926	(1,998)	83,662	(33,103)	163,134	(70,814)
(64,791)	785,600	27,125	149,111	44,746	(5,523)	51,589	339,658	136,795
<u>\$ (7,851)</u>	<u>\$ 810,780</u>	<u>\$ 97,659</u>	<u>\$ 214,037</u>	<u>\$ 42,748</u>	<u>\$ 78,139</u>	<u>\$ 18,486</u>	<u>\$ 502,792</u>	<u>\$ 65,981</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, 2019

	DWI Seized Vehicle Fund	NM Gang Task Force Fund	Fire Protection Fund	Emergency Medical Services Fund	DWI Program Fund	Summer Lunch Program Fund
REVENUES						
Municipal Taxes.....	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Franchise Taxes.....	—	—	—	—	—	—
Intergovernmental - Federal.....	—	—	—	—	—	114,239
Intergovernmental - State.....	—	—	885,025	20,000	—	—
Intergovernmental - Local.....	—	—	—	—	—	—
Investment Income (Loss).....	—	—	6,412	—	413	—
Charges for Services.....	8,930	—	—	—	—	—
Fines and Forfeitures.....	—	—	—	—	—	—
Miscellaneous.....	—	—	286	—	—	—
Total Revenues.....	<u>8,930</u>	<u>—</u>	<u>891,723</u>	<u>20,000</u>	<u>413</u>	<u>114,239</u>
EXPENDITURES						
Current:						
General Government.....	—	—	—	—	—	—
Public Safety.....	—	300	520,251	18,816	—	—
Public Works.....	—	—	—	—	—	—
Parks, Recreation, and Culture.....	—	—	—	—	—	114,239
Community and Economic Development.....	—	—	—	—	—	—
Capital Outlay.....	—	—	279,696	—	—	—
Debt Service:						
Principal.....	—	—	201,909	—	—	—
Interest and Other Charges.....	—	—	42,913	—	—	—
Loan Issuance Costs.....	—	—	—	—	—	—
Total Expenditures.....	<u>—</u>	<u>300</u>	<u>1,044,769</u>	<u>18,816</u>	<u>—</u>	<u>114,239</u>
Revenues Over (Under) Expenditures.....	8,930	(300)	(153,046)	1,184	413	—
OTHER FINANCING SOURCES (USES)						
Loan Proceeds.....	—	—	—	—	—	—
Transfers In.....	—	—	—	—	—	—
Transfers Out.....	(83,392)	—	—	—	—	—
Total Other Financing Sources (Uses).....	<u>(83,392)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net Change in Fund Balances.....	(74,462)	(300)	(153,046)	1,184	413	—
Fund Balances - Beginning.....	82,397	300	373,499	190	229,233	56,773
Fund Balances - Ending.....	<u>\$ 7,935</u>	<u>\$ —</u>	<u>\$ 220,453</u>	<u>\$ 1,374</u>	<u>\$ 229,646</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
\$ —	\$ 780,041	\$ 2,631,919	\$ —	\$ —	\$ —	\$ —	\$ 3,784,768
—	—	—	—	—	—	—	57,212
736,678	—	—	—	—	563,318	104,331	1,520,066
56,104	—	—	730,601	—	—	—	1,964,681
—	—	—	—	—	—	—	55,055
—	31,650	244,408	15,683	—	—	—	347,705
—	—	—	6,462	—	—	—	897,587
—	—	—	—	—	—	—	72,236
—	—	—	47,355	1,454,556	—	—	2,110,252
<u>792,782</u>	<u>811,691</u>	<u>2,876,327</u>	<u>800,101</u>	<u>1,454,556</u>	<u>563,318</u>	<u>104,331</u>	<u>10,809,562</u>
—	—	—	—	—	—	—	735,117
383,934	—	—	—	2,841,958	—	110,623	4,513,949
—	232,320	—	721,255	—	292,832	—	1,246,407
—	—	—	—	—	—	—	463,089
—	—	—	—	—	—	—	565,205
415,140	—	280,617	544,499	—	270,486	—	2,012,005
—	262,414	—	—	—	—	—	516,788
—	77,283	—	—	—	—	—	121,855
—	53,266	—	34,652	—	—	—	87,918
<u>799,074</u>	<u>625,283</u>	<u>280,617</u>	<u>1,300,406</u>	<u>2,841,958</u>	<u>563,318</u>	<u>110,623</u>	<u>10,262,333</u>
(6,292)	186,408	2,595,710	(500,305)	(1,387,402)	—	(6,292)	547,230
—	3,440,000	—	609,056	—	—	—	4,049,056
26,642	—	—	—	1,770,367	—	19,536	2,239,612
—	—	—	—	(430,200)	—	—	(513,592)
<u>26,642</u>	<u>3,440,000</u>	<u>—</u>	<u>609,056</u>	<u>1,340,167</u>	<u>—</u>	<u>19,536</u>	<u>5,775,076</u>
20,350	3,626,408	2,595,710	108,751	(47,235)	—	13,244	6,322,306
5,954	1,062,215	8,774,871	688,506	989,415	3,413	6,823	15,480,907
<u>\$ 26,304</u>	<u>\$ 4,688,623</u>	<u>\$ 11,370,581</u>	<u>\$ 797,257</u>	<u>\$ 942,180</u>	<u>\$ 3,413</u>	<u>\$ 20,067</u>	<u>\$ 21,803,213</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, 2019

	General Obligation Bond Fund	GRT Revenue Bond Fund	HP Loan Fund	HS Loan Fund	Public Safety Vehicle Loan Fund	Total Nonmajor Debt Service Funds
ASSETS						
Cash and Cash Equivalents.....	\$ 6,057,181	\$ —	\$ —	\$ —	\$ —	\$ 6,057,181
Receivables:						
Property Taxes.....	315,986	—	—	—	—	315,986
Accrued Interest	—	—	—	—	—	—
Gross Receipt Taxes.....	—	—	68,500	—	—	68,500
Due From State Government.....	—	286,604	—	67,907	11,005	365,516
Restricted Cash.....	714,037	—	—	—	—	714,037
Investments.....	—	—	—	—	—	—
Total Assets.....	<u>\$ 7,087,204</u>	<u>\$ 286,604</u>	<u>\$ 68,500</u>	<u>\$ 67,907</u>	<u>\$ 11,005</u>	<u>\$ 7,521,220</u>
LIABILITIES						
Liabilities:						
Accounts Payable.....	\$ 3,500	\$ —	\$ —	\$ —	\$ —	\$ 3,500
Total Liabilities.....	<u>3,500</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>3,500</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenue-Property Taxes.....	239,556	—	—	—	—	239,556
Total Deferred Inflows of Resources.....	<u>239,556</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>239,556</u>
FUND BALANCES						
Restricted.....	6,844,148	286,604	68,500	67,907	11,005	7,278,164
Total Fund Balances.....	<u>6,844,148</u>	<u>286,604</u>	<u>68,500</u>	<u>67,907</u>	<u>11,005</u>	<u>7,278,164</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances.....	<u>\$ 7,087,204</u>	<u>\$ 286,604</u>	<u>\$ 68,500</u>	<u>\$ 67,907</u>	<u>\$ 11,005</u>	<u>\$ 7,521,220</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, 2019

	General Obligation Bond Fund	GRT Revenue Bond Fund	HP Loan Fund	HS Loan Fund	Public Safety Vehicle Loan Fund	Total Nonmajor Debt Service Funds
REVENUES						
Property Taxes.....	\$ 6,100,271	\$ —	\$ —	\$ —	\$ —	\$ 6,100,271
Municipal Taxes.....	—	—	366,917	—	—	366,917
Intergovernmental - State.....	—	1,574,540	—	376,324	57,144	2,008,008
Investment Income	9,199	—	7	7	—	9,213
Total Revenues.....	<u>6,109,470</u>	<u>1,574,540</u>	<u>366,924</u>	<u>376,331</u>	<u>57,144</u>	<u>8,484,409</u>
EXPENDITURES						
Debt Service:						
Principal.....	3,705,000	1,260,000	320,000	325,000	50,000	5,660,000
Interest and Other Charges.....	772,860	316,481	55,693	52,722	6,393	1,204,149
Bond Issuance Costs	—	—	—	—	—	—
Total Expenditures.....	<u>4,477,860</u>	<u>1,576,481</u>	<u>375,693</u>	<u>377,722</u>	<u>56,393</u>	<u>6,864,149</u>
Revenues Over (Under) Expenditures.....	1,631,610	(1,941)	(8,769)	(1,391)	751	1,620,260
OTHER FINANCING SOURCES (USES)						
Transfers In.....	705,827	—	—	—	—	705,827
Transfers Out.....	—	—	—	—	—	—
Total Other Financing Sources (Uses).....	<u>705,827</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>705,827</u>
Net Change in Fund Balances.....	2,337,437	(1,941)	(8,769)	(1,391)	751	2,326,087
Fund Balances - Beginning.....	<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>
Fund Balances - Ending.....	<u>\$ 6,844,148</u>	<u>\$ 286,604</u>	<u>\$ 68,500</u>	<u>\$ 67,907</u>	<u>\$ 11,005</u>	<u>\$ 7,278,164</u>



NON-MAJOR GOVERNMENTAL FUND DESCRIPTIONS

CAPITAL PROJECT FUNDS

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, 2019

	Recreation Development Fund	State Appropriation Capital Projects Fund	2009 Bond Road Construction Fund	2016 GO Bond Construction Fund
ASSETS				
Cash and Cash Equivalents.....	\$ 69,797	\$ —	\$ —	\$ 383,405
Receivables:				
Interest.....	—	—	—	—
Due From Federal Government.....	—	—	—	—
Due From State Government.....	—	309,383	—	—
Restricted Cash	—	—	—	4,058,485
Investments	—	—	—	—
Total Assets.....	<u>\$ 69,797</u>	<u>\$ 309,383</u>	<u>\$ —</u>	<u>\$ 4,441,890</u>
LIABILITIES				
Accounts Payable.....	\$ 24,797	\$ —	\$ —	\$ 15,913
Due To Other Funds.....	—	309,383	—	—
Total Liabilities.....	<u>24,797</u>	<u>309,383</u>	<u>—</u>	<u>15,913</u>
FUND BALANCES				
Restricted.....	45,000	—	—	4,425,977
Total Fund Balances.....	<u>45,000</u>	<u>—</u>	<u>—</u>	<u>4,425,977</u>
Total Liabilities and Fund Balances.....	<u>\$ 69,797</u>	<u>\$ 309,383</u>	<u>\$ —</u>	<u>\$ 4,441,890</u>

2018 GO Bond Construction Fund	Road Impact Fees Fund	Trails Impact Fees Fund	Parks Impact Fees Fund	Public Safety Impact Fees Fund	Drainage Impact Fees Fund	Total Nonmajor Capital Project Funds
\$ 58,294	\$ 1,149,459	\$ 75,562	\$ 218,469	\$ 107,544	\$ 650,921	\$ 2,713,451
—	1,764	—	882	—	661	3,307
—	—	—	—	—	—	—
—	—	—	—	—	—	309,383
6,561,955	—	—	—	—	—	10,620,440
—	413,961	—	206,981	—	155,236	776,178
<u>\$ 6,620,249</u>	<u>\$ 1,565,184</u>	<u>\$ 75,562</u>	<u>\$ 426,332</u>	<u>\$ 107,544</u>	<u>\$ 806,818</u>	<u>\$ 14,422,759</u>
\$ 1,077,061	\$ 11,691	\$ —	\$ 83,745	\$ 96,652	\$ —	\$ 1,309,859
—	—	—	—	—	—	309,383
<u>1,077,061</u>	<u>11,691</u>	<u>—</u>	<u>83,745</u>	<u>96,652</u>	<u>—</u>	<u>1,619,242</u>
5,543,188	1,553,493	75,562	342,587	10,892	806,818	12,803,517
<u>5,543,188</u>	<u>1,553,493</u>	<u>75,562</u>	<u>342,587</u>	<u>10,892</u>	<u>806,818</u>	<u>12,803,517</u>
<u>\$ 6,620,249</u>	<u>\$ 1,565,184</u>	<u>\$ 75,562</u>	<u>\$ 426,332</u>	<u>\$ 107,544</u>	<u>\$ 806,818</u>	<u>\$ 14,422,759</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, 2019

	Recreation Development Fund	State Appropriation Capital Projects Fund	2009 Bond Road Construction Fund	2016 GO Bond Construction
REVENUES				
Intergovernmental - Federal.....	\$ —	\$ —	\$ —	\$ —
Intergovernmental - State.....	—	815,947	—	—
Intergovernmental - Local.....	—	—	—	—
Impact Fees.....	—	—	—	—
Charges for Services.....	—	—	—	—
Investment Income (Loss).....	—	—	—	78,169
Miscellaneous.....	15,000	—	—	—
Total Revenues.....	<u>15,000</u>	<u>815,947</u>	<u>—</u>	<u>78,169</u>
EXPENDITURES				
Current:				
General Government.....	—	87,865	—	—
Public Safety.....	—	—	—	—
Public Works.....	—	—	—	—
Bond Issuance Costs.....	—	—	—	—
Capital Outlay.....	26,944	728,082	—	276,595
Total Expenditures.....	<u>26,944</u>	<u>815,947</u>	<u>—</u>	<u>276,595</u>
Revenues Over (Under) Expenditures.....	(11,944)	—	—	(198,426)
OTHER FINANCING SOURCES (USES)				
Issuance of General Obligation Bonds.....	—	—	—	—
Premium on Bonds Issued.....	—	—	—	—
Sale of Capital Assets.....	—	—	—	—
Transfers In.....	24,797	—	—	—
Transfers Out.....	—	—	—	—
Total Other Financing Sources (Uses).....	<u>24,797</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net Change in Fund Balances.....	12,853	—	—	(198,426)
Fund Balances - Beginning	<u>32,147</u>	<u>—</u>	<u>—</u>	<u>4,624,403</u>
Fund Balances - Ending.....	<u>\$ 45,000</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 4,425,977</u>

2018 GO Bond Construction	Road Impact Fees Fund	Trails Impact Fees Fund	Park Impact Fees Fund	Public Safety Impact Fees Fund	Drainage Impact Fees Fund	Total Nonmajor Capital Project Funds
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
—	—	—	—	—	—	815,947
—	—	—	—	—	—	—
—	288,873	6,709	177,981	95,198	242,567	811,328
167,438	19,992	—	9,711	—	7,308	282,618
—	—	—	—	15,207	—	30,207
<u>167,438</u>	<u>308,865</u>	<u>6,709</u>	<u>187,692</u>	<u>110,405</u>	<u>249,875</u>	<u>1,940,100</u>
—	—	—	—	—	—	87,865
—	—	—	—	2,856	7,277	10,133
—	8,667	201	5,292	—	—	14,160
131,389	—	—	—	—	—	131,389
<u>8,424,081</u>	<u>11,691</u>	<u>131,523</u>	<u>239,149</u>	<u>317,568</u>	<u>—</u>	<u>10,155,633</u>
<u>8,555,470</u>	<u>20,358</u>	<u>131,724</u>	<u>244,441</u>	<u>320,424</u>	<u>7,277</u>	<u>10,399,180</u>
(8,388,032)	288,507	(125,015)	(56,749)	(210,019)	242,598	(8,459,080)
14,100,000	—	—	—	—	—	14,100,000
837,327	—	—	—	—	—	837,327
24,930	—	—	—	—	—	24,930
—	—	—	—	—	—	24,797
<u>(3,940,740)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(3,940,740)</u>
<u>11,021,517</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>11,046,314</u>
2,633,485	288,507	(125,015)	(56,749)	(210,019)	242,598	2,587,234
<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>10,216,283</u>
<u>\$ 5,543,188</u>	<u>\$ 1,553,493</u>	<u>\$ 75,562</u>	<u>\$ 342,587</u>	<u>\$ 10,892</u>	<u>\$ 806,818</u>	<u>\$ 12,803,517</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, 2019

	Health Self-Insurance Fund	Dental Self-Insurance Fund	Total
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 779,771	\$ 411,390	\$ 1,191,161
Interest Receivable.....	4,410	—	4,410
Total Current Assets.....	<u>784,181</u>	<u>411,390</u>	<u>1,195,571</u>
Noncurrent Assets:			
Investments.....	1,034,904	—	1,034,904
Total Assets.....	<u>1,819,085</u>	<u>411,390</u>	<u>2,230,475</u>
LIABILITIES			
Current Liabilities:			
Claims Payable.....	1,161,428	69,576	1,231,004
Total Current Liabilities.....	<u>1,161,428</u>	<u>69,576</u>	<u>1,231,004</u>
Total Liabilities.....	<u>1,161,428</u>	<u>69,576</u>	<u>1,231,004</u>
NET POSITION			
Unrestricted.....	657,657	341,814	999,471
Total Net Position.....	<u>\$ 657,657</u>	<u>\$ 341,814</u>	<u>\$ 999,471</u>

CITY OF RIO RANCHO, NEW MEXICO

Combining Statement of Revenues, Expenses, and Changes in Net Position Internal Service Funds Year Ended June 30, 2019

	Health Self-Insurance Fund	Dental Self-Insurance Fund	Total
OPERATING REVENUES			
Charges for Services.....	\$ 6,105,549	\$ 516,813	\$ 6,622,362
Total Revenues.....	<u>6,105,549</u>	<u>516,813</u>	<u>6,622,362</u>
OPERATING EXPENSES			
General and Administrative.....	546,986	29,089	576,075
Claims and Premiums.....	5,639,609	415,620	6,055,229
Total Expenses.....	<u>6,186,595</u>	<u>444,709</u>	<u>6,631,304</u>
Operating Income (Loss).....	<u>(81,046)</u>	<u>72,104</u>	<u>(8,942)</u>
NON OPERATING REVENUES (EXPENSES)			
Investment Income (Loss).....	48,603	—	48,603
Total Non-Operating Revenues (Expenses).....	<u>48,603</u>	<u>—</u>	<u>48,603</u>
Change in Net Position.....	(32,443)	72,104	39,661
Net Position - Beginning	<u>690,100</u>	<u>269,710</u>	<u>959,810</u>
Net Position - Ending.....	<u>\$ 657,657</u>	<u>\$ 341,814</u>	<u>\$ 999,471</u>

CITY OF RIO RANCHO, NEW MEXICO

Combining Statement of Cash Flows Internal Service Funds Year Ended June 30, 2019

	Health Self-Insurance Fund	Dental Self-Insurance Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers and Users.....	\$ 6,105,549	\$ 516,813	\$ 6,622,362
Payments to Suppliers and Contractors.....	(6,063,258)	(442,746)	(6,506,004)
Net Cash Provided (Used) by Operating Activities.....	<u>42,291</u>	<u>74,067</u>	<u>116,358</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Investments.....	(554,378)	—	(554,378)
Sales of Investments.....	537,363	—	537,363
Reinvested Earnings.....	20,257	—	20,257
Net Cash Provided (Used) by Investing Activities.....	<u>3,242</u>	<u>—</u>	<u>3,242</u>
Net Cash Provided (Used) - All Activities.....	45,533	74,067	119,600
Cash and Cash Equivalents - Beginning.....	<u>734,238</u>	<u>337,323</u>	<u>1,071,561</u>
Cash and Cash Equivalents - Ending.....	<u><u>\$ 779,771</u></u>	<u><u>\$ 411,390</u></u>	<u><u>\$ 1,191,161</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating Income (Loss).....	\$ (81,046)	\$ 72,104	\$ (8,942)
Adjustments to Reconcile Operating Income (Loss):			
Increase (Decrease) in Accounts Payable.....	<u>123,337</u>	<u>1,963</u>	<u>125,300</u>
Net Cash Provided (Used) by Operating Activities.....	<u><u>\$ 42,291</u></u>	<u><u>\$ 74,067</u></u>	<u><u>\$ 116,358</u></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, 2019

	<u>Rio Metro Fund</u>	<u>Special Assessment District Operations Fund</u>	<u>Special Assessment District VI Bond Fund</u>	<u>Special Assessment District VII Bond Fund</u>
ASSETS				
Cash	\$ 5,197	\$ 77,116	\$ 1,138,628	\$ 3,655,070
Total Assets.....	<u>\$ 5,197</u>	<u>\$ 77,116</u>	<u>\$ 1,138,628</u>	<u>\$ 3,655,070</u>
LIABILITIES				
Deposits Held for Others.....	\$ 5,197	\$ 77,116	\$ 1,138,628	\$ 3,655,070
Total Liabilities.....	<u>\$ 5,197</u>	<u>\$ 77,116</u>	<u>\$ 1,138,628</u>	<u>\$ 3,655,070</u>

Special Assessment District VIII Bond Fund	S&P Reimbursement Fund	Municipal Court Fund	Total
\$ 475,264	\$ 700,722	\$ 15,744	\$ 6,067,741
<u>\$ 475,264</u>	<u>\$ 700,722</u>	<u>\$ 15,744</u>	<u>\$ 6,067,741</u>
\$ 475,264	\$ 700,722	\$ 15,744	\$ 6,067,741
<u>\$ 475,264</u>	<u>\$ 700,722</u>	<u>\$ 15,744</u>	<u>\$ 6,067,741</u>

CITY OF RIO RANCHO, NEW MEXICO

Combining Statement of Changes in Assets and Liabilities Agency Funds Year Ended June 30, 2019

	Balance July 1, 2018	Additions	Deductions	Balance June 30, 2019
RIO METRO FUND				
ASSETS				
Cash	\$ 6,325	\$ 71,792	\$ 72,920	\$ 5,197
Total Assets.....	<u>\$ 6,325</u>	<u>\$ 71,792</u>	<u>\$ 72,920</u>	<u>\$ 5,197</u>
LIABILITIES				
Deposits Held for Others.....	\$ 6,325	\$ 71,792	\$ 72,920	\$ 5,197
Total Liabilities.....	<u>\$ 6,325</u>	<u>\$ 71,792</u>	<u>\$ 72,920</u>	<u>\$ 5,197</u>
SPECIAL ASSESSMENT DISTRICT OPERATIONS FUND				
ASSETS				
Cash	\$ 50,100	\$ 89,537	\$ 62,521	\$ 77,116
Total Assets.....	<u>\$ 50,100</u>	<u>\$ 89,537</u>	<u>\$ 62,521</u>	<u>\$ 77,116</u>
LIABILITIES				
Deposits Held for Others.....	\$ 50,100	\$ 89,537	\$ 62,521	\$ 77,116
Total Liabilities.....	<u>\$ 50,100</u>	<u>\$ 89,537</u>	<u>\$ 62,521</u>	<u>\$ 77,116</u>
SPECIAL ASSESSMENT DISTRICT VI BOND FUND				
ASSETS				
Cash	\$ 1,284,040	\$ 303,664	\$ 449,076	\$ 1,138,628
Total Assets.....	<u>\$ 1,284,040</u>	<u>\$ 303,664</u>	<u>\$ 449,076</u>	<u>\$ 1,138,628</u>
LIABILITIES				
Deposits Held for Others.....	\$ 1,284,040	\$ 303,664	\$ 449,076	\$ 1,138,628
Total Liabilities.....	<u>\$ 1,284,040</u>	<u>\$ 303,664</u>	<u>\$ 449,076</u>	<u>\$ 1,138,628</u>
SPECIAL ASSESSMENT DISTRICT VII BOND FUND				
ASSETS				
Cash	\$ 3,809,391	\$ 99,940	\$ 254,261	\$ 3,655,070
Total Assets.....	<u>\$ 3,809,391</u>	<u>\$ 99,940</u>	<u>\$ 254,261</u>	<u>\$ 3,655,070</u>
LIABILITIES				
Deposits Held for Others.....	\$ 3,809,391	\$ 99,940	\$ 254,261	\$ 3,655,070
Total Liabilities.....	<u>\$ 3,809,391</u>	<u>\$ 99,940</u>	<u>\$ 254,261</u>	<u>\$ 3,655,070</u>
SPECIAL ASSESSMENT DISTRICT VIII BOND FUND				
ASSETS				
Cash	\$ 499,450	\$ 45,321	\$ 69,507	\$ 475,264
Total Assets.....	<u>\$ 499,450</u>	<u>\$ 45,321</u>	<u>\$ 69,507</u>	<u>\$ 475,264</u>
LIABILITIES				
Deposits Held for Others.....	\$ 499,450	\$ 45,321	\$ 69,507	\$ 475,264
Total Liabilities.....	<u>\$ 499,450</u>	<u>\$ 45,321</u>	<u>\$ 69,507</u>	<u>\$ 475,264</u>

	<u>Balance</u> <u>July 1, 2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2019</u>
RIO RANCHO ECONOMIC DEVELOPMENT FUND				
S&P REIMBURSEMENT FUND				
ASSETS				
Cash	\$ 700,181	\$ 541	\$ —	\$ 700,722
Total Assets.....	<u>\$ 700,181</u>	<u>\$ 541</u>	<u>\$ —</u>	<u>\$ 700,722</u>
LIABILITIES				
Deposits Held for Others.....	\$ 700,181	\$ 541	\$ —	\$ 700,722
Total Liabilities.....	<u>\$ 700,181</u>	<u>\$ 541</u>	<u>\$ —</u>	<u>\$ 700,722</u>
MUNICIPAL COURT FUND				
ASSETS				
Cash	\$ 16,211	\$ —	\$ 467	\$ 15,744
Total Assets.....	<u>\$ 16,211</u>	<u>\$ —</u>	<u>\$ 467</u>	<u>\$ 15,744</u>
LIABILITIES				
Deposits Held for Others.....	\$ 16,211	\$ —	\$ 467	\$ 15,744
Total Liabilities.....	<u>\$ 16,211</u>	<u>\$ —</u>	<u>\$ 467</u>	<u>\$ 15,744</u>



BUDGETARY COMPARISON SCHEDULES

CITY OF RIO RANCHO, NEW MEXICO

Budgetary Comparison Schedule Animal Shelter Fund Year Ended June 30, 2019

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
REVENUES				
Charges for Services.....	\$ 52,000	\$ 52,000	\$ 44,734	\$ (7,266)
Fines and Forfeitures.....	500	500	1,005	505
Miscellaneous.....	8,500	7,150	4,710	(2,440)
Total Revenues.....	<u>61,000</u>	<u>59,650</u>	<u>50,449</u>	<u>(9,201)</u>
EXPENDITURES				
Current:				
Public Safety.....	70,317	70,317	47,383	22,934
Parks, Recreation, and Culture.....	13,840	14,088	2,743	11,345
Total Expenditures.....	<u>84,157</u>	<u>84,405</u>	<u>50,126</u>	<u>34,279</u>
Revenues Over (Under) Expenditures.....	(23,157)	(24,755)	323	25,078
OTHER FINANCING SOURCES (USES)				
Transfers In.....	—	—	—	—
Transfers Out.....	—	—	—	—
Total Other Financing Sources (Uses).....	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net Change in Fund Balances.....	(23,157)	(24,755)	323	25,078
Fund Balances - Beginning, Budgetary Basis..	41,127	42,725	42,725	—
Fund Balances - Ending, Budgetary Basis.....	<u>\$ 17,970</u>	<u>\$ 17,970</u>	<u>\$ 43,048</u>	<u>\$ 25,078</u>

Budget to GAAP Reconciliation

Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 50,449
(no differences)	<u>—</u>
Total Actual Revenues - GAAP Basis.....	<u>\$ 50,449</u>

Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 50,126
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.....	3,398
Prior year accrued expenditures.....	<u>(745)</u>
Total Actual Expenditures - GAAP Basis.....	<u>\$ 52,779</u>

CITY OF RIO RANCHO, NEW MEXICO

Budgetary Comparison Schedule Recreation Activities Fund Year Ended June 30, 2019

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
REVENUES				
Charges for Services.....	\$ 288,965	\$ 288,965	\$ 192,808	\$ (96,157)
Total Revenues.....	<u>288,965</u>	<u>288,965</u>	<u>192,808</u>	<u>(96,157)</u>
EXPENDITURES				
Current:				
Parks, Recreation, and Culture.....	<u>327,037</u>	<u>360,992</u>	<u>149,081</u>	<u>211,911</u>
Total Expenditures.....	<u>327,037</u>	<u>360,992</u>	<u>149,081</u>	<u>211,911</u>
Revenues Over (Under) Expenditures.....	(38,072)	(72,027)	43,727	115,754
OTHER FINANCING SOURCES (USES)				
Transfers In.....	—	—	—	—
Transfers Out.....	—	—	—	—
Total Other Financing Sources (Uses).....	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net Change in Fund Balances.....	(38,072)	(72,027)	43,727	115,754
Fund Balances - Beginning, Budgetary Basis..	<u>158,036</u>	<u>197,898</u>	<u>197,898</u>	<u>—</u>
Fund Balances - Ending, Budgetary Basis.....	<u>\$ 119,964</u>	<u>\$ 125,871</u>	<u>\$ 241,625</u>	<u>\$ 115,754</u>

Budget to GAAP Reconciliation

Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 192,808
(no differences)	—
Total Actual Revenues - GAAP Basis.....	<u>\$ 192,808</u>

Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 149,081
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.....	31,155
Prior year accrued expenditures.....	(4,250)
Total Actual Expenditures - GAAP Basis.....	<u>\$ 175,986</u>

CITY OF RIO RANCHO, NEW MEXICO

Budgetary Comparison Schedule Keep Rio Rancho Beautiful Fund Year Ended June 30, 2019

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
REVENUES				
Intergovernmental - State.....	\$ 71,742	\$ 96,971	\$ 61,135	\$ (35,836)
Total Revenues.....	<u>71,742</u>	<u>96,971</u>	<u>61,135</u>	<u>(35,836)</u>
EXPENDITURES				
Current:				
Community and Economic Development....	<u>71,742</u>	<u>72,457</u>	<u>71,178</u>	<u>1,279</u>
Total Expenditures.....	<u>71,742</u>	<u>72,457</u>	<u>71,178</u>	<u>1,279</u>
Revenues Over (Under) Expenditures.....	—	24,514	(10,043)	(34,557)
OTHER FINANCING SOURCES (USES)				
Transfers In.....	—	—	—	—
Transfers Out.....	—	—	—	—
Total Other Financing Sources (Uses).....	—	—	—	—
Net Change in Fund Balances.....	—	24,514	(10,043)	(34,557)
Fund Balances - Beginning, Budgetary Basis..	<u>50</u>	<u>(24,462)</u>	<u>(24,462)</u>	<u>—</u>
Fund Balances - Ending, Budgetary Basis.....	<u>\$ 50</u>	<u>\$ 52</u>	<u>\$ (34,505)</u>	<u>\$ (34,557)</u>

Budget to GAAP Reconciliation

Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 61,135
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.....	34,237
Prior year accrued revenue.....	<u>(25,246)</u>
Total Actual Revenues - GAAP Basis.....	<u>\$ 70,126</u>

Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 71,178
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.....	544
Prior year accrued expenditures.....	<u>(534)</u>
Total Actual Expenditures - GAAP Basis.....	<u>\$ 71,188</u>

CITY OF RIO RANCHO, NEW MEXICO

Budgetary Comparison Schedule Community Response Program Fund Year Ended June 30, 2019

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

Budget to GAAP Reconciliation

Revenues:

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

Expenditures:

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

CITY OF RIO RANCHO, NEW MEXICO

Budgetary Comparison Schedule Workers Compensation Fund Year Ended June 30, 2019

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
REVENUES				
Investment Income (Loss).....	\$ 1,500	\$ 1,500	\$ 17,609	\$ 16,109
Miscellaneous.....	538,439	538,439	557,768	19,329
Total Revenues.....	<u>539,939</u>	<u>539,939</u>	<u>575,377</u>	<u>35,438</u>
EXPENDITURES				
Current:				
General Government.....	<u>876,000</u>	<u>876,000</u>	<u>733,248</u>	<u>142,752</u>
Total Expenditures.....	<u>876,000</u>	<u>876,000</u>	<u>733,248</u>	<u>142,752</u>
Revenues Over (Under) Expenditures.....	(336,061)	(336,061)	(157,871)	178,190
OTHER FINANCING SOURCES (USES)				
Transfers In.....	—	—	—	—
Transfers Out.....	—	—	—	—
Total Other Financing Sources (Uses).....	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net Change in Fund Balances.....	(336,061)	(336,061)	(157,871)	178,190
Fund Balances - Beginning, Budgetary Basis..	<u>1,593,440</u>	<u>1,593,440</u>	<u>1,597,866</u>	<u>4,426</u>
Fund Balances - Ending, Budgetary Basis.....	<u>\$ 1,257,379</u>	<u>\$ 1,257,379</u>	<u>\$ 1,439,995</u>	<u>\$ 182,616</u>

Budget to GAAP Reconciliation

Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 575,377
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>30,552</u>
Total Actual Revenues - GAAP Basis.....	<u>\$ 605,929</u>

Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 733,248
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.....	118,049
Prior year accrued expenditures.....	<u>(116,180)</u>
Total Actual Expenditures - GAAP Basis.....	<u>\$ 735,117</u>

CITY OF RIO RANCHO, NEW MEXICO

Budgetary Comparison Schedule Senior Services Fund Year Ended June 30, 2019

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
REVENUES				
Charges for Services.....	\$ 23,025	\$ 23,025	\$ 16,285	\$ (6,740)
Miscellaneous.....	1,000	1,000	947	(53)
Total Revenues.....	<u>24,025</u>	<u>24,025</u>	<u>17,232</u>	<u>(6,793)</u>
EXPENDITURES				
Current:				
Parks, Recreation, and Culture.....	<u>34,746</u>	<u>35,746</u>	<u>28,629</u>	<u>7,117</u>
Total Expenditures.....	<u>34,746</u>	<u>35,746</u>	<u>28,629</u>	<u>7,117</u>
Revenues Over (Under) Expenditures.....	(10,721)	(11,721)	(11,397)	324
OTHER FINANCING SOURCES (USES)				
Transfers In.....	—	—	—	—
Transfers Out.....	—	—	—	—
Total Other Financing Sources (Uses).....	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net Change in Fund Balances.....	(10,721)	(11,721)	(11,397)	324
Fund Balances - Beginning, Budgetary Basis..	<u>42,541</u>	<u>42,541</u>	<u>42,691</u>	<u>150</u>
Fund Balances - Ending, Budgetary Basis.....	<u>\$ 31,820</u>	<u>\$ 30,820</u>	<u>\$ 31,294</u>	<u>\$ 474</u>

Budget to GAAP Reconciliation

Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 17,232
(no differences)	—
Total Actual Revenues - GAAP Basis.....	<u>\$ 17,232</u>

Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 28,629
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.....	51
Prior year accrued expenditures.....	<u>(33)</u>
Total Actual Expenditures - GAAP Basis.....	<u>\$ 28,647</u>

CITY OF RIO RANCHO, NEW MEXICO

Budgetary Comparison Schedule Library Fund Year Ended June 30, 2019

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
REVENUES				
Intergovernmental - Federal.....	\$ —	\$ 1,500	\$ 1,500	\$ —
Intergovernmental - State.....	—	138,640	102,025	(36,615)
Intergovernmental - Local.....	—	1,501,150	38,468	(1,462,682)
Miscellaneous.....	—	41,353	15,943	(25,410)
Total Revenues.....	—	1,682,643	157,936	(1,524,707)
EXPENDITURES				
Current:				
Parks, Recreation, and Culture.....	—	1,623,813	124,493	1,499,320
Total Expenditures.....	—	1,623,813	124,493	1,499,320
Revenues Over (Under) Expenditures.....	—	58,830	33,443	(25,387)
OTHER FINANCING SOURCES (USES)				
Transfers In.....	23,953	23,953	23,953	—
Transfers Out.....	—	—	—	—
Total Other Financing Sources (Uses).....	23,953	23,953	23,953	—
Net Change in Fund Balances.....	23,953	82,783	57,396	(25,387)
Fund Balances - Beginning, Budgetary Basis..	(23,541)	(82,368)	(82,368)	—
Fund Balances - Ending, Budgetary Basis.....	\$ 412	\$ 415	\$ (24,972)	\$ (25,387)

Budget to GAAP Reconciliation

Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 157,936
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.....	34,310
Prior year accrued revenue.....	(17,723)
Total Actual Revenues - GAAP Basis.....	\$ 174,523

Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 124,493
Certain payments made after year-end are considered expenditures of the current period for financial reporting but not for budgetary reporting:	
Current year accrued expenditures.....	17,189
Prior year accrued expenditures.....	(146)
Total Actual Expenditures - GAAP Basis.....	\$ 141,536

CITY OF RIO RANCHO, NEW MEXICO

Budgetary Comparison Schedule Local Economic Development Fund Year Ended June 30, 2019

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
REVENUES				
Investment Income (Loss).....	\$ —	\$ —	\$ 180	\$ 180
Miscellaneous.....	—	—	25,000	(25,000)
Total Revenues.....	—	—	25,180	(24,820)
EXPENDITURES				
Current:				
Capital Outlay.....	363,464	363,464	—	363,464
Total Expenditures.....	363,464	363,464	—	363,464
Revenues Over (Under) Expenditures.....	(363,464)	(363,464)	25,180	388,644
OTHER FINANCING SOURCES (USES)				
Transfers In.....	—	—	—	—
Transfers Out.....	—	—	—	—
Total Other Financing Sources (Uses).....	—	—	—	—
Net Change in Fund Balances.....	(363,464)	(363,464)	25,180	388,644
Fund Balances - Beginning, Budgetary Basis..	785,600	785,600	793,625	8,025
Fund Balances - Ending, Budgetary Basis.....	\$ 422,136	\$ 422,136	\$ 818,805	\$ 396,669

Budget to GAAP Reconciliation

Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 25,180
(no differences)	—
Total Actual Revenues - GAAP Basis.....	\$ 25,180

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, 2019

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
REVENUES				
Charges for Services.....	\$ 83,782	\$ 144,047	\$ 91,497	\$ (52,550)
Total Revenues.....	83,782	144,047	91,497	(52,550)
EXPENDITURES				
Current:				
Community and Economic Development....	228,684	306,084	174,713	131,371
Total Expenditures.....	228,684	306,084	174,713	131,371
Revenues Over (Under) Expenditures.....	(144,902)	(162,037)	(83,216)	78,821
OTHER FINANCING SOURCES (USES)				
Transfers In.....	126,802	96,302	96,302	—
Transfers Out.....	—	—	—	—
Total Other Financing Sources (Uses).....	126,802	96,302	96,302	—
Net Change in Fund Balances.....	(18,100)	(65,735)	13,086	78,821
Fund Balances - Beginning, Budgetary Basis..	18,100	86,474	86,474	—
Fund Balances - Ending, Budgetary Basis.....	\$ —	\$ 20,739	\$ 99,560	\$ 78,821

Budget to GAAP Reconciliation

Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 91,497
(no differences)	—
Total Actual Revenues - GAAP Basis.....	\$ 91,497

Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 174,713
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.....	1,901
Prior year accrued expenditures.....	(59,349)
Total Actual Expenditures - GAAP Basis.....	\$ 117,265

CITY OF RIO RANCHO, NEW MEXICO

Budgetary Comparison Schedule Convention and Visitors Bureau Fund Year Ended June 30, 2019

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
REVENUES				
Municipal and State-Shared Taxes.....	\$ 312,500	\$ 313,500	\$ 372,808	\$ 59,308
Investment Income (Loss).....	5	5	—	(5)
Miscellaneous.....	1,200	2,848	2,848	—
Total Revenues.....	<u>313,705</u>	<u>316,353</u>	<u>375,656</u>	<u>59,303</u>
EXPENDITURES				
Current:				
Community and Economic Development....	<u>352,353</u>	<u>358,285</u>	<u>309,546</u>	<u>48,739</u>
Total Expenditures.....	<u>352,353</u>	<u>358,285</u>	<u>309,546</u>	<u>48,739</u>
Revenues Over (Under) Expenditures.....	(38,648)	(41,932)	66,110	108,042
OTHER FINANCING SOURCES (USES)				
Transfers In.....	—	—	—	—
Transfers Out.....	—	—	—	—
Total Other Financing Sources (Uses).....	—	—	—	—
Net Change in Fund Balances.....	(38,648)	(41,932)	66,110	108,042
Fund Balances - Beginning, Budgetary Basis..	<u>153,573</u>	<u>153,573</u>	<u>153,573</u>	<u>—</u>
Fund Balances - Ending, Budgetary Basis.....	<u>\$ 114,925</u>	<u>\$ 111,641</u>	<u>\$ 219,683</u>	<u>\$ 108,042</u>

Budget to GAAP Reconciliation

Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 375,656
(no differences)	<u>—</u>
Total Actual Revenues - GAAP Basis.....	<u>\$ 375,656</u>

Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 309,546
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.....	5,646
Prior year accrued expenditures.....	<u>(4,462)</u>
Total Actual Expenditures - GAAP Basis.....	<u>\$ 310,730</u>

CITY OF RIO RANCHO, NEW MEXICO

Budgetary Comparison Schedule Rio Vision Cable Fund Year Ended June 30, 2019

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
REVENUES				
Franchise Fees.....	\$ 56,500	\$ 56,500	\$ 57,062	\$ 562
Total Revenues.....	<u>56,500</u>	<u>56,500</u>	<u>57,062</u>	<u>562</u>
EXPENDITURES				
Current:				
Community and Economic Development....	<u>75,219</u>	<u>75,824</u>	<u>61,665</u>	<u>14,159</u>
Total Expenditures.....	<u>75,219</u>	<u>75,824</u>	<u>61,665</u>	<u>14,159</u>
Revenues Over (Under) Expenditures.....	(18,719)	(19,324)	(4,603)	14,721
OTHER FINANCING SOURCES (USES)				
Transfers In.....	6,812	6,812	6,812	—
Transfers Out.....	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total Other Financing Sources (Uses).....	<u>6,812</u>	<u>6,812</u>	<u>6,812</u>	<u>—</u>
Net Change in Fund Balances.....	(11,907)	(12,512)	2,209	14,721
Fund Balances - Beginning, Budgetary Basis..	<u>11,907</u>	<u>30,999</u>	<u>30,999</u>	<u>—</u>
Fund Balances - Ending, Budgetary Basis.....	<u>\$ —</u>	<u>\$ 18,487</u>	<u>\$ 33,208</u>	<u>\$ 14,721</u>

Budget to GAAP Reconciliation

Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 57,062
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.....	14,502
Prior year accrued revenue.....	<u>(14,352)</u>
Total Actual Revenues - GAAP Basis.....	<u>\$ 57,212</u>

Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 61,665
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.....	4,962
Prior year accrued expenditures.....	<u>(605)</u>
Total Actual Expenditures - GAAP Basis.....	<u>\$ 66,022</u>

CITY OF RIO RANCHO, NEW MEXICO

Budgetary Comparison Schedule Local Government Corrections Fund Year Ended June 30, 2019

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
REVENUES				
Charges for Services.....	\$ 220,000	\$ 220,000	\$ 224,567	\$ 4,567
Total Revenues.....	220,000	220,000	224,567	4,567
EXPENDITURES				
Current:				
General Government.....	498,572	548,572	453,150	95,422
Total Expenditures.....	498,572	548,572	453,150	95,422
Revenues Over (Under) Expenditures.....	(278,572)	(328,572)	(228,583)	99,989
OTHER FINANCING SOURCES (USES)				
Transfers In.....	246,000	296,000	296,000	—
Transfers Out.....	—	—	—	—
Total Other Financing Sources (Uses).....	246,000	296,000	296,000	—
Net Change in Fund Balances.....	(32,572)	(32,572)	67,417	99,989
Fund Balances - Beginning, Budgetary Basis..	32,572	32,572	32,572	—
Fund Balances - Ending, Budgetary Basis.....	\$ —	\$ —	\$ 99,989	\$ 99,989

Budget to GAAP Reconciliation

Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 224,567
(no differences)	—
Total Actual Revenues - GAAP Basis.....	\$ 224,567

Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 453,150
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.....	21,850
Prior year accrued expenditures.....	(38,095)
Total Actual Expenditures - GAAP Basis.....	\$ 436,905

CITY OF RIO RANCHO, NEW MEXICO

Budgetary Comparison Schedule Law Enforcement Fund Year Ended June 30, 2019

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
REVENUES				
Intergovernmental - State.....	\$ 100,800	\$ 100,800	\$ 100,800	\$ —
Investment Income (Loss).....	300	300	798	498
Total Revenues.....	<u>101,100</u>	<u>101,100</u>	<u>101,598</u>	<u>498</u>
EXPENDITURES				
Current:				
Public Safety.....	48,109	46,469	28,445	18,024
Capital Outlay.....	49,700	51,340	51,134	206
Debt Service:				
Principal.....	52,465	52,465	52,465	—
Interest and Other Charges.....	1,660	1,660	1,659	1
Total Expenditures.....	<u>151,934</u>	<u>151,934</u>	<u>133,703</u>	<u>18,231</u>
Revenues Over (Under) Expenditures.....	(50,834)	(50,834)	(32,105)	18,729
OTHER FINANCING SOURCES (USES)				
Transfers In.....	—	—	—	—
Transfers Out.....	—	—	—	—
Total Other Financing Sources (Uses).....	—	—	—	—
Net Change in Fund Balances.....	(50,834)	(50,834)	(32,105)	18,729
Fund Balances - Beginning, Budgetary Basis..	51,588	51,588	51,588	—
Fund Balances - Ending, Budgetary Basis.....	<u>\$ 754</u>	<u>\$ 754</u>	<u>\$ 19,483</u>	<u>\$ 18,729</u>

Budget to GAAP Reconciliation

Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 101,598
Current year accrued revenue.....	1
Prior year accrued revenue.....	(1)
Total Actual Revenues - GAAP Basis.....	<u>\$ 101,598</u>

Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 133,703
Current year accrued expenditures.....	998
Prior year accrued expenditures.....	—
Total Actual Expenditures - GAAP Basis.....	<u>\$ 134,701</u>

CITY OF RIO RANCHO, NEW MEXICO

Budgetary Comparison Schedule Public Safety Enforcement Aid Fund Year Ended June 30, 2019

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
REVENUES				
Charges for Services.....	\$ 175,000	\$ 340,000	\$ 320,303	\$ (19,697)
Miscellaneous.....	—	—	839	839
Total Revenues.....	<u>175,000</u>	<u>340,000</u>	<u>321,142</u>	<u>(18,858)</u>
EXPENDITURES				
Current:				
Public Safety.....	30,800	85,892	72,885	13,007
Capital Outlay.....	312,786	258,830	77,178	181,652
Total Expenditures.....	<u>343,586</u>	<u>344,722</u>	<u>150,063</u>	<u>194,659</u>
Revenues Over (Under) Expenditures.....	(168,586)	(4,722)	171,079	175,801
OTHER FINANCING SOURCES (USES)				
Transfers In.....	—	—	—	—
Transfers Out.....	—	—	—	—
Total Other Financing Sources (Uses).....	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net Change in Fund Balances.....	(168,586)	(4,722)	171,079	175,801
Fund Balances - Beginning, Budgetary Basis..	312,786	317,686	319,378	1,692
Fund Balances - Ending, Budgetary Basis.....	<u>\$ 144,200</u>	<u>\$ 312,964</u>	<u>\$ 490,457</u>	<u>\$ 177,493</u>

Budget to GAAP Reconciliation

Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 321,142
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.....	15,108
Prior year accrued revenue.....	(23,107)
Total Actual Revenues - GAAP Basis.....	<u>\$ 313,143</u>

Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 150,063
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.....	1,081
Prior year accrued expenditures.....	(1,135)
Total Actual Expenditures - GAAP Basis.....	<u>\$ 150,009</u>

CITY OF RIO RANCHO, NEW MEXICO

Budgetary Comparison Schedule Traffic Education and Enforcement Aid Fund Year Ended June 30, 2019

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
REVENUES				
Fines and Forfeitures.....	\$ 60,000	\$ 60,000	\$ 71,231	\$ 11,231
Total Revenues.....	60,000	60,000	71,231	11,231
EXPENDITURES				
Current:				
Public Safety.....	42,260	66,292	48,789	17,503
Capital Outlay.....	73,220	93,499	93,255	244
Total Expenditures.....	115,480	159,791	142,044	17,747
Revenues Over (Under) Expenditures.....	(55,480)	(99,791)	(70,813)	28,978
OTHER FINANCING SOURCES (USES)				
Transfers In.....	—	—	—	—
Transfers Out.....	—	—	—	—
Total Other Financing Sources (Uses).....	—	—	—	—
Net Change in Fund Balances.....	(55,480)	(99,791)	(70,813)	28,978
Fund Balances - Beginning, Budgetary Basis..	96,857	136,929	136,929	—
Fund Balances - Ending, Budgetary Basis.....	\$ 41,377	\$ 37,138	\$ 66,116	\$ 28,978

Budget to GAAP Reconciliation

Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 71,231
(no differences)	—
Total Actual Revenues - GAAP Basis.....	\$ 71,231

Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 142,044
Certain payments made after year-end are considered expenditures of the current period for financial reporting but not for budgetary reporting:	
Current year accrued expenditures.....	135
Prior year accrued expenditures.....	(134)
Total Actual Expenditures - GAAP Basis.....	\$ 142,045

CITY OF RIO RANCHO, NEW MEXICO

Budgetary Comparison Schedule DWI Seized Vehicle Fund Year Ended June 30, 2019

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
REVENUES				
Charges for Services.....	\$ —	\$ —	\$ 7,935	\$ 7,935
Total Revenues.....	—	—	7,935	7,935
EXPENDITURES				
Current:				
Public Safety.....	—	—	—	—
Total Expenditures.....	—	—	—	—
Revenues Over (Under) Expenditures.....	—	—	7,935	7,935
OTHER FINANCING SOURCES (USES)				
Transfers In.....	—	—	—	—
Transfers Out.....	83,392	83,392	83,392	—
Total Other Financing Sources (Uses).....	83,392	83,392	83,392	—
Net Change in Fund Balances.....	83,392	83,392	91,327	7,935
Fund Balances - Beginning, Budgetary Basis..	83,392	83,392	83,392	—
Fund Balances - Ending, Budgetary Basis.....	\$ 166,784	\$ 166,784	\$ 174,719	\$ 7,935

Budget to GAAP Reconciliation

Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 7,935
Other Reconciling Item.....	995
Total Actual Revenues - GAAP Basis.....	\$ 8,930

Expenditures:

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

CITY OF RIO RANCHO, NEW MEXICO

Budgetary Comparison Schedule NM Gang Task Force Fund Year Ended June 30, 2019

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
REVENUES				
Intergovernmental - Federal.....	\$ —	\$ —	\$ —	\$ —
Total Revenues.....	—	—	—	—
EXPENDITURES				
Current:				
Public Safety.....	—	—	—	—
Total Expenditures.....	—	—	—	—
Revenues Over (Under) Expenditures.....	—	—	—	—
OTHER FINANCING SOURCES (USES)				
Transfers In.....	593	593	593	—
Transfers Out.....	—	—	—	—
Total Other Financing Sources (Uses).....	593	593	593	—
Net Change in Fund Balances.....	593	593	593	—
Fund Balances - Beginning, Budgetary Basis..	(593)	(593)	(593)	—
Fund Balances - Ending, Budgetary Basis.....	\$ —	\$ —	\$ —	\$ —

Budget to GAAP Reconciliation

Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ —
Other Reconciling Item	893
Certain amounts collected after year-end are considered revenue of the current period for financial reporting but not for budgetary reporting:	
Current year accrued revenue.....	—
Prior year accrued revenue.....	(893)
Total Actual Revenues - GAAP Basis.....	\$ —

Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ —
Other Reconciling Item	300
Total Actual Expenditures - GAAP Basis.....	\$ 300

CITY OF RIO RANCHO, NEW MEXICO

Budgetary Comparison Schedule Fire Protection Fund Year Ended June 30, 2019

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
REVENUES				
Intergovernmental - State.....	\$ 768,708	\$ 868,708	\$ 885,025	\$ 16,317
Investment Income (Loss).....	1,920	1,920	6,361	4,441
Miscellaneous.....	—	—	286	286
Total Revenues.....	<u>770,628</u>	<u>870,628</u>	<u>891,672</u>	<u>21,044</u>
EXPENDITURES				
Current:				
Public Safety.....	415,890	556,806	518,561	38,245
Capital Outlay.....	208,815	281,947	278,674	3,273
Debt Service:				
Principal.....	201,909	201,909	201,909	—
Interest and Other Charges.....	42,914	43,413	43,413	—
Total Expenditures.....	<u>869,528</u>	<u>1,084,075</u>	<u>1,042,557</u>	<u>41,518</u>
Revenues Over (Under) Expenditures.....	(98,900)	(213,447)	(150,885)	62,562
OTHER FINANCING SOURCES (USES)				
Transfers In.....	—	—	—	—
Transfers Out.....	—	—	—	—
Total Other Financing Sources (Uses).....	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net Change in Fund Balances.....	(98,900)	(213,447)	(150,885)	62,562
Fund Balances - Beginning, Budgetary Basis..	<u>263,458</u>	<u>378,005</u>	<u>379,551</u>	<u>1,546</u>
Fund Balances - Ending, Budgetary Basis.....	<u>\$ 164,558</u>	<u>\$ 164,558</u>	<u>\$ 228,666</u>	<u>\$ 64,108</u>

Budget to GAAP Reconciliation

Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 891,672
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>51</u>
Total Actual Revenues - GAAP Basis.....	<u>\$ 891,723</u>

Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 1,042,557
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.....	6,916
Prior year accrued expenditures.....	<u>(4,704)</u>
Total Actual Expenditures - GAAP Basis.....	<u>\$ 1,044,769</u>

CITY OF RIO RANCHO, NEW MEXICO

Budgetary Comparison Schedule Emergency Medical Services Fund Year Ended June 30, 2019

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
REVENUES				
Intergovernmental - State.....	\$ 20,000	\$ 20,000	\$ 20,000	\$ —
Total Revenues.....	20,000	20,000	20,000	—
EXPENDITURES				
Current:				
Public Safety.....	20,190	20,190	18,142	2,048
Total Expenditures.....	20,190	20,190	18,142	2,048
Revenues Over (Under) Expenditures.....	(190)	(190)	1,858	2,048
OTHER FINANCING SOURCES (USES)				
Transfers In.....	—	—	—	—
Transfers Out.....	—	—	—	—
Total Other Financing Sources (Uses).....	—	—	—	—
Net Change in Fund Balances.....	(190)	(190)	1,858	2,048
Fund Balances - Beginning, Budgetary Basis..	190	190	190	—
Fund Balances - Ending, Budgetary Basis.....	\$ —	\$ —	\$ 2,048	\$ 2,048

Budget to GAAP Reconciliation

Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 20,000
(no differences)	—
Total Actual Revenues - GAAP Basis.....	\$ 20,000

Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 18,142
Current year accrued expenditures.....	674
Prior year accrued expenditures.....	—
Total Actual Expenditures - GAAP Basis.....	\$ 18,816

CITY OF RIO RANCHO, NEW MEXICO

Budgetary Comparison Schedule DWI Program Fund Year Ended June 30, 2019

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
REVENUES				
Investment Income (Loss).....	\$ —	\$ —	\$ 413	\$ 413
Total Revenues.....	—	—	413	413
EXPENDITURES				
Current:				
General Government	229,233	229,233	—	229,233
Total Expenditures.....	229,233	229,233	—	229,233
Revenues Over (Under) Expenditures.....	(229,233)	(229,233)	413	229,646
OTHER FINANCING SOURCES (USES)				
Transfers In.....	—	—	—	—
Transfers Out.....	—	—	—	—
Total Other Financing Sources (Uses).....	—	—	—	—
Net Change in Fund Balances.....	(229,233)	(229,233)	413	229,646
Fund Balances - Beginning, Budgetary Basis..	229,233	229,233	229,233	—
Fund Balances - Ending, Budgetary Basis.....	\$ —	\$ —	\$ 229,646	\$ 229,646

Budget to GAAP Reconciliation

Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 413
(no differences)	—
Total Actual Revenues - GAAP Basis.....	\$ 413

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, 2019

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
REVENUES				
Intergovernmental - Federal.....	\$ 100,000	\$ 105,000	\$ 100,424	\$ (4,576)
Total Revenues.....	100,000	105,000	100,424	(4,576)
EXPENDITURES				
Current:				
Parks, Recreation, and Culture.....	158,821	223,821	102,685	121,136
Total Expenditures.....	158,821	223,821	102,685	121,136
Revenues Over (Under) Expenditures.....	(58,821)	(118,821)	(2,261)	116,560
OTHER FINANCING SOURCES (USES)				
Transfers In.....	—	—	—	—
Transfers Out.....	—	—	—	—
Total Other Financing Sources (Uses).....	—	—	—	—
Net Change in Fund Balances.....	(58,821)	(118,821)	(2,261)	116,560
Fund Balances - Beginning, Budgetary Basis..	58,821	118,821	118,821	—
Fund Balances - Ending, Budgetary Basis.....	\$ —	\$ —	\$ 116,560	\$ 116,560

Budget to GAAP Reconciliation

Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 100,424
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.....	(5,477)
Prior year unearned revenue.....	19,292
Total Actual Revenues - GAAP Basis.....	\$ 114,239

Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 102,685
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.....	54,310
Prior year accrued expenditures.....	(42,756)
Total Actual Expenditures - GAAP Basis.....	\$ 114,239

CITY OF RIO RANCHO, NEW MEXICO

Budgetary Comparison Schedule Public Safety and Other Grants Fund Year Ended June 30, 2019

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
REVENUES				
Intergovernmental - Federal.....	\$ —	\$ 1,293,554	\$ 440,105	\$ (853,449)
Intergovernmental - State.....	488,572	637,423	96,774	(540,649)
Total Revenues.....	488,572	1,930,977	536,879	(1,394,098)
EXPENDITURES				
Current:				
Public Safety.....	488,572	1,294,116	375,054	919,062
Capital Outlay.....	—	444,658	364,146	80,512
Total Expenditures.....	488,572	1,738,774	739,200	999,574
Revenues Over (Under) Expenditures.....	—	192,203	(202,321)	(394,524)
OTHER FINANCING SOURCES (USES)				
Transfers In.....	—	26,642	26,642	—
Transfers Out.....	—	—	—	—
Total Other Financing Sources (Uses).....	—	26,642	26,642	—
Net Change in Fund Balances.....	—	218,845	(175,679)	(394,524)
Fund Balances - Beginning, Budgetary Basis..	2,829	(216,016)	(216,016)	—
Fund Balances - Ending, Budgetary Basis.....	\$ 2,829	\$ 2,829	\$ (391,695)	\$ (394,524)

Budget to GAAP Reconciliation

Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 536,879
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.....	485,011
Prior year accrued revenue.....	(229,108)
Total Actual Revenues - GAAP Basis.....	\$ 792,782

Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 739,200
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.....	67,012
Prior year accrued expenditures.....	(7,138)
Total Actual Expenditures - GAAP Basis.....	\$ 799,074

CITY OF RIO RANCHO, NEW MEXICO

Budgetary Comparison Schedule Environmental Gross Receipts Tax Fund Year Ended June 30, 2019

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
REVENUES				
Municipal and State-Shared Taxes.....	\$ 730,964	\$ 730,964	\$ 774,380	\$ 43,416
Investment Income (Loss).....	9,500	9,500	14,322	4,822
Total Revenues.....	<u>740,464</u>	<u>740,464</u>	<u>788,702</u>	<u>48,238</u>
EXPENDITURES				
Current:				
Public Works.....	362,874	469,922	195,084	274,838
Capital Outlay.....	—	3,000,000	—	3,000,000
Debt Service:				
Principal.....	262,414	262,414	262,414	—
Interest and Other Charges.....	77,283	77,283	77,283	—
Loan Issuance Costs.....	—	96,000	53,266	42,734
Total Expenditures.....	<u>702,571</u>	<u>3,905,619</u>	<u>588,047</u>	<u>3,317,572</u>
Revenues Over (Under) Expenditures.....	37,893	(3,165,155)	200,655	3,365,810
OTHER FINANCING SOURCES (USES)				
Loan Proceeds.....	—	3,440,000	3,440,000	—
Transfers In.....	—	—	—	—
Transfers Out.....	—	—	—	—
Total Other Financing Sources (Uses).....	<u>—</u>	<u>3,440,000</u>	<u>3,440,000</u>	<u>—</u>
Net Change in Fund Balances.....	37,893	274,845	3,640,655	3,365,810
Fund Balances - Beginning, Budgetary Basis..	<u>814,715</u>	<u>953,755</u>	<u>956,391</u>	<u>2,636</u>
Fund Balances - Ending, Budgetary Basis.....	<u>\$ 852,608</u>	<u>\$ 1,228,600</u>	<u>\$ 4,597,046</u>	<u>\$ 3,368,446</u>

Budget to GAAP Reconciliation

Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 788,702
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.....	140,625
Prior year accrued revenue.....	(134,964)
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>17,328</u>
Total Actual Revenues - GAAP Basis.....	<u>\$ 811,691</u>

Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 588,047
Certain payments made after year-end are considered expenditures of the current period for financial reporting but not for budgetary reporting:	
Current year accrued expenditures.....	55,296
Prior year accrued expenditures.....	<u>(18,060)</u>
Total Actual Expenditures - GAAP Basis.....	<u>\$ 625,283</u>

CITY OF RIO RANCHO, NEW MEXICO

Budgetary Comparison Schedule Higher Education Gross Receipts Tax Fund Year Ended June 30, 2019

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
REVENUES				
Municipal and State-Shared Taxes.....	\$ 2,339,086	\$ 2,339,086	\$ 2,614,682	\$ 275,596
Investment Income (Loss).....	15,000	15,000	91,652	76,652
Total Revenues.....	<u>2,354,086</u>	<u>2,354,086</u>	<u>2,706,334</u>	<u>352,248</u>
EXPENDITURES				
Current:				
Capital Outlay.....	—	5,439,180	221,154	5,218,026
Total Expenditures.....	<u>—</u>	<u>5,439,180</u>	<u>221,154</u>	<u>5,218,026</u>
Revenues Over (Under) Expenditures.....	2,354,086	(3,085,094)	2,485,180	5,570,274
OTHER FINANCING SOURCES (USES)				
Transfers In.....	—	—	—	—
Transfers Out.....	—	—	—	—
Total Other Financing Sources (Uses).....	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net Change in Fund Balances.....	2,354,086	(3,085,094)	2,485,180	5,570,274
Fund Balances - Beginning, Budgetary Basis..	7,959,515	8,398,695	8,419,026	20,331
Fund Balances - Ending, Budgetary Basis.....	<u>\$ 10,313,601</u>	<u>\$ 5,313,601</u>	<u>\$ 10,904,206</u>	<u>\$ 5,590,605</u>

Budget to GAAP Reconciliation

Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 2,706,334
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.....	460,104
Prior year accrued revenue.....	(442,867)
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.....	152,756
Total Actual Revenues - GAAP Basis.....	<u>\$ 2,876,327</u>

Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 221,154
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.....	62,222
Prior year accrued expenditures.....	(2,759)
Total Actual Expenditures - GAAP Basis.....	<u>\$ 280,617</u>

CITY OF RIO RANCHO, NEW MEXICO

Budgetary Comparison Schedule Municipal Road Fund Year Ended June 30, 2019

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
REVENUES				
Intergovernmental - State	\$ 740,000	\$ 740,000	\$ 732,992	\$ (7,008)
Charges for Services.....	3,000	3,000	6,462	3,462
Investment Income (Loss).....	360	360	9,572	9,212
Miscellaneous.....	—	5,233	47,355	42,122
Total Revenues.....	<u>743,360</u>	<u>748,593</u>	<u>796,381</u>	<u>47,788</u>
EXPENDITURES				
Current:				
Public Works.....	747,202	868,083	753,984	114,099
Capital Outlay.....	177,832	850,352	97,755	752,597
Debt Service:				
Principal.....	135,000	135,000	—	135,000
Interest and Other Charges.....	25,000	25,000	—	25,000
Loan Issuance Costs.....	—	34,652	34,652	—
Total Expenditures.....	<u>1,085,034</u>	<u>1,913,087</u>	<u>886,391</u>	<u>1,026,696</u>
Revenues Over (Under) Expenditures.....	(341,674)	(1,164,494)	(90,010)	1,074,484
OTHER FINANCING SOURCES (USES)				
Loan Proceeds.....	—	609,056	609,056	—
Transfers In.....	—	—	—	—
Transfers Out.....	—	—	—	—
Total Other Financing Sources (Uses).....	<u>—</u>	<u>609,056</u>	<u>609,056</u>	<u>—</u>
Net Change in Fund Balances.....	(341,674)	(555,438)	519,046	1,074,484
Fund Balances - Beginning, Budgetary Basis..	<u>415,747</u>	<u>630,236</u>	<u>634,292</u>	<u>4,056</u>
Fund Balances - Ending, Budgetary Basis.....	<u>\$ 74,073</u>	<u>\$ 74,798</u>	<u>\$ 1,153,338</u>	<u>\$ 1,078,540</u>

Budget to GAAP Reconciliation

Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 796,381
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.....	115,173
Prior year accrued revenue.....	(117,564)
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>6,111</u>
Total Actual Revenues - GAAP Basis.....	<u>\$ 800,101</u>

Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 886,391
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.....	470,751
Prior year accrued expenditures.....	<u>(56,737)</u>
Total Actual Expenditures - GAAP Basis.....	<u>\$ 1,300,405</u>

CITY OF RIO RANCHO, NEW MEXICO

Budgetary Comparison Schedule Regional Emergency Comm Center Fund Year Ended June 30, 2019

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
REVENUES				
Miscellaneous.....	\$ 1,448,483	\$ 1,448,483	\$ 1,454,556	\$ 6,073
Total Revenues.....	1,448,483	1,448,483	1,454,556	6,073
EXPENDITURES				
Current:				
Public Safety.....	3,124,800	3,244,695	2,834,446	410,249
Capital Outlay.....	85,705	297,857	—	297,857
Total Expenditures.....	3,210,505	3,542,552	2,834,446	708,106
Revenues Over (Under) Expenditures.....	(1,762,022)	(2,094,069)	(1,379,890)	714,179
OTHER FINANCING SOURCES (USES)				
Transfers In.....	1,770,367	1,770,367	1,770,367	—
Transfers Out.....	(430,200)	(430,200)	(430,200)	—
Total Other Financing Sources (Uses).....	1,340,167	1,340,167	1,340,167	—
Net Change in Fund Balances.....	(421,855)	(753,902)	(39,723)	714,179
Fund Balances - Beginning, Budgetary Basis..	721,616	1,053,664	1,053,664	—
Fund Balances - Ending, Budgetary Basis.....	\$ 299,761	\$ 299,762	\$ 1,013,941	\$ 714,179

Budget to GAAP Reconciliation

Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 1,454,556
(no differences)	—
Total Actual Revenues - GAAP Basis.....	\$ 1,454,556

Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 2,834,446
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.....	71,257
Prior year accrued expenditures.....	(63,745)
Total Actual Expenditures - GAAP Basis.....	\$ 2,841,958

CITY OF RIO RANCHO, NEW MEXICO

Budgetary Comparison Schedule HUD CDBG Fund Year Ended June 30, 2019

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
REVENUES				
Intergovernmental - Federal.....	\$ 547,354	\$ 1,057,243	\$ 548,468	\$ (508,775)
Total Revenues.....	<u>547,354</u>	<u>1,057,243</u>	<u>548,468</u>	<u>(508,775)</u>
EXPENDITURES				
Current:				
Public Works.....	229,645	441,800	297,672	144,128
Capital Outlay.....	<u>317,709</u>	<u>592,579</u>	<u>231,633</u>	<u>360,946</u>
Total Expenditures.....	<u>547,354</u>	<u>1,034,379</u>	<u>529,305</u>	<u>505,074</u>
Revenues Over (Under) Expenditures.....	—	22,864	19,163	(3,701)
OTHER FINANCING SOURCES (USES)				
Transfers In.....	—	—	—	—
Transfers Out.....	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total Other Financing Sources (Uses).....	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net Change in Fund Balances.....	—	22,864	19,163	(3,701)
Fund Balances - Beginning, Budgetary Basis..	<u>—</u>	<u>(22,862)</u>	<u>(22,861)</u>	<u>1</u>
Fund Balances - Ending, Budgetary Basis.....	<u>\$ —</u>	<u>\$ 2</u>	<u>\$ (3,698)</u>	<u>\$ (3,700)</u>

Budget to GAAP Reconciliation

Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 548,468
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.....	49,720
Prior year accrued revenue.....	<u>(34,870)</u>
Total Actual Revenues - GAAP Basis.....	<u>\$ 563,318</u>

Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 529,305
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.....	42,609
Prior year accrued expenditures.....	<u>(8,596)</u>
Total Actual Expenditures - GAAP Basis.....	<u>\$ 563,318</u>

CITY OF RIO RANCHO, NEW MEXICO

Budgetary Comparison Schedule Crime Victim Assistance Fund Year Ended June 30, 2019

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
REVENUES				
Intergovernmental - Federal.....	\$ 17,377	\$ 207,701	\$ 92,576	\$ (115,125)
Total Revenues.....	17,377	207,701	92,576	(115,125)
EXPENDITURES				
Current:				
Public Safety.....	23,170	227,480	109,950	117,530
Total Expenditures.....	23,170	227,480	109,950	117,530
Revenues Over (Under) Expenditures.....	(5,793)	(19,779)	(17,374)	2,405
OTHER FINANCING SOURCES (USES)				
Transfers In.....	5,793	40,806	19,536	(21,270)
Transfers Out.....	—	—	—	—
Total Other Financing Sources (Uses).....	5,793	40,806	19,536	(21,270)
Net Change in Fund Balances.....	—	21,027	2,162	(18,865)
Fund Balances - Beginning, Budgetary Basis..	3,605	(17,413)	(17,413)	—
Fund Balances - Ending, Budgetary Basis.....	\$ 3,605	\$ 3,614	\$ (15,251)	\$ (18,865)

Budget to GAAP Reconciliation

Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 92,576
Certain amounts collected after year-end are considered revenue of the current period for financial reporting but not for budgetary reporting:	
Current year accrued revenue.....	38,120
Prior year accrued revenue.....	(26,365)
Total Actual Revenues - GAAP Basis.....	\$ 104,331

Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 109,950
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.....	2,802
Prior year accrued expenditures.....	(2,129)
Total Actual Expenditures - GAAP Basis.....	\$ 110,623

CITY OF RIO RANCHO, NEW MEXICO

Budgetary Comparison Schedule General Obligation Bond Fund Year Ended June 30, 2019

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
REVENUES				
Property Taxes.....	\$ 5,639,129	\$ 5,639,129	\$ 6,055,103	\$ 415,974
Investment Income	—	800	5,849	5,049
Total Revenues.....	<u>5,639,129</u>	<u>5,639,929</u>	<u>6,060,952</u>	<u>421,023</u>
EXPENDITURES				
Current:				
Principal.....	3,705,000	3,705,000	3,705,000	—
Interest and Other Charges.....	<u>501,109</u>	<u>770,850</u>	<u>769,360</u>	<u>1,490</u>
Total Expenditures.....	<u>4,206,109</u>	<u>4,475,850</u>	<u>4,474,360</u>	<u>1,490</u>
Revenues Over (Under) Expenditures.....	1,433,020	1,164,079	1,586,592	422,513
OTHER FINANCING SOURCES (USES)				
Transfers In.....	—	705,828	705,827	(1)
Transfers Out.....	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total Other Financing Sources (Uses).....	<u>—</u>	<u>705,828</u>	<u>705,827</u>	<u>(1)</u>
Net Change in Fund Balances.....	1,433,020	1,869,907	2,292,419	422,512
Fund Balances - Beginning, Budgetary Basis..	<u>4,475,448</u>	<u>4,475,448</u>	<u>4,083,200</u>	<u>(392,248)</u>
Fund Balances - Ending, Budgetary Basis.....	<u>\$ 5,908,468</u>	<u>\$ 6,345,355</u>	<u>\$ 6,375,619</u>	<u>\$ 30,264</u>

Budget to GAAP Reconciliation

Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 6,060,952
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.....	(102,326)
Prior year unearned revenue.....	4,873
Current year accrued revenue.....	178,756
Prior year accrued revenue.....	(36,135)
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>3,350</u>
Total Actual Revenues - GAAP Basis.....	<u>\$ 6,109,470</u>

Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 4,474,360
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.....	3,500
Prior year accrued expenditures.....	—
Total Actual Expenditures - GAAP Basis.....	<u>\$ 4,477,860</u>

CITY OF RIO RANCHO, NEW MEXICO

Budgetary Comparison Schedule GRT Revenue Bond Fund Year Ended June 30, 2019

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
REVENUES				
Intergovernmental - State.....	\$ 1,579,980	\$ 1,579,980	\$ 1,575,206	\$ (4,774)
Total Revenues.....	<u>1,579,980</u>	<u>1,579,980</u>	<u>1,575,206</u>	<u>(4,774)</u>
EXPENDITURES				
Debt Service:				
Principal.....	1,260,000	1,260,000	1,260,000	—
Interest and Other Charges.....	319,980	319,980	318,981	999
Total Expenditures.....	<u>1,579,980</u>	<u>1,579,980</u>	<u>1,578,981</u>	<u>999</u>
Revenues Over (Under) Expenditures.....	—	—	(3,775)	(3,775)
OTHER FINANCING SOURCES (USES)				
Transfers In.....	—	—	—	—
Transfers Out.....	—	—	—	—
Total Other Financing Sources (Uses).....	—	—	—	—
Net Change in Fund Balances.....	—	—	(3,775)	(3,775)
Fund Balances - Beginning, Budgetary Basis..	<u>3,775</u>	<u>3,775</u>	<u>3,775</u>	<u>—</u>
Fund Balances - Ending, Budgetary Basis.....	<u>\$ 3,775</u>	<u>\$ 3,775</u>	<u>\$ —</u>	<u>\$ (3,775)</u>

Budget to GAAP Reconciliation

Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 1,575,206
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.....	286,604
Prior year accrued revenue.....	<u>(287,270)</u>
Total Actual Revenues - GAAP Basis.....	<u>\$ 1,574,540</u>

Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 1,578,981
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>(2,500)</u>
Total Actual Expenditures - GAAP Basis.....	<u>\$ 1,576,481</u>

CITY OF RIO RANCHO, NEW MEXICO

Budgetary Comparison Schedule HP Loan Fund Year Ended June 30, 2019

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
REVENUES				
Municipal and State-Shared Taxes.....	\$ 374,830	\$ 374,830	\$ 366,567	\$ (8,263)
Investment Income	—	10	10	—
Total Revenues.....	<u>374,830</u>	<u>374,840</u>	<u>366,577</u>	<u>(8,263)</u>
EXPENDITURES				
Debt Service:				
Principal.....	320,000	320,000	320,000	—
Interest and Other Charges.....	54,830	55,693	55,693	—
Bond Issuance Costs.....	—	2,500	2,500	—
Total Expenditures.....	<u>374,830</u>	<u>378,193</u>	<u>378,193</u>	<u>—</u>
Revenues Over (Under) Expenditures.....	—	(3,353)	(11,616)	(8,263)
Refunding Bonds Issued.....	—	—	—	—
Payment to Refunding Escrow.....	—	—	—	—
Transfers In.....	—	—	—	—
Transfers Out.....	—	—	—	—
Total Other Financing Sources (Uses).....	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net Change in Fund Balances.....	—	(3,353)	(11,616)	(8,263)
Fund Balances - Beginning, Budgetary Basis..	11,613	11,613	6,857,386	6,845,773
Fund Balances - Ending, Budgetary Basis.....	<u>\$ 11,613</u>	<u>\$ 8,260</u>	<u>\$ 6,845,770</u>	<u>\$ 6,837,510</u>

Budget to GAAP Reconciliation

Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 366,577
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.....	68,500
Prior year accrued revenue.....	(68,153)
Total Actual Revenues - GAAP Basis.....	<u>\$ 366,924</u>

Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 378,193
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.....	(2,500)
Total Actual Expenditures - GAAP Basis.....	<u>\$ 375,693</u>

CITY OF RIO RANCHO, NEW MEXICO

Budgetary Comparison Schedule HS Loan Fund Year Ended June 30, 2019

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
REVENUES				
Intergovernmental - State.....	\$ 376,609	\$ 376,891	\$ 376,891	\$ —
Investment Income	—	10	10	—
Total Revenues.....	<u>376,609</u>	<u>376,901</u>	<u>376,901</u>	<u>—</u>
EXPENDITURES				
Debt Service:				
Principal.....	325,000	325,000	325,000	—
Interest and Other Charges.....	51,609	52,722	52,722	—
Bond Issuance Costs.....	—	2,500	2,500	—
Total Expenditures.....	<u>376,609</u>	<u>380,222</u>	<u>380,222</u>	<u>—</u>
Revenues Over (Under) Expenditures.....	—	(3,321)	(3,321)	—
OTHER FINANCING SOURCES (USES)				
Transfers In.....	—	—	—	—
Transfers Out.....	—	—	—	—
Total Other Financing Sources (Uses).....	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net Change in Fund Balances.....	—	(3,321)	(3,321)	—
Fund Balances - Beginning, Budgetary Basis..	3,321	3,321	6,563,578	6,560,257
Fund Balances - Ending, Budgetary Basis.....	<u>\$ 3,321</u>	<u>\$ —</u>	<u>\$ 6,560,257</u>	<u>\$ 6,560,257</u>

Budget to GAAP Reconciliation

Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 376,901
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.....	67,907
Prior year accrued revenue.....	(68,477)
Total Actual Revenues - GAAP Basis.....	<u>\$ 376,331</u>

Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 380,222
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.....	(2,500)
Total Actual Expenditures - GAAP Basis.....	<u>\$ 377,722</u>

CITY OF RIO RANCHO, NEW MEXICO

Budgetary Comparison Schedule Public Safety Vehicle Loan Fund Year Ended June 30, 2019

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
REVENUES				
Intergovernmental - State.....	\$ 56,393	\$ 56,393	\$ 56,391	\$ (2)
Total Revenues.....	56,393	56,393	56,391	(2)
EXPENDITURES				
Debt Service:				
Principal.....	50,000	50,000	50,000	—
Interest and Other Charges.....	6,393	6,393	6,393	—
Total Expenditures.....	56,393	56,393	56,393	—
Revenues Over (Under) Expenditures.....	—	—	(2)	(2)
OTHER FINANCING SOURCES (USES)				
Transfers In.....	—	—	—	—
Transfers Out.....	—	—	—	—
Total Other Financing Sources (Uses).....	—	—	—	—
Net Change in Fund Balances.....	—	—	(2)	(2)
Fund Balances - Beginning, Budgetary Basis..	—	—	287	287
Fund Balances - Ending, Budgetary Basis.....	\$ —	\$ —	\$ 285	\$ 285

Budget to GAAP Reconciliation

Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 56,391
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.....	11,005
Prior year accrued revenue.....	(10,252)
Total Actual Revenues - GAAP Basis.....	\$ 57,144

Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 56,393
(no differences)	—
Total Actual Expenditures - GAAP Basis.....	\$ 56,393

CITY OF RIO RANCHO, NEW MEXICO

Budgetary Comparison Schedule Infrastructure Fund Year Ended June 30, 2019

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
REVENUES				
Intergovernmental - Federal.....	\$ 9,822,706	\$ 10,132,252	\$ 4,603,017	\$ (5,529,235)
Intergovernmental - State.....	—	1,090,000	907,931	(182,069)
Intergovernmental - Local.....	—	543,318	543,318	—
Charges for Services.....	—	—	26,048	26,048
Miscellaneous.....	—	168,750	—	(168,750)
Total Revenues.....	<u>9,822,706</u>	<u>11,934,320</u>	<u>6,080,314</u>	<u>(5,854,006)</u>
EXPENDITURES				
Current:				
Public Works.....	165,003	842,463	270,701	571,762
Capital Outlay.....	<u>9,952,706</u>	<u>13,188,186</u>	<u>7,190,473</u>	<u>5,997,713</u>
Total Expenditures.....	<u>10,117,709</u>	<u>14,030,649</u>	<u>7,461,174</u>	<u>6,569,475</u>
Revenues Over (Under) Expenditures.....	(295,003)	(2,096,329)	(1,380,860)	715,469
OTHER FINANCING SOURCES (USES)				
Transfers In.....	961,239	1,406,539	1,406,539	—
Transfers Out.....	—	—	—	—
Total Other Financing Sources (Uses).....	<u>961,239</u>	<u>1,406,539</u>	<u>1,406,539</u>	<u>—</u>
Net Change in Fund Balances.....	666,236	(689,790)	25,679	715,469
Fund Balances - Beginning, Budgetary Basis..	191,230	689,790	689,790	—
Fund Balances - Ending, Budgetary Basis.....	<u>\$ 857,466</u>	<u>\$ —</u>	<u>\$ 715,469</u>	<u>\$ 715,469</u>

Budget to GAAP Reconciliation

Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 6,080,314
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.....	2,915,657
Prior year accrued revenue.....	(293,244)
Total Actual Revenues - GAAP Basis.....	<u>\$ 8,702,727</u>

Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 7,461,174
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.....	1,848,583
Prior year accrued expenditures.....	(96,311)
Total Actual Expenditures - GAAP Basis.....	<u>\$ 9,213,446</u>

CITY OF RIO RANCHO, NEW MEXICO

Budgetary Comparison Schedule Recreation Development Fund Year Ended June 30, 2019

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
REVENUES				
Miscellaneous.....	\$ 15,000	\$ 15,000	\$ 15,000	\$ —
Total Revenues.....	15,000	15,000	15,000	—
EXPENDITURES				
Current:				
Capital Outlay.....	24,800	26,944	2,147	24,797
Total Expenditures.....	24,800	26,944	2,147	24,797
Revenues Over (Under) Expenditures.....	(9,800)	(11,944)	12,853	24,797
OTHER FINANCING SOURCES (USES)				
Transfers In.....	24,797	24,797	24,797	—
Transfers Out.....	—	—	—	—
Total Other Financing Sources (Uses).....	24,797	24,797	24,797	—
Net Change in Fund Balances.....	14,997	12,853	37,650	24,797
Fund Balances - Beginning, Budgetary Basis..	30,003	32,147	32,156	9
Fund Balances - Ending, Budgetary Basis.....	\$ 45,000	\$ 45,000	\$ 69,806	\$ 24,806

Budget to GAAP Reconciliation

Revenues:

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

Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 2,147
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.....	24,797
Prior year accrued expenditures.....	—
Total Actual Expenditures - GAAP Basis.....	\$ 26,944

CITY OF RIO RANCHO, NEW MEXICO

Budgetary Comparison Schedule State Appropriation Capital Projects Fund Year Ended June 30, 2019

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
REVENUES				
Intergovernmental - State.....	\$ —	\$ 4,486,731	\$ 577,872	\$ (3,908,859)
Total Revenues.....	—	4,486,731	577,872	(3,908,859)
EXPENDITURES				
Current:				
General Government.....	—	230,566	87,865	142,701
Capital Outlay.....	—	4,184,856	728,082	3,456,774
Total Expenditures.....	—	4,415,422	815,947	3,599,475
Revenues Over (Under) Expenditures.....	—	71,309	(238,075)	(309,384)
OTHER FINANCING SOURCES (USES)				
Transfers In.....	—	—	—	—
Transfers Out.....	—	—	—	—
Total Other Financing Sources (Uses).....	—	—	—	—
Net Change in Fund Balances.....	—	71,309	(238,075)	(309,384)
Fund Balances - Beginning, Budgetary Basis..	—	(71,307)	(71,307)	—
Fund Balances - Ending, Budgetary Basis.....	\$ —	\$ —	\$ (309,382)	\$ (309,384)

Budget to GAAP Reconciliation

Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 577,872
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.....	309,382
Prior year accrued revenue.....	(71,307)
Total Actual Revenues - GAAP Basis.....	\$ 815,947

Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 815,947
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.....	—
Total Actual Expenditures - GAAP Basis.....	\$ 815,947

CITY OF RIO RANCHO, NEW MEXICO

Budgetary Comparison Schedule 2009 Bond Road Project Fund Year Ended June 30, 2019

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

Budget to GAAP Reconciliation

Revenues:

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

Expenditures:

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

CITY OF RIO RANCHO, NEW MEXICO

Budgetary Comparison Schedule 2016 GO Bond Construction Fund Year Ended June 30, 2019

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
REVENUES				
Investment Income (Loss).....	\$ —	\$ —	\$ 58,386	\$ 58,386
Total Revenues.....	—	—	58,386	58,386
EXPENDITURES				
Current:				
Capital Outlay.....	65,173	4,630,256	266,535	4,363,721
Total Expenditures.....	65,173	4,630,256	266,535	4,363,721
Revenues Over (Under) Expenditures.....	(65,173)	(4,630,256)	(208,149)	4,422,107
OTHER FINANCING SOURCES (USES)				
Transfers In.....	—	—	—	—
Transfers Out.....	—	—	—	—
Total Other Financing Sources (Uses).....	—	—	—	—
Net Change in Fund Balances.....	(65,173)	(4,630,256)	(208,149)	4,422,107
Fund Balances - Beginning, Budgetary Basis..	65,173	4,630,256	4,630,257	1
Fund Balances - Ending, Budgetary Basis.....	\$ —	\$ —	\$ 4,422,108	\$ 4,422,108

Budget to GAAP Reconciliation

Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 58,386
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.....	19,783
Total Actual Revenues - GAAP Basis.....	\$ 78,169

Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 266,535
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.....	15,913
Prior year accrued expenditures.....	(5,853)
Total Actual Expenditures - GAAP Basis.....	\$ 276,595

CITY OF RIO RANCHO, NEW MEXICO

Budgetary Comparison Schedule 2018 GO Bond Project Fund Year Ended June 30, 2019

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
REVENUES				
Investment Income (Loss).....	\$ —	\$ —	\$ 122,347	\$ 122,347
Total Revenues.....	—	—	122,347	122,347
EXPENDITURES				
Current:				
Capital Outlay.....	—	13,958,239	7,646,539	6,311,700
Debt Service:				
Bond Issuance Costs.....	—	131,500	131,389	111
Total Expenditures.....	—	14,089,739	7,777,928	6,311,811
Revenues Over (Under) Expenditures.....	—	(14,089,739)	(7,655,581)	6,434,158
OTHER FINANCING SOURCES (USES)				
Issuance of General Obligation Bonds.....	—	14,100,000	14,100,000	—
Premium on Bonds Issued.....	—	837,328	837,328	—
Sale of Capital Assets.....	—	24,930	24,930	—
Transfers In.....	—	—	—	—
Transfers Out.....	—	(3,940,741)	(3,940,741)	—
Total Other Financing Sources (Uses).....	—	11,021,517	11,021,517	—
Net Change in Fund Balances.....	—	(3,068,222)	3,365,936	6,434,158
Fund Balances - Beginning, Budgetary Basis..	—	3,209,222	7,799,232	4,590,010
Fund Balances - Ending, Budgetary Basis.....	\$ —	\$ 141,000	\$ 11,165,168	\$ 11,024,168

Budget to GAAP Reconciliation

Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 122,347
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.....	45,091
Total Actual Revenues - GAAP Basis.....	\$ 167,438

Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 7,777,928
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.....	1,077,061
Prior year accrued expenditures.....	(299,519)
Total Actual Expenditures - GAAP Basis.....	\$ 8,555,470

CITY OF RIO RANCHO, NEW MEXICO

Budgetary Comparison Schedule Road Impact Fees Fund Year Ended June 30, 2019

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
REVENUES				
Impact Fees.....	\$ 347,679	\$ 347,679	\$ 288,873	\$ (58,806)
Investment Income (Loss).....	—	—	7,772	7,772
Total Revenues.....	<u>347,679</u>	<u>347,679</u>	<u>296,645</u>	<u>(51,034)</u>
EXPENDITURES				
Current:				
Public Works.....	10,430	10,430	8,667	1,763
Capital Outlay.....	<u>101,124</u>	<u>817,423</u>	<u>—</u>	<u>817,423</u>
Total Expenditures.....	<u>111,554</u>	<u>827,853</u>	<u>8,667</u>	<u>819,186</u>
Revenues Over (Under) Expenditures.....	236,125	(480,174)	287,978	768,152
OTHER FINANCING SOURCES (USES)				
Transfers In.....	—	—	—	—
Transfers Out.....	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total Other Financing Sources (Uses).....	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net Change in Fund Balances.....	236,125	(480,174)	287,978	768,152
Fund Balances - Beginning, Budgetary Basis..	<u>553,800</u>	<u>1,270,100</u>	<u>1,271,727</u>	<u>1,627</u>
Fund Balances - Ending, Budgetary Basis.....	<u>\$ 789,925</u>	<u>\$ 789,926</u>	<u>\$ 1,559,705</u>	<u>\$ 769,779</u>

Budget to GAAP Reconciliation

Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 296,645
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>12,220</u>
Total Actual Revenues - GAAP Basis.....	<u>\$ 308,865</u>

Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 8,667
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.....	11,691
Prior year accrued expenditures.....	<u>—</u>
Total Actual Expenditures - GAAP Basis.....	<u>\$ 20,358</u>

CITY OF RIO RANCHO, NEW MEXICO

Budgetary Comparison Schedule Trails Impact Fees Fund Year Ended June 30, 2019

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
REVENUES				
Impact Fees.....	\$ 6,114	\$ 6,114	\$ 6,709	\$ 595
Total Revenues.....	<u>6,114</u>	<u>6,114</u>	<u>6,709</u>	<u>595</u>
EXPENDITURES				
Current:				
Public Works.....	183	233	201	32
Capital Outlay.....	<u>—</u>	<u>141,152</u>	<u>131,523</u>	<u>9,629</u>
Total Expenditures.....	<u>183</u>	<u>141,385</u>	<u>131,724</u>	<u>9,661</u>
Revenues Over (Under) Expenditures.....	5,931	(135,271)	(125,015)	10,256
OTHER FINANCING SOURCES (USES)				
Transfers In.....	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
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.....	5,931	(135,271)	(125,015)	10,256
Fund Balances - Beginning, Budgetary Basis..	<u>59,425</u>	<u>200,577</u>	<u>200,577</u>	<u>—</u>
Fund Balances - Ending, Budgetary Basis.....	<u>\$ 65,356</u>	<u>\$ 65,306</u>	<u>\$ 75,562</u>	<u>\$ 10,256</u>

Budget to GAAP Reconciliation

Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 6,709
(no differences)	<u>—</u>
Total Actual Revenues - GAAP Basis.....	<u>\$ 6,709</u>

Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 131,724
(no differences)	<u>—</u>
Total Actual Expenditures - GAAP Basis.....	<u>\$ 131,724</u>

CITY OF RIO RANCHO, NEW MEXICO

Budgetary Comparison Schedule Parks Impact Fees Fund Year Ended June 30, 2019

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
REVENUES				
Impact Fees.....	\$ 103,089	\$ 70,000	\$ 177,981	\$ 107,981
Investment Income (Loss).....	—	—	3,600	3,600
Total Revenues.....	103,089	70,000	181,581	111,581
EXPENDITURES				
Public Works.....	3,093	5,293	5,292	1
Capital Outlay.....	200,199	433,802	155,404	278,398
Total Expenditures.....	203,292	439,095	160,696	278,399
Revenues Over (Under) Expenditures.....	(100,203)	(369,095)	20,885	389,980
OTHER FINANCING SOURCES (USES)				
Transfers In.....	—	—	—	—
Transfers Out.....	—	—	—	—
Total Other Financing Sources (Uses).....	—	—	—	—
Net Change in Fund Balances.....	(100,203)	(369,095)	20,885	389,980
Fund Balances - Beginning, Budgetary Basis..	142,073	401,895	402,698	803
Fund Balances - Ending, Budgetary Basis.....	\$ 41,870	\$ 32,800	\$ 423,583	\$ 390,783

Budget to GAAP Reconciliation

Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 181,581
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.....	—
Prior year accrued revenue.....	3,371
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.....	2,740
Total Actual Revenues - GAAP Basis.....	\$ 187,692

Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 160,696
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.....	83,745
Prior year accrued expenditures.....	—
Total Actual Expenditures - GAAP Basis.....	\$ 244,441

CITY OF RIO RANCHO, NEW MEXICO

Budgetary Comparison Schedule Public Safety Impact Fees Fund Year Ended June 30, 2019

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
REVENUES				
Impact Fees.....	\$ 163,556	\$ 145,000	\$ 95,198	\$ (49,802)
Miscellaneous.....	—	15,207	15,207	—
Total Revenues.....	<u>163,556</u>	<u>160,207</u>	<u>110,405</u>	<u>(49,802)</u>
EXPENDITURES				
Current:				
Public Safety.....	4,907	4,907	2,856	2,051
Capital Outlay.....	<u>150,000</u>	<u>321,909</u>	<u>220,916</u>	<u>100,993</u>
Total Expenditures.....	<u>154,907</u>	<u>326,816</u>	<u>223,772</u>	<u>103,044</u>
Revenues Over (Under) Expenditures.....	8,649	(166,609)	(113,367)	53,242
OTHER FINANCING SOURCES (USES)				
Transfers In.....	—	—	—	—
Transfers Out.....	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total Other Financing Sources (Uses).....	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net Change in Fund Balances.....	8,649	(166,609)	(113,367)	53,242
Fund Balances - Beginning, Budgetary Basis..	<u>126,372</u>	<u>220,910</u>	<u>220,911</u>	<u>1</u>
Fund Balances - Ending, Budgetary Basis.....	<u>\$ 135,021</u>	<u>\$ 54,301</u>	<u>\$ 107,544</u>	<u>\$ 53,243</u>

Budget to GAAP Reconciliation

Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 110,405
(no differences)	<u>—</u>
Total Actual Revenues - GAAP Basis.....	<u>\$ 110,405</u>

Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 223,772
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.....	96,652
Prior year accrued expenditures.....	<u>—</u>
Total Actual Expenditures - GAAP Basis.....	<u>\$ 320,424</u>

CITY OF RIO RANCHO, NEW MEXICO

Budgetary Comparison Schedule Drainage Impact Fees Fund Year Ended June 30, 2019

	Budget		Actual - Budgetary Basis	Variance From Final Budget - Budgetary Basis
	Original	Final		
REVENUES				
Impact Fees.....	\$ 158,137	\$ 158,137	\$ 242,567	\$ 84,430
Investment Income (Loss).....	—	—	2,726	2,726
Total Revenues.....	<u>158,137</u>	<u>158,137</u>	<u>245,293</u>	<u>87,156</u>
EXPENDITURES				
Current:				
General Government.....				—
Public Safety.....	4,744	7,744	7,277	467
Capital Outlay.....	—	57,555	3,427	54,128
Total Expenditures.....	<u>4,744</u>	<u>65,299</u>	<u>10,704</u>	<u>54,595</u>
Revenues Over (Under) Expenditures.....	153,393	92,838	234,589	141,751
OTHER FINANCING SOURCES (USES)				
Transfers In.....	—	—	—	—
Transfers Out.....	—	—	—	—
Total Other Financing Sources (Uses).....	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net Change in Fund Balances.....	153,393	92,838	234,589	141,751
Fund Balances - Beginning, Budgetary Basis..	<u>512,009</u>	<u>569,565</u>	<u>570,175</u>	<u>610</u>
Fund Balances - Ending, Budgetary Basis.....	<u>\$ 665,402</u>	<u>\$ 662,403</u>	<u>\$ 804,764</u>	<u>\$ 142,361</u>

Budget to GAAP Reconciliation

Revenues:

Total Actual Revenues - Budgetary Basis.....	\$ 245,293
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>4,582</u>
Total Actual Revenues - GAAP Basis.....	<u>\$ 249,875</u>

Expenditures:

Total Actual Expenditures - Budgetary Basis.....	\$ 10,704
Certain payments made after year-end are considered expenditures of the current period for financial reporting but not for budgetary reporting:	
Current year accrued expenditures.....	—
Prior year accrued expenditures.....	<u>(3,427)</u>
Total Actual Expenditures - GAAP Basis.....	<u>\$ 7,277</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, 2019

DEPOSIT ACCOUNTS

Financial Institution: Account Name	Account Type	Balances	
		On Deposit	Reconciled
Wells Fargo			
Operating	Checking	\$ 55,019,612	\$ 54,137,823
Operating	Savings	19,373,105	19,373,105
Municipal Court - Bond	Checking	15,744	15,744
Total Wells Fargo Deposit Accounts		74,408,461 **	73,526,672
US Bank			
PFM Asset Management LLC	Savings	73,507	73,507
Total US Bank Deposit Accounts		73,507	73,507
Cash Drawers			
Petty Cash	Cash		5,711
Total Petty Cash		-	5,711
Total Deposit Accounts		\$ 74,481,968	\$ 73,605,890

INVESTMENT ACCOUNTS

Financial Institution: Account Name	Account Type	Cost	Market
State of New Mexico			
Local Government Investment Pool	Investment	\$ 6,594	\$ 6,594
Total State of New Mexico Investment Accounts		6,594	6,594
US Bank			
PFM Asset Management LLC	Investment	25,530,126	25,872,590
Total US Bank Investment Accounts		25,530,126	25,872,590
Bank of New York Mellon *			
Reserve (Loan# riorancho7)	Trust/Money Market	157,717	157,717
Reserve (Loan# riorancho19)	Trust/Money Market	345,877	345,877
Total Bank of New York Mellon Investment Accounts		503,594	503,594
New Mexico Finance Authority			
NMFA Program Funds (Loan # riorancho14)	US Treasuries/Money Market	652	652
NMFA Program Funds (Loan # riorancho23)	US Treasuries/Money Market	804	804
NMFA Program Funds (Loan # riorancho30)	US Treasuries/Money Market	798	798
NMFA Program Funds (Loan # riorancho31)	US Treasuries/Money Market	31,961	31,961
NMFA Program Funds (Loan # riorancho32A)	US Treasuries/Money Market	22,490,247	22,490,247
NMFA Program Funds (Loan # riorancho32B)	US Treasuries/Money Market	32,671	32,671
NMFA Program Funds (Loan # riorancho35)	US Treasuries/Money Market	610,099	610,099
NMFA Program Funds (Loan # riorancho36)	US Treasuries/Money Market	12,079,461	12,079,461
NMFA Program Funds (Loan # riorancho37)	US Treasuries/Money Market	3,386,734	3,386,734
Total New Mexico Finance Authority Program Funds		38,633,427	38,633,427
Bank of Albuquerque			
BAQ Short-Term Cash Fund		11,347,551	11,347,551
Total Bank of Albuquerque Short-Term Cash Funds		11,347,551	11,347,551
Total Investment Accounts		\$ 76,021,292	\$ 76,363,756

PLEDGED COLLATERAL

Total Wells Fargo Deposit Accounts **	\$ 74,408,461
FDIC Insurance	(250,000)
Balance	74,158,461
Required Collateral @ 50%	37,079,231
Amount of Collateral	84,532,270
Overcollateralized	\$ 47,453,039

See breakout of collateral detail below

Custodian	Security	CUSIP Number	Location	Maturity Date	Fair Market Value
Bank of New York Mellon	FNMA	3138W5GJ1	San Francisco, CA	06/01/43	\$ 11,556,218
Bank of New York Mellon	FNMA	3138WKK20	San Francisco, CA	03/01/47	72,976,052
Total Pledged Collateral					\$ 84,532,270

*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, 2019

Appropriation Purpose	Original Appropriation Amount	Reversion Date	Source of Funding	Legislature	FY 2018 Expenditures	Remaining Balance
Lincoln Ave. ROW & Construct	\$ 565,000	6/30/2020	STB	Laws of 2016, Chapter 81, Section 54, ss 62	\$ 170,220	\$ 394,780
MSC construct	3,400,000	6/30/2021	GOB	Laws of 2016, Chapter 82, Section 10, ss A, Para 75	24,236	3,375,764
Cibola Little League fields	50,000	6/30/2022	STB	Laws of 2018, chapter 80, Section 26, Para 158	-	50,000
Fire Station Improvements	95,000	6/30/2022	STB	Laws of 2018, Chapter 80, Section 26, Para 159	-	95,000
Police Dept Evidence Storage Facility	225,000	6/30/2020	STB	Laws of 2016, Chapter 81, Section 22, Para 186	222,750	2,250
MSC Meals Equipment	9,300	6/30/2021	GOB	Laws of 2016, Chapter 82, Section 10, ss A, Para 77	9,283	17
MSC Renovate	65,400	6/30/2021	GOB	Laws of 2016, Chapter 82, Section 10, ss A, Para 78	65,355	45
Sports Complex Improvements	20,000	6/30/2022	STB	Laws of 2018, Chapter 80, Section 26, Para 160	20,000	-
Sunset Little League Improvements	25,000	6/30/2022	STB	Laws of 2018, Chapter 80, Section 26, Para 161	23,205	1,795
MSC Equipment	42,850	6/30/2023	GOB	Laws of 2018, Chapter 67, Section 10, Para 63	-	42,850
MSC Improvement Code	20,900	6/30/2023	GF	Laws of 2018, Chapter 67, Section 10, Para 64	-	20,900
MSC Vehicle Purchase	44,000	6/30/2021	GF	Laws of 2019, Chapter 277, Section 4, Para 52	-	44,000
Arroyo De Desportes Park	180,000	6/30/2023	GF	Laws of 2019, Chapter 277, Section 34, Para 376	-	180,000
Road Equipment Purchase	642,000	6/30/2021	GF	Laws of 2019, Chapter 277, Section 34, Para 377	-	642,000
Sports Complex North Improvements	625,000	6/30/2023	GF	Laws of 2019, Chapter 277, Section 34, Para 378	-	625,000
Vista Grande Park Improvements	230,000	6/30/2023	GF	Laws of 2019, Chapter 277, Section 34, Para 379	95,520	134,480
Meadowlark Lane ADA Improvements	530,000	6/30/2023	GF	Laws of 2019, Chapter 277, Section 40, ss 132	-	530,000
Veranda Road Safety Improvements	630,000	6/30/2023	GF	Laws of 2019, Chapter 277, Section 40, ss 133	-	630,000
Totals	<u>\$ 7,399,450</u>				<u>\$ 630,569</u>	<u>\$ 6,768,881</u>

**CITY OF RIO RANCHO, NEW MEXICO
JOINT POWERS AGREEMENTS (JPA) SCHEDULE
YEAR ENDED JUNE 30, 2019**

<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>FY19 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	52.00%	\$ 1,591,444	SANDOVAL COUNTY REGIONAL EMERGENCY COMMUNICATIONS CENTER BOARD	CITY	CITY
JPA		CITY OF RIO RANCHO/ NEW MEXICO SELF-INSURER'S FUND (NMSIF)	NMSIF BOARD OF TRUSTEES	PROTECTIONS FOR MEMBERS AND THEIR EMPLOYEES RELATING TO INSURANCE OR SELF-INSURANCE	07/01/1996- INDEFINITE	100.00%	\$ 1,255,599	NMSIF	NMSIF	NMSIF



Statistical Section

Index to the Statistical Section

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

Financial Trends

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

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Revenue Capacity

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

Taxable and Full Value of Taxable Property (Schedule 5)	186
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Property Tax Rates, Direct and Overlapping Governments (Schedule 7)	188
Principal Property Taxpayers (Schedule 8)	189
Taxable Gross Receipts by Type of Trade (Schedule 9)	190

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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Ratios of General Bonded Debt Outstanding (Schedule 11)	192
Direct and Overlapping Debt (Schedule 12)	193
Computation of Legal Debt Margin (Schedule 13)	194

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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Operating Indicators by Function/Program (Schedule 17)	198
Capital Asset Statistics by Function/Program (Schedule 18)	201

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>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>2019</u>
Governmental activities										
Net investment in capital assets	\$ 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	\$ 248,304,596
Restricted	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	40,167,746
Unrestricted	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)	(100,200,558)
Total governmental activities net position	<u>\$ 258,594,947</u>	<u>\$ 264,282,597</u>	<u>\$ 270,721,037</u>	<u>\$ 251,711,794</u>	<u>\$ 252,529,313</u>	<u>\$ 207,642,064</u>	<u>\$ 216,714,096</u>	<u>\$ 213,568,444</u>	<u>\$ 174,179,231</u>	<u>\$ 188,271,784</u>
Business-type activities										
Net investment in capital assets	\$ 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	\$ 220,547,306
Restricted	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	38,689,545
Unrestricted	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	7,883,205
Total business-type activities net position	<u>\$ 153,058,508</u>	<u>\$ 172,097,322</u>	<u>\$ 177,129,329</u>	<u>\$ 191,619,089</u>	<u>\$ 203,130,996</u>	<u>\$ 209,017,898</u>	<u>\$ 222,549,507</u>	<u>\$ 232,181,523</u>	<u>\$ 246,525,432</u>	<u>\$ 267,120,056</u>
Primary government										
Net investment in capital assets	\$ 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	\$ 468,851,902
Restricted	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	78,857,291
Unrestricted	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)	(92,317,353)
Total primary government net position	<u>\$ 411,653,455</u>	<u>\$ 436,379,919</u>	<u>\$ 447,850,366</u>	<u>\$ 443,330,883</u>	<u>\$ 455,660,309</u>	<u>\$ 416,659,962</u>	<u>\$ 439,263,603</u>	<u>\$ 445,749,967</u>	<u>\$ 420,704,663</u>	<u>\$ 455,391,840</u>

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

Schedule 2

	Fiscal Year									
	<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>2019</u>
Expenses										
Governmental Activities:										
General government	\$ 8,667,435	\$ 13,287,694	\$ 10,366,776	\$ 10,771,678	\$ 11,786,728	\$ 11,754,103	\$ 12,223,084	\$ 12,432,806	\$ 10,816,403	\$ 10,838,081
Public safety	36,265,064	35,822,606	29,556,691	29,856,037	28,239,143	32,104,922	33,857,302	37,240,153	35,731,849	36,801,320
Public works	14,926,671	25,118,971	17,987,939	38,202,128	16,718,667	16,485,501	16,201,872	20,649,955	18,218,656	19,325,855
Culture and recreation	9,497,987	9,882,400	9,600,763	10,100,647	10,365,242	10,578,196	10,132,443	11,564,343	11,171,626	10,231,901
Economic development	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	3,742,614
Interest on long-term debt	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	1,307,880
Total Government Activities	74,618,162	88,891,876	72,408,947	93,609,463	71,097,941	74,929,503	76,721,103	86,409,245	80,787,063	82,247,651
Business-type Activities:										
Water	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	36,260,532
Event Center	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	3,087,042
Total Business-type Activities	27,433,445	31,647,439	38,203,157	38,154,022	39,137,311	40,347,498	37,659,363	43,520,023	39,993,650	39,347,574
Total Expenses	\$ 102,051,607	\$ 120,539,315	\$ 110,612,104	\$ 131,763,484	\$ 110,235,252	\$ 115,277,001	\$ 114,380,466	\$ 129,929,268	\$ 120,780,713	\$ 121,595,225
Program Revenues										
Governmental Activities:										
Charge for services:										
General government	\$ 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	\$ 6,636,349
Public safety	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	4,182,622
Public works	1,282,527	1,421,236	1,346,006	1,373,664	41,601	219,898	171,371	196,666	205,216	203,959
Culture and recreation	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	1,714,351
Economic development	466,756	372,553	530,137	516,409	291,331	222,277	2,123,054	2,436,423	2,542,344	2,526,780
Operating grants and contributions	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	2,280,450
Capital grants and contributions	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	11,994,122
Total Governmental Activities	53,064,000	44,172,894	24,147,813	23,587,609	19,862,157	23,766,987	29,238,697	25,608,381	21,286,874	29,538,632
Business-type Activities:										
Charge for services:										
Water	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	49,900,736
Event Center	581,776	463,616	447,954	473,043	455,144	511,453	262,103	340,363	305,220	396,854
Operating grants and contributions	-	-	-	2,500	2,130,793	2,652,028	2,956,864	4,293,003	4,444,620	6,376,415
Capital grants and contributions	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	1,325,935
Total Business-type Activities	40,796,999	45,697,162	37,308,045	44,712,726	47,138,668	46,774,601	50,156,483	54,057,428	54,306,489	57,999,940
Total Program Revenues	\$ 93,860,999	\$ 89,870,056	\$ 61,455,858	\$ 68,300,335	\$ 67,000,825	\$ 70,541,588	\$ 79,395,180	\$ 79,665,809	\$ 75,593,363	\$ 87,538,573

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

Schedule 2
(Continued)

	Fiscal Year									
	<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>2019</u>
Net (Expense)/Revenue										
Governmental Activities	\$ (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)	\$ (52,709,018)
Business-type Activities	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	18,652,366
Total Net Expense	\$ (8,190,608)	\$ (30,669,259)	\$ (49,156,246)	\$ (63,463,150)	\$ (43,234,427)	\$ (44,735,413)	\$ (34,985,286)	\$ (50,263,459)	\$ (45,187,350)	\$ (34,056,652)
General Revenues										
Governmental Activities:										
Taxes:										
Property taxes	\$ 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	\$ 23,417,641
Gross receipts taxes	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	24,520,960
Franchise taxes	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	3,764,378
Unrestricted grants, aid and state shared revenues	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	15,017,305
Investment income	53,817	23,408	(2,913)	2,870	57,881	16,668	44,722	50,791	54,575	708,316
Miscellaneous	764,358	77,709	306,977	181,474	43,542	172,329	210,685	452,767	761,901	(70,474)
Transfers	-	-	-	-	(1,097,052)	(1,074,860)	(988,745)	(968,315)	(1,797,331)	(627,030)
Total Governmental Activities	47,989,636	50,406,632	51,330,529	51,012,611	51,070,344	56,234,415	56,554,438	58,710,097	58,470,000	66,731,096
Business-type Activities										
Unrestricted grants, aid and state shared revenues	-	4,972,974	2,671,184	2,452,570	-	-	-	-	-	-
Investment income	75,894	42,183	37,164	47,876	8,273	21,072	45,744	215,419	262,579	1,301,288
Miscellaneous	840,208	323,934	272,951	310,340	-	-	-	-	-	-
Gain on disposal of assets	-	-	-	-	-	-	-	-	-	13,940
Transfers	-	-	-	-	1,097,052	1,074,860	988,745	968,315	1,797,331	627,030
Total Business-type Activities	916,102	366,117	2,981,299	2,810,786	1,105,325	1,095,932	1,034,489	1,183,734	2,059,910	1,942,258
Total primary government	\$ 48,905,738	\$ 50,772,749	\$ 54,311,828	\$ 53,823,397	\$ 52,175,669	\$ 57,330,347	\$ 57,588,927	\$ 59,893,831	\$ 60,529,910	\$ 68,673,354
Change in Net Position										
Governmental Activities	\$ 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)	\$ 14,092,553
Business-type Activities	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	20,594,624
Total Change in Net Position	\$ 40,715,130	\$ 25,076,464	\$ 5,155,582	\$ (9,639,753)	\$ 8,941,242	\$ 12,594,934	\$ 22,603,641	\$ 9,630,371	\$ 15,342,559	\$ 34,687,177

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

Schedule 3

	<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>2019</u>
Revenues										
Taxes	\$ 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	\$ 47,268,447
Licenses and permits	335,490	595,520	470,789	347,319	360,856	424,379	337,255	348,097	328,867	368,108
Intergovernmental	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	27,605,694
Impact fees	2,251,932	1,262,121	447,021	350,561	286,417	608,278	1,032,838	716,638	922,489	811,328
Charges for services	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	7,794,401
Fines and forfeits	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	958,367
Franchise fees	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	3,764,378
Contributions and donations	65,298	71,202	182,263	51,323	47,766	-	-	-	-	-
Investment income	53,817	23,408	(2,913)	2,870	19,137	14,339	-	-	54,576	708,317
Other revenues	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	4,327,955
Total Revenues	<u>83,474,144</u>	<u>87,185,930</u>	<u>72,543,931</u>	<u>70,664,080</u>	<u>70,887,310</u>	<u>79,709,457</u>	<u>82,859,184</u>	<u>81,437,677</u>	<u>78,513,214</u>	<u>93,606,995</u>
Expenditures										
Current:										
General government	8,364,557	12,184,946	11,016,390	11,472,338	10,395,440	10,172,513	10,680,064	9,670,690	8,957,361	10,619,879
Public safety	34,893,280	34,260,842	28,048,592	28,412,480	28,682,657	30,291,203	30,730,532	31,282,885	30,952,620	31,666,671
Public works	7,378,256	17,248,448	9,166,030	7,096,798	8,049,846	8,015,682	8,122,916	8,661,744	8,706,971	8,524,833
Cultural and recreation	8,377,039	8,377,638	8,630,207	8,808,809	9,220,589	9,449,796	9,173,717	9,393,551	9,437,300	8,340,713
Economic development	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	3,542,849
Other expenses	3,000	43,874	-	-	-	-	-	-	-	-
Capital outlay	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	21,860,089
Debt service:										
Payment to bond escrow agent	-	-	-	-	-	-	-	-	-	-
Principal	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	6,176,788
Interest and fiscal charges	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	1,326,004
Bond/Loan issuance costs	50,249	-	-	-	-	-	168,159	-	174,284	219,307
Total Expenditures	<u>99,611,829</u>	<u>100,586,154</u>	<u>75,804,047</u>	<u>74,701,934</u>	<u>72,264,555</u>	<u>75,841,159</u>	<u>84,242,407</u>	<u>82,902,841</u>	<u>73,104,802</u>	<u>92,277,133</u>
Excess (Deficiency) of Revenues over Expenditures	(16,137,685)	(13,400,224)	(3,260,116)	(4,037,854)	(1,377,245)	3,868,298	(1,383,223)	(1,465,164)	5,408,412	1,329,863
Other Financing Sources (Uses)										
Issuance of general obligation bonds	-	-	-	-	-	-	11,310,000	-	6,885,000	14,100,000
Payment to refunded bond escrow agent	-	-	-	-	-	-	(2,390,736)	-	-	-
Loan proceeds	337,259	5,179,765	-	795,925	2,034,000	-	259,950	-	-	4,049,056
Premium on bonds issued	-	-	-	-	-	-	604,340	-	-	837,327
Sale of land/capital asset proceeds	202,690	-	-	-	-	-	-	-	-	24,930
Transfer in	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	8,125,280
Payment to refunding escrow	-	-	-	-	-	-	-	-	(6,703,013)	-
Transfer out	(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)	(9,278,260)
Total other Financing Sources (Uses)	539,949	5,179,765	-	795,925	936,948	(1,074,860)	8,794,809	(968,315)	(852,997)	17,858,333
Net Change in fund balances	<u>\$ (15,597,736)</u>	<u>\$ (8,220,459)</u>	<u>\$ (3,260,116)</u>	<u>\$ (3,241,929)</u>	<u>\$ (440,297)</u>	<u>\$ 2,793,438</u>	<u>\$ 7,411,586</u>	<u>\$ (2,433,479)</u>	<u>\$ 4,555,415</u>	<u>\$ 19,188,196</u>
Debt service as a percentage of noncapital expenditures										
	10.27%	9.46%	11.14%	10.60%	10.46%	10.79%	10.33%	10.74%	10.77%	10.65%
Principal	\$ 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	\$ 6,176,788
Interest	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	1,326,004
Total P&I	<u>\$ 7,060,386</u>	<u>\$ 7,770,600</u>	<u>\$ 7,432,618</u>	<u>\$ 6,907,035</u>	<u>\$ 6,847,344</u>	<u>\$ 7,312,471</u>	<u>\$ 7,105,289</u>	<u>\$ 7,431,681</u>	<u>\$ 7,403,800</u>	<u>\$ 7,502,792</u>
Total Expenditures	\$ 99,611,829	\$100,586,154	\$ 75,804,047	\$ 74,701,934	\$ 72,264,555	\$ 75,841,159	\$ 84,242,407	\$ 82,902,841	\$ 73,104,802	\$ 92,277,133
Less: Total Capital Outlay Expenditures	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	21,860,089
	<u>\$ 68,779,368</u>	<u>\$ 82,147,616</u>	<u>\$ 66,691,245</u>	<u>\$ 65,144,803</u>	<u>\$ 65,462,979</u>	<u>\$ 67,750,438</u>	<u>\$ 68,769,906</u>	<u>\$ 69,214,431</u>	<u>\$ 68,752,108</u>	<u>\$ 70,417,044</u>
Total P&I / Total Exp, less Cap. Outlay	10.27%	9.46%	11.14%	10.60%	10.46%	10.79%	10.33%	10.74%	10.77%	10.65%

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

Schedule 4

	<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>	<u>2019</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	20,795,958
Unreserved	10,925,800	-	-	-	-	-	-	-	-	-
Total general fund	\$ 10,925,800	\$ 13,314,756	\$ 14,669,405	\$ 14,204,912	\$ 13,724,452	\$ 15,325,622	\$ 16,011,877	\$ 16,464,883	\$ 13,739,208	\$ 20,795,958
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	41,950,288
Committed	-	122,462	87,381	76,479	-	-	-	-	-	1,725,811
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	(409,895)	(1,295)	(150,767)	(474,418)	(486,956)	(357,806)	(70,314)	(8,663)
Unreserved, reported in:	-	(2,609,260)	-	-	-	-	-	-	-	-
Special revenue funds	9,592,523	-	-	-	-	-	-	-	-	-
Capital project funds	20,129,681	-	-	-	-	-	-	-	-	-
Debt service funds	4,191,966	-	-	-	-	-	-	-	-	-
Total all other governmental funds	\$ 33,914,170	\$ 23,304,756	\$ 20,164,107	\$ 17,386,671	\$ 17,934,753	\$ 19,127,021	\$ 26,952,453	\$ 24,065,967	\$ 31,535,990	\$ 43,667,436

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

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

Schedule 5

Fiscal Year	Residential property		Commercial Property			Total		Net Taxable Value as a Percentage of Full Value
	Taxable Value	Full Value	Taxable Value	Full Value	Less: Tax-exempt Property	Net Taxable Value	Full Value	
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%
2019	2,006,883,158	8,027,533,234	1,108,334,948	4,433,340,125	795,141,625	2,320,076,481	9,280,306,620	25.00%

Source: Sandoval County Assessor's Office Abstract 2010 through 2019.

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
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%
2018	23,073,937	22,503,108	97.53%	-	22,503,108	97.53%

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
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	-	3.950	22.500
2019	7.553	2.770	10.323	1.360	7.328	10.810	5.723	1.900	2.902	29.536

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	2018 (A)			2009		
	Taxable Assessed Value	Rank	Percent of Total Taxable Valuation	Taxable Assessed Value	Rank	Percent of Total Taxable Valuation
Public Service Company of New Mexico	\$20,097,328.00	1	0.87%			
The Neighborhood in Rio Rancho	10,803,438.00	2	0.47%			
Presbyterian Healthcare	9,536,599.00	3	0.41%			
New Mexico Gas Company	7,605,914.00	4	0.33%			
Northland Links LLC	5,203,385.00	5	0.23%			
Sandia View LLC	4,776,731.00	6	0.21%			
Rio Rancho Retirement Residence	4,239,503.00	7	0.18%			
Wal-Mart Stores	3,982,652.00	8	0.17%			
Cable One Inc	3,798,388.00	9	0.16%			
Rio Rancho Community Inc	3,521,517.00	10	0.15%			
Lowe's Home Centers				\$ 6,122,114	1	0.28%
Wal-Mart Stores				5,604,760	2	0.26%
Centex American Gypsum				2,840,683	3	0.13%
Yates, Ronald G & Kimla				1,433,333	4	0.07%
American Holding and Assets				1,126,707	5	0.05%
Presbyterian Healthcare				927,896	6	0.04%
Enchanted 528 Development				896,595	7	0.04%
Rio Rancho SPV LP				884,774	8	0.04%
Cherry Road LLC				862,383	9	0.04%
High Desert Investment Corp				841,314	10	0.04%
Total	<u>\$ 73,565,455</u>		<u>3.19%</u>	<u>\$ 21,540,559</u>		<u>0.99%</u>

Source: Sandoval County Assessor's Offices

Note: (A) The fiscal year for collection is November through October; this schedule uses the 2019 collection year valuation.

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

Schedule 9

	<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>2019</u>
Construction	\$ 194,554,301	\$ 228,053,766	\$ 180,579,095	\$ 164,800,012	\$ 135,348,166	\$ 216,094,011	\$ 201,156,473	\$ 193,486,365	\$ 172,404,041	\$ 222,570,471
Manufacturing	4,898,964	8,649,004	11,537,211	23,190,012	40,945,770	27,409,019	25,327,413	21,608,927	20,152,646	20,163,643
Transportation, Communication and Utility	108,735,574	111,484,988	130,495,851	108,877,067	87,661,802	86,398,884	95,394,246	83,335,054	84,267,527	96,970,286
Wholesale Trade	10,584,960	10,599,025	10,613,589	10,836,837	10,027,821	13,054,814	11,855,585	16,886,192	23,872,597	23,237,826
Retail Trade	278,607,208	260,047,935	263,875,976	254,856,445	249,333,077	268,088,479	283,093,409	287,793,273	293,121,150	305,495,145
Finance, Insurance and Real Estate	26,735,377	26,963,869	26,471,157	21,499,090	25,386,005	27,132,654	46,440,978	31,902,564	18,018,797	37,922,374
Health Care & Social Svcs	38,753,620	43,311,890	55,410,351	61,944,283	59,235,547	67,191,945	69,846,497	85,421,779	86,388,626	102,942,639
Accommodations & Food Svcs	69,001,255	76,426,711	79,504,530	83,344,502	84,841,033	87,255,681	103,142,163	109,927,837	111,778,254	112,217,168
Services	187,795,693	211,301,669	202,630,252	210,871,265	210,539,974	226,742,414	243,695,365	245,402,415	255,253,847	285,085,566
Other (A)	5,634,624	2,019,279	2,523,807	2,379,532	6,398,231	10,828,489	12,297,517	5,646,659	5,163,035	10,653,345
Total Taxable Gross Receipts	\$ 925,301,576	\$ 978,858,136	\$ 963,641,819	\$ 942,599,045	\$ 909,717,426	\$ 1,030,196,390	\$ 1,092,249,646	\$ 1,081,411,065	\$ 1,070,420,520	\$ 1,217,258,463
City direct sales tax rate	7.0625%	7.4375%	7.4375%	7.4375%	7.4375%	7.4375%	7.4375%	7.4375%	7.4375%	7.6875%
Sandoval County direct sales tax rate	6.1250%	6.2500%	6.2500%	6.2500%	6.2500%	6.2500%	6.2500%	6.2500%	6.2500%	6.3750%

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.
Schedule restated to include additional business sectors.

(A) - This category is made up of "undetermined establishments" due to adjustments of monthly reporting's 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			
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	2.68%	2,135
2017	21,152,337	11,850,311	11,425,125	154,536,112	16,423,197	215,387,082	2.67%	2,240
2018	17,670,548	10,540,897	10,413,645	144,838,055	15,484,861	198,948,006	3.03%	2,030
2019	28,766,085	9,186,483	13,250,913	133,394,561	26,745,018	211,343,060	2.97%	2,134

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

(A) - This information uses Sandoval County Personal Income through 2017. Amounts are estimated for 2018 through 2019.

(B) - Population for the City of Rio Rancho for 2018 and 2019 are estimated.

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

Schedule 11

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property	Per Capita (A)
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	4,506,711	13,163,837	0.60%	134.29
2019	28,766,085	6,844,148	21,921,937	0.95%	221.30

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.

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

Schedule 12

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Applicable Percentage (A)</u>	<u>Estimated Share Applicable to City</u>
Debt repaid with property taxes			
State of New Mexico	\$ 490,910,000	3.49%	\$ 17,114,584
Sandoval County	18,875,000	62.00%	11,702,453
Central NM Community College	100,985,000	11.64%	11,750,429
SSCAFCA	19,625,000	92.58%	18,168,643
Rio Rancho School District	121,710,000	95.91%	116,731,743
Bernalillo County	-		-
Subtotal, overlapping debt			175,467,852
City direct debt			<u>51,203,481</u>
Total direct & overlapping debt			<u>\$ 226,671,333</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>
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%
2019	92,189,250	21,955,000	23.82%

Legal Debt Margin Calculation for Fiscal Year 2019:

Assessed value	\$ 2,304,731,258
Debt limit (4% of assessed value)	92,189,250
Debt applicable to limit:	
General obligation bonds	27,350,000
Less: Amount set aside for repayment of general obligation debt	(6,844,148)
Total net debt applicable to limit	20,505,852
Legal debt margin	<u>\$ 71,683,398</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 Income			Unemployment Rate		
				U.S.	New Mexico	Sandoval County	U.S.	New Mexico	Sandoval County
2010	87,521	131,561	4,187,920	27,137	29,199	25,979	9.40%	8.30%	9.40%
2011	89,320	134,259	4,421,270	27,915	23,537	26,757	8.70%	8.20%	7.50%
2012	90,818	135,588	4,600,835	28,051	23,249	26,848	9.30%	9.10%	8.10%
2013	91,956	136,575	4,689,809	28,155	22,966	26,924	9.70%	9.70%	9.00%
2014	90,627	135,191	5,017,133	28,555	23,948	26,916	9.20%	9.60%	9.20%
2015	94,043	136,638	5,280,960	29,979	24,388	26,887	6.30%	7.40%	7.90%
2016	96,028	138,117	5,493,079	29,829	24,459	27,060	4.90%	6.70%	7.10%
2017	96,159	142,507	5,756,717	31,177	25,257	27,406	4.40%	6.30%	6.80%
2018	98,023	145,179	6,036,908	N/A	N/A	N/A	4.00%	4.40%	4.40%
2019*	99,059	147,778	6,271,093	N/A	N/A	N/A	3.60%	4.90%	5.80%

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

*** 2019 City and County Population and Personal Income are estimates.**

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

Schedule 15

<u>Employer</u>	<u>2019</u>			<u>2010</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	2,200	1	4%	2,382	2	4%
Intel Corporation	1,200	2	2%	3,171	1	6%
Presbyterian Healthcare Services	1,141	3	2%			
City of Rio Rancho	719	4	1%	685	7	1%
Alliance Data	714	5	1%			
HP, Inc.	650	6	1%	998	4	2%
Safelite Auto Glass	550	7	1%			0%
Brycon Construction	310	8	1%	500	9	1%
The Neighborhood in Rio Rancho	290	9	0%			
University of NM Hospitals	218	10	0%			
Intel Subcontractors					3	0%
Sprint PCS				820	5	1%
Bank of America					6	0%
eTelecare Global Solutions					8	0%
Sandoval County				451	10	1%
Total Major Employers-Sandoval County *	<u>7,992</u>			<u>9,007</u>		
Total Sandoval County Employment **	<u>59,908</u>			<u>55,793</u>		

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

Notes: In 2010, not all top ranked employers, reported their number of employees.

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

Schedule 16

<u>Function/Program</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>2019</u>
General Government										
City Administration	5	5	5	5	5	5	5	7	7	7
Human Resources	8	6	6	6	6	7	7	6	6	6
City Clerk	4	4	3	3	3	3	3	3	3	4
City Attorney	6	6	6	6	6	6	6	8	8	7
Municipal Court	12	12	11	11	11	13	13	13	13	13
Finance/IT	34	34	34	34	33	32	33	34	34	36
Public Safety										
Police	127	127	129	129	133	136	136	133	133	133
Firefighters	100	99	100	100	104	105	107	104	104	112
Civilians	87	88	90	90	88	39	37	43	43	36
Public Works										
Engineering	25	21	17	17	18	18	18	18	19	18
Others	71	68	68	68	71	69	69	72	72	71
Parks and Recreation	115	92	91	91	88	89	89	91	90	90
Senior Services	15	8	8	8	7	8	8	8	8	8
Library and Information Services	35	36	36	36	35	35	35	37	36	36
City Development	32	29	30	30	29	28	28	28	28	36
Special Funds	5	15	18	18	15	71	71	69	69	70
Water and Wastewater	35	35	33	33	33	35	35	35	36	36
Total	716	685	685	685	685	699	700	709	709	719

Source: City of Rio Rancho Annual Budget

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

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

Schedule 17

Function/Program	Fiscal Year									
	<u>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>2019</u>
<u>Police</u>										
Total Violent Crimes	946	935	717	726	588	419	491	405	486	474
Total Property Crimes	1,686	1,426	1,816	1,891	1,760	1,723	2,147	2,512	1,824	1,309
Total Warnings & Citations (A)	19,898	15,777	19,055	22,382	22,005	19,320	21,886	19,600	23,153	4,930
Total Arrests	3,477	3,269	4,073	3,895	6,258	6,396	7,215	6,941	7,078	4,474
Total Traffic Crashes	1,593	1,844	1,591	1,581	1,532	1,058	1,642	1,877	1,821	1,272
Total Incident Reports	8,716	8,099	9,113	8,915	9,132	7,149	9,725	9,556	9,627	5,099
Total Calls for Service	43,618	45,928	45,598	43,725	38,984	40,465	41,966	36,352	45,178	24,538
<u>Fire</u>										
Total Structural Fires	59	62	51	68	40	46	46	59	36	33
Total Fire Inspections	1,087	1,148	1,650	1,564	1,460	1,670	1,510	1,535	1,478	1,462
Total Calls for Service	9,505	10,261	8,116	8,113	8,165	9,372	10,122	10,335	10,959	10,885
<u>EMS</u>										
Total EMS Patients	—	—	—	—	7,357	4,821	7,861	6,704	6,825	6,306
Total Patient Transports	4,089	—	—	4,644	4,218	8,087	5,118	5,099	5,001	5,024
Total Calls for Service	5,896	5,956	5,971	7,797	7,357	6,829	7,861	7,240	7,517	6,335
<u>Animal Control (B)</u>										
Total Impounds	2,308	2,201	2,128	1,786	2,100	2,184	2,391	2,291	2,328	2,145
Total Claims	856	736	758	626	661	817	889	911	888	838
Total Adoptions	830	781	741	623	679	573	633	590	694	521
Total Euthanasia	574	684	579	515	661	545	474	401	351	361
Total Complaints	5,666	5,658	4,580	4,634	4,944	4,217	5,032	4,591	3,765	1,959
<u>Code Enforcement</u>										
Total Inspections	9,430	8,884	8,259	7,374	6,729	8,058	6,580	4,617	8,873	8,929
Total Citations	489	511	524	408	371	368	607	385	277	441
<u>Public Works</u>										
Total Potholes Repaired	590	1,041	1,926	708	352	1,643	493	612	384	1,693
<u>Parks & Recreation (C)</u>										
Total Program Participation-Youth	8,311	13,221	—	—	—	—	—	—	—	—
Total Program Participation-Adult	8,581	1,672	—	—	—	—	—	—	—	—
Total Program Participation-Aquatics	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>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>2019</u>
<u>Parks & Recreation (cont)</u>										
Total Summer Camp Participants	—	—	2,370	2,972	2,869	2,911	2,742	3,305	3,483	3,219
Total KidsZone Participants	—	—	93	145	201	726	606	408	567	494
Total Youth Sports League Participants	—	—	748	1,288	1,198	740	699	679	933	974
Total Adult Sports League Participants	—	—	280	271	231	230	212	180	149	164
Total Indoor/Outdoor Aquatics Participants	—	—	3,397	3,975	3,812	3,234	2,605	2,985	3,334	3,721
Total Free Summer Meals Served	—	—	42,901	35,616	45,373	42,959	26,884	40,262	31,180	43,311
Total Student Attendance of Keep Rio Rancho Beautiful Program	—	—	4,227	5,072	4,072	6,491	3,984	3,339	4,168	5,282
<u>Meadowlark Senior Center</u>										
Average # of Daily Participants per Employee	—	—	126	170	125	111	141	149	125	132
Total Volunteer Hours	—	—	23,439	24,658	23,826	24,669	26,922	29,132	27,350	23,728
<u>Library</u>										
Total Collection	183,554	188,065	195,688	192,493	186,392	176,100	169,508	160,476	153,274	153,906
New Items Added	24,351	23,490	26,453	24,705	22,354	21,405	18,886	18,334	17,431	10,478
Items Withdrawn	15,185	18,979	18,830	27,900	28,455	31,697	25,478	27,366	24,633	9,846
Collection Growth/Decrease	9,166	4,511	7,623	(3,195)	(6,101)	(10,292)	(6,592)	(9,032)	(7,202)	632
<u>Circulation Stats:</u>										
Visitors	354,411	340,070	336,647	335,018	336,057	315,405	297,565	309,529	306,857	286,658
Circulation	605,737	654,031	674,227	680,672	686,638	648,683	657,939	682,086	659,895	621,839
Computer Usage	95,998	84,480	81,089	76,904	74,767	69,532	63,319	59,957	58,305	52,711
Program Attendance	25,489	25,297	30,403	20,396	18,122	24,646	26,776	36,966	46,908	40,129
<u>Transit (D)</u>										
Total Clients Registered	873	—	—	—	—	—	—	—	—	—
New Clients Registered	88	—	—	—	—	—	—	—	—	—
Total Fare Cards Sold	929	1,764	1,760	1,837	1,925	1,927	1,998	1,982	1,932	919
Total Trips in Rio Rancho	7,609	—	—	—	—	—	—	—	—	—
Total Trips to Albuquerque	692	—	—	—	—	—	—	—	—	—
<u>Purpose of Trips:</u>										
Medical	2,060	—	—	—	—	—	—	—	—	—
Personal Errands	2,118	—	—	—	—	—	—	—	—	—
Work	3,199	—	—	—	—	—	—	—	—	—
City Facilities	843	—	—	—	—	—	—	—	—	—
Education	76	—	—	—	—	—	—	—	—	—
Total Miles Traveled	—	—	—	—	—	—	—	—	—	—

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

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 has many reporting gaps in their statistical information.
 - (B) Animal Control only reported six months of the complaint category.
 - (C) Parks & Recreation changed all operating indicators beginning fiscal year 2012.
 - (D) Beginning in January 2010, the City of Rio Rancho no longer operates the transit system. The City does sell some fare cards for the transit system.

Sources: Various City Departments

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

Schedule 18

<u>Function/Program</u>	<u>Fiscal Year</u>									
	<u>2010</u> ²	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u> ³	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<u>Police</u>										
Main Stations	1	1	1	1	1	1	1	1	1	1
Law Enforcement Units (A)	126	139	160	160	186	174	190	192	177	179
<u>Fire</u>										
Main Stations	5	5	6	6	6	6	6	6	6	6
Substations	1	1	1	1	1	1	1	1	1	1
Firetrucks	17	19	17	17	13	14	14	14	14	16
<u>EMS</u>										
Ambulances	11	11	11	12	11	11	12	12	12	12
<u>Animal Control</u>										
Patrol Units	7	7	7	7	8	7	8	8	8	8
<u>Public Works</u>										
Streets (centerline miles) (B)	428	449	454	455	456	462	444	446	447	447
Streetlights	2,770	2,859	2,930	2,941	2,972	2,972	3,002	3,002	3,347	3,366
Traffic Signals (Signalized Intersections)	49	49	53	53	55	54	59	59	59	60
Sidewalks & Paths (C)										
<u>Parks & Recreation</u>										
New/Renovated Park Facilities	10	1	5	7	1	0	1	2	3	2
Developed Parkland (acres) (D)	298	300	303	306	306	308	285	285	287	287
Constructed Trail ways (linear feet) (E)	64,380	65,150	65,150	65,150	65,150	65,150	68,821	68,821	68,821	132,000
<u>Transit</u>										
Mini buses (F)	0	0	0	0	0	0	0	0	0	0
<u>Water</u>										
Water mains (miles)	552	563	565	567	570	569	573	579	579	582
Fire hydrants	3,768	3,870	3,871	3,890	3,928	4,282	4,273	4,213	4,318	4,323
New Connections (G)	472	348	375	503	504	435	334	485	493	439
Water main breaks (H)	43	49	32	36	41	31	40	42	54	55
Storage capacity (thousands of gallons) (I)	34,500	34,500	34,500	34,500	34,500	41,350	44,350	44,350	44,350	42,350
Average daily consumption (thousands of gallons) (J)	10,616	11,621	12,610	13,137	10,635	9,710	9,636	9,761	9,807	9,203
Booster Stations (K)	8	8	9	10	10	11	10	11	11	11
Wells (in production) (L)	19	17	17	17	17	15	14	15	15	15
Storage Tanks (M)	18	18	18	18	18	18	19	19	18	18
Arsenic Treatment Facilities (N)	8	10	10	10	10	10	10	10	10	10
<u>Wastewater</u>										
Sanitary sewers (miles)	355	368	371	377	378	382	382	386	388	389
Average daily treatment (thousands of gallons) (O)	4,875	4,324	4,626	4,398	4,889	4,595	4,532	4,236	4,137	4,725
Wastewater Treatment Plants (in operation) (P)	6	5	5	5	5	4	4	4	4	4
Lift Stations (Q)	28	28	28	28	26	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 Years¹

Schedule 18
(Continued)

Notes:

1. The city chose to use the prospective method of reporting for this schedule as the data was not tracked prior to GASB 44 implementation.
 2. The city established a baseline year for restatement of capital asset statistics for Fiscal Year ending June 30, 2010. Baseline figures were primarily obtained from the city's Geographic Information System (GIS).
 3. The city established a second baseline year for restatement of capital asset statistics for Fiscal Year ending June 30, 2015. Baseline figures were obtained from the city's Geographic Information System (GIS) and staff facility inventories.
- (A) 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 trail ways to correctly state the baseline point for Fiscal Year ending June 30, 2019.
- (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





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. Brian Colón, 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 of the general fund of City of Rio Rancho, New Mexico, as of and for the year ended June 30, 2019, 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 13, 2019.

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.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2019-001 that we consider to be material weaknesses.

Honorable Mayor and Members of the City Council
City of Rio Rancho, New Mexico
and Mr. Brian Colón, 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 disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2019-002 and 2019-003.

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 is described in the accompanying schedule of findings and questioned costs. The 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 results 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 13, 2019



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. Brian Colón, 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, 2019. 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, 2019.

Honorable Mayor and Members of the City Council
City of Rio Rancho, New Mexico
and Mr. Brian Colón, 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 13, 2019

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2019

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Grantor or Pass-Through Number</u>	<u>Expenditures</u>	<u>Passed-Through to Subrecipients</u>
<u>U.S. Department of Health and Human Services</u>				
Passed through New Mexico Department of Health:				
Cities Readiness Initiative (NM DOH)	93.074	19-665-0300-21824	\$ 2,826	
Cities Readiness Initiative (NM DOH)	93.074	17/665.0300.20409	3,822	
Total U.S. Department of Health and Human Services			<u>6,648</u>	
<u>U.S. Department of Homeland Security</u>				
Hazard Mitigation Control	97.039	N/A	23,399	
Passed through New Mexico Department of Homeland Security:				
Emergency Management Performance Grants	97.042	EMT-2018-EP-00006-S01	32,204	
	97.042	EMT-2018-EP-00006-S01	46,416	
			<u>78,620</u>	
SHSGP	97.067	EMW-2018-SS-00056-S01	131,928	
FY17 Homeland Security Grant	97.067	EMW-2016-SS-00105	102,455	
SHSGP Prevention, Protection, Mitigation, Response, Recovery	97.067	EMW-2017-SS00032-S01	92,157	
			<u>326,540</u>	
Homeland Security Grant Program - SAFER	97.083	EMW-2017-FH-00155	143,932	
Assistance to Firefighters/FEMA - Water Tender	97.044		213,455	
Total U.S. Department of Homeland Security			<u>785,946</u>	
<u>U.S. Department of Justice</u>				
Direct Program:				
Bulletproof Vest Partnership Program	16.607	N/A	3,961	
FBI Crime Laboratory Support	16.301	N/A	4,871	
FBI Crime Laboratory Support	16.301	N/A	1,187	
			<u>6,058</u>	
FY19 FBI Safe Streets	16.309	N/A	14,550	
FY18 FBI Safe Street Task Force OT	16.309	N/A	3,307	
			<u>17,857</u>	
Crime Victims Assistance	16.575	2018-VA-615	22,210	
Crime Victims Assistance	16.575	2019-VA-717	82,301	
			<u>104,511</u>	
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2016-DJ-BX-0967	17,125	
Total U.S. Department of Justice			<u>149,512</u>	
<u>U.S. Department of Agriculture</u>				
Passed through New Mexico Department of Children Youth and Family:				
Child Nutrition Cluster: National School Lunch Program	10.559	3185	114,239	
Total U.S. Department of Agriculture			<u>114,239</u>	
<u>U.S. Department of Housing and Urban Development</u>				
Direct Program:				
Community Development Block Grant/Entitlement Grants Cluster	14.218	B-16-MC-35-0004	563,318	117,953
Total U.S. Department of Housing and Urban Development			<u>563,318</u>	<u>117,953</u>
<u>U.S. Department of Transportation</u>				
Passed through New Mexico Department of Transportation:				
Highway Planning and Construction Cluster	20.205	CN #A300520	7,223,769	
Highway Planning and Construction Cluster	20.205	CN #A301320	14,568	
Total Highway Planning and Construction Cluster			<u>7,238,337</u>	
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	19-PT-02-081	15,997	
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	18-AL-64-081	21,769	
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	19-AL-64-081	62,996	
Total Minimum Penalties for Repeat Offenders for Driving While Intoxicated			<u>100,762</u>	
Driving While Intoxicated			100,762	
Total U.S. Department of Transportation			<u>7,339,099</u>	
<u>Executive Office of the President</u>				
Passed through City of Albuquerque, New Mexico:				
High Intensity Drug Trafficking Areas Program	95.001	N/A	13,832	
High Intensity Drug Trafficking Areas Program	95.001	N/A	2,195	
Total Executive Office of the President			<u>16,027</u>	
<u>U.S. Department of Interior:</u>				
Direct Program:				
Water SMART Grants	15.507	R17AP000215	11,893	
Water Conservation Field Services Program	15.530	R16AP00069	29,777	
Total U.S. Department of Interior			<u>41,670</u>	
Total Expenditures			<u>\$ 9,016,459</u>	<u>\$ 117,953</u>

CITY OF RIO RANCHO, NEW MEXICO
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2019

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, 2019. 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 2019 *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

Reconciliation of Federal Revenue	
Federal Revenue per Statement of Revenue, Expenditures, and Changes in Fund Balance	
Governmental Funds	\$ 9,024,970
Federal Revenue per Statement of Revenue, Expenditures, and Changes in Net Position	
Proprietary Funds	<u>3,592,972</u>
Total Federal Revenue	<u>12,617,942</u>
Less: Receipt of Previously Recorded Federal Expenditures	(3,551,301)
Less: Reconciling Item	(50,182)
Total Federal Expenditures per SEFA	<u><u>\$ 9,016,459</u></u>

**CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019**

Section I – Summary of Auditors’ Results

Financial Statements

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? x yes no
 - Significant deficiency(ies) identified? yes x none reported
3. Noncompliance material to financial statements noted? yes x no

Federal Awards

1. Internal control over major federal programs:
- Material weakness(es) identified? yes x no
 - Significant deficiency(ies) identified? yes x none reported
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? yes x no

Identification of Major Federal Programs

CFDA Number(s)

20.205

Name of Federal Program or Cluster

Highway Planning and Construction Cluster

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

 yes x no

**CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019**

Section II – Financial Statement Findings

NMSA-2019-001 (PREVIOUSLY 2018-001) – FINANCIAL CLOSE AND REPORTING

Type of Finding: Material Weakness in Internal Control over Financial Reporting

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

Exchange/Non-exchange Receivables

During the fiscal year, the City made significant efforts to more accurately report the collectible amounts of accounts receivable related to utility, ambulance, parks and recreation, library, and alarm billings

1. The aforementioned process included the write-off of uncollectible accounts via board resolution. We noted that while amounts of \$2.2 million related to utilities had been formally written off, the balance had not been properly removed from the general ledger.
2. During review of property taxes receivable, we noted that the City has historically only recorded receivables, revenues, and unavailable resources for the current property tax year, rather than the ten year rolling amounts provided by the respective counties in the amount of \$579,452.

Audit adjustments were recorded to fairly state this activity in Comprehensive Annual Financial Report (the CAFR).

Year-end Closing Entries

During our testing of City prepared journal entries for financial statement preparation, we noted the following errors in the proposed entries:

1. The entry to adjust claims payable at year-end for amounts incurred but not reported (IBNR) in the amount of \$186,428 were duplicated.
2. The entry to adjust investments to fair market value at year-end was transposed, resulting in an error of \$342,966.
3. The entry to record fourth quarter investment earnings of \$68,225 was posted to July, when statement was received, rather than to June, the period to which the earnings related.

Audit adjustments were recorded to fairly state this activity in the CAFR.

Schedule of Expenditures of Federal Awards (SEFA)

During review of the SEFA compared to the general ledger, we noted the following:

1. Internal transfers in the general ledger were improperly included in federal revenues/cash receipts on the SEFA in the amount of \$33,489.
2. Footing error in SEFA schedule which resulted in error in federal receivables and related revenue in the amount of \$32,204.

The final SEFA presented in the CAFR has been corrected.

Capital Assets

During routine walkthroughs over capital assets, we noted the following:

3. One depreciable asset with a value of \$155,751 for which calculated depreciation of \$8,923 had not been recorded. Depreciation has since been recorded to more fairly state capital assets in the CAFR.

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019

Section II – Financial Statement Findings (Continued)

NMSA-2019-001 (PREVIOUSLY 2018-001) – FINANCIAL CLOSE AND REPORTING (CONTINUED)

Criteria or Specific Requirement:

Exchange/Non-exchange Receivables – When accounts receivable are formally written off under the allowance method of accounting of Generally Accepted Accounting Principles (GAAP), the accounts receivable and underlying allowance are removed from the general ledger completely. Furthermore, under the modified accrual basis of accounting, property taxes receivable should be recorded when they are measurable and available, with the unavailable balance within 60 days of year-end being reported as an unavailable resource.

Year-end Closing Entries - Balances should agree to underlying records (e.g. IBNR report for claims payable and brokerage/bank statements for investment and cash balances) after adjustment, including any deposits in transit or outstanding checks.

Schedule of Expenditures of Federal Awards (SEFA) – Amounts reported on the SEFA should reflect underlying accounting records from the general ledger. Title 2 CFR §200.510 (b) Financial statements states “The auditee must also prepare a schedule of expenditures of Federal awards for the period covered by the auditee’s financial statements which must include the total Federal awards expended as determined in accordance with §200.502 Basis for determining Federal awards expended.

Capital Assets – Under GAAP, capital assets should be recorded to the City’s capital asset ledger and become depreciable once they are placed in service.

Context: Matters identified above were a result of various testing throughout the audit.

Effect:

Exchange/Non-exchange Receivables – Overstatement of collectible utilities accounts receivable, understatement of property taxes receivable and unavailable resources (deferred inflows of resources).

Year-end Closing Entries – Overstatement of claims payable and related claims expense, and understatement of investment/cash balances and related earnings.

Schedule of Expenditures of Federal Awards (SEFA) – Perpetual errors in SEFA and related accruals for CAFR preparation.

Capital Assets – Understatement of accumulated depreciation and related depreciation expense. Audit adjustments were recorded, respectively, to more fairly state impacted areas identified.

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019

Section II – Financial Statement Findings (Continued)

NMSA-2019-001 (PREVIOUSLY 2018-001) – FINANCIAL CLOSE AND REPORTING (CONTINUED)

Cause: Overall, much of the cause was a result of the fact that the City had turnover at the City Manager and Finance Director positions during the fiscal year. More specifically:

Exchange/Non-exchange Receivables – Accounts receivable and allowance for doubtful accounts are maintained in separate software and final amounts provided for CAFR preparation were not reviewed or reconciled. Furthermore, the 10 year rolling reconciliation of property taxes provided by counties collecting and remitting property taxes were improperly evaluated for recording.

Year-end Closing Entries – Lack of review process over year-end closing entry preparation for financial statements.

Schedule of Expenditures of Federal Awards (SEFA) – Management oversight during preparation of SEFA.

Capital Assets – Management oversight during capitalization of asset.

Repeat Finding: This is a repeat of a finding in the immediately prior year. However, contents have been modified for current year results; the City made progress toward resolving aspects of the prior year finding. Prior year finding number was 2018-001 (previously 2017-001).

Recommendation:

Exchange/Non-exchange Receivables – We recommend management implement a process for posting write-off of accounts receivable, including a reconciliation of accounts receivable, allowance for doubtful accounts, and bad debt expenses from the general ledger as well as any adjustments for CAFR preparation. Furthermore, We recommends the City reconcile property taxes receivable, the related revenues, and unavailable resources, to the ten year property tax rolling reconciliations provided by the respective counties collecting and remitting property taxes.

Year-end Closing Entries – We recommend the City implement a review process over year-end CAFR journal entries, consistent with the process for manual journal entries posted during the year and ensures cash and investment amounts agree to year-end statements, including any outstanding checks or deposits in transit.

Schedule of Expenditures of Federal Awards (SEFA) – We recommend the City implement a quality review process over SEFA preparation by a knowledgeable individual other than the preparer to ensure completeness. This process should include a review of formatting and comparison to general ledger amounts by project.

Capital Assets – We recommend the City review all capital assets to ensure depreciation is being recorded during preparation of the capital asset rollforward schedule for CAFR preparation.

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019

Section II – Financial Statement Findings (Continued)

NMSA-2019-001 (PREVIOUSLY 2018-001) – FINANCIAL CLOSE AND REPORTING (CONTINUED)

Views of Responsible Officials and Planned Corrective Actions:

Management agrees with this finding. During fiscal year 2019, the position of Finance Director experienced a significant period of vacancy (April 2019 – August 2019). The position of City Manager also experienced a significant period of vacancy and turnover (October 2018 – July 2019). Further, the City was in its first full year of implementation of a new CAFR software system and fiscal year-end processing during this time. The City also went through the process of writing off roughly \$8 million in uncollectible accounts receivable; something that hadn't been done in more than fifteen years. This complicated the year-end process. Utility write off amounts were mistakenly included in uncollectible accounts, certain accruals were not made, and some closing entries were made improperly. These errors are a by-product of the transitions within the City's senior management, CAFR software, and vacancies in the Finance Department.

During the fiscal year, the City made significant efforts to more accurately report the collectible amounts of accounts receivable related to utility, ambulance, parks and recreation, library, and alarm billings. While the accounts were written off, debtors were not forgiven of their debt. To account for payments received for written off accounts, a decision was made to record accounts receivable written off as an uncollectible accounts receivable. This preserved the delinquent customer account information in the City's accounting system. Management failed to reclassify the uncollectible accounts receivable as written off accounts for CAFR reporting purposes. The reclassification has been made for this fiscal year, and accounts receivable are accurately represented.

In fiscal year 2019, the City experienced significant improvement to capital asset accounting. It should be noted that none of the fiscal year 2018 findings related to capital assets were repeated in fiscal year 2019. Projects in CWIP were properly transferred to depreciating assets categories, and all prior year and current year accruals were correctly reversed and recorded. This is the result of the changes made by the Capital Asset Accountant including the successful implementation of the corrective actions outlined in the fiscal year 2018 CAFR.

In fiscal year 2018, the City experienced significant turnover in the Grants Administrator position, which led to gaps in tracking of grant reimbursement requests, grant close-out and preparation of the federal grants rollforward. That position has been filled and grants staff was provided additional training. As a result, none of the fiscal year findings related to federal grants were repeated in fiscal year 2019. Accruals and reversals were recorded properly on the Federal grant rollforward and in the financial statements.

The fiscal year 2018 findings related to net position rollforward and investments reported at market were also resolved. An entry to mark investments to market was prepared and the net position rollforward was performed with no issues.

The following additional procedures will be implemented to ensure proper reclassification of uncollectible accounts receivable written off during the fiscal year, establish a review process for year-end closing entries and SEFA preparation, and ensure depreciation is properly recorded:

**CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019**

Section II – Financial Statement Findings (Continued)

NMSA-2019-001 (PREVIOUSLY 2018-001) – FINANCIAL CLOSE AND REPORTING (CONTINUED)

Views of Responsible Officials and Planned Corrective Actions (Continued):

1. Implement process for recording CAFR entry related to written off accounts. The Deputy Finance Director will review the accounts receivable (AR) trial balance (TB) and isolate AR over 180-days. The allowance for doubtful accounts calculation will be performed. Then, the uncollectible accounts receivable will be isolated in the TB, and an adjusting journal entry (AJE) will be prepared to debit the bad debt expense, net allowance for doubtful accounts, and credit written off accounts. The overall effect is to net AR with allowance for doubtful accounts and uncollectible amounts. This will true up AR so it only reflects collectible amounts.
2. The Accountant will record the full 10-year property tax receivable as listed on the Tax Roll Reconciliation – Collection and Distributions as of June 30, 20xx report provided by the County Assessor's Office of Sandoval County and Bernalillo County. The entry will be reviewed by the Deputy Finance Director for accuracy.
3. The City will establish a review process for the year-end closing entries designed to catch minor human errors like transposition, duplication, calculation, etc. Closing entries will be prepared by Accounting staff with secondary review by other staff, the Deputy Finance Director, and/or Finance Director before being posted to the CAFR software system.
4. The entry to record fourth quarter investment earnings will be posted in June, the period to which the earnings are related. The bank statements will be pulled and the interest will be recorded via journal entry on the general ledger. This will be included in the fiscal year-end close procedures.
5. The Grants Administrator will enter all actuals into the SEFA. These entries will then be reviewed by the Budget and Grants Manager for accuracy and formatting. The Budget and Grants Manager will compare amounts to the general ledger and ensure all formulas are capturing pertinent data. The Deputy Finance Director will also review for accuracy and formatting, and will enter all accrual amounts into the rollforward. The final SEFA will then be reviewed by a group of internal staff before being submitted to the auditors.

Timeline: Review of the AR on the trial balance will begin in July, after the year is closed. Performance of the new AR procedures and journal entry creation will occur between August and September. The review process for year-end closing entries will occur from July through completion of the audit as journal entries are prepared. The investment earnings entry will be prepared in July and posted to June in the general ledger before the year is closed. The SEFA review process will begin in August, when the first draft is prepared, and continue until it is completed and submitted to the auditors (October).

Responsible Parties: The Accounting staff will be responsible for implementing the new AR procedures and journal entry preparation. The Accounting staff, Deputy Finance Director, and Finance Director will review and confirm the entries. The Accountant will be responsible for recording the full 10-year property tax receivable. The Deputy Finance Director will review for accuracy. The Accounting staff will be responsible for year-end closing entry preparation, and the Accounting staff, Deputy Finance Director, and Finance Director will review and confirm the entries. The Accountant shall record the fourth quarter investment earnings on the general ledger before closing the fiscal year. The Grants Administrator and Budget and Grants Manager are responsible for the SEFA preparation, formatting, and review. The Deputy Finance Director and other staff will review and confirm the entries.

**CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019**

Section III – Findings and Questioned Costs – Major Federal Programs

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).

Section IV – Other Matters

NMSA-2019-002 – TRAVEL AND PER DIEM

Type of Finding: Other Non-Compliance

Condition: During testwork over per diem, we noted 2 out of 20 disbursements reviewed were reimbursed improperly under the old policy, resulting in an underpayment of \$95.

Criteria or Specific Requirement: Employees should be reimbursed under the effective policy - City of Rio Rancho Administrative Policies and Procedures. Chapter 2, Article 14, Sections 2-14-1 through 2-14-12 (Travel and Mileage Reimbursements Policy).

Context: The City implemented a revised travel and mileage reimbursements policy effective on November 27th, 2018. We identified this matter during our sample testing for compliance requirements.

Effect: Improper employee reimbursement for travel and per diem.

Cause: Management oversight.

Repeat Finding: This is not a repeat finding.

Recommendation: We recommend that management hold formal training in advance of implementation of new policies and procedures and maintain heightened awareness around compliance with new policy, specifically in periods shortly following the implementation date.

Views of Responsible Officials and Planned Corrective Actions: Management agrees with this finding. While the new travel policy had been signed by the Acting City Manager in late 2018, it had not been implemented yet at the time of employee travel. A new travel form had not been finalized at the time, and employees were utilizing the old form.

A new travel form has been created and is currently being used by employees who travel. Training was provided to City staff when the policy was first implemented. Travel reimbursements are reviewed by an Accounting Technician II with secondary review by the Deputy Finance Director for accuracy. Finance staff will continue to ensure that city employees adhere to the new policy and provide additional training. The employees in question have been reimbursed in full.

**CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019**

Section IV – Other Matters (Continued)

NMSA-2019-003 – BUDGETARY NONCOMPLIANCE

Type of Finding: Other Non-Compliance

Condition: During testwork over budgetary compliance, we noted transfers of \$260,962 out of the Multi-purpose Event Center fund exceeded the budgeted amount of \$235,985, resulting in a budget overage of \$24,977.

Criteria or Specific Requirement: City funds are to be budgeted by the local governing body and submitted to the State of New Mexico Department of finance and Administration - Local Government division for approval. Once adopted, any claims or warrants in excess of approved budget are in violation of New Mexico Statute 6-6-6, 1978. In addition, NMAC 2.2.210 (R) (1) requires an audit finding if actual expenditures exceed budget expenditures at the legal level of budgetary control.

Context: The Multi-purpose Event Center generated better than projected revenue resulting in a larger transfer to the debt service fund.

Effect: Budgetary noncompliance.

Cause: Necessary budget adjustments were not completed as part of year-end review of variances by fund and category.

Repeat Finding: This is not a repeat finding.

Recommendation: We recommend the City regularly review expenditures by fund and category to ensure there is an appropriate amount available for disbursement.

Views of Responsible Officials and Planned Corrective Actions: Management agrees with this finding. Budgets are monitored on an on-going basis and adjustments by fund are requested when a need arises. The Multi-purpose Event Center (MPEC) generated better than projected revenue, resulting in a larger transfer to the debt service fund. Management should have prepared and submitted a budget adjustment resolution (BAR) to address the increased transfers from the MPEC fund to the debt service fund.

Budget staff will continue to review budget variances and will ensure BARs are submitted and approved by the City's governing body when needed.

The Budget and Grants Manager is responsible for resolving this finding by December 1, 2019.

**CITY OF RIO RANCHO, NEW MEXICO
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2019**

Section II – Financial Statement Findings

Finding Reference		Status
2018-001	Financial Close and Reporting Process	Repeated and Modified as 2019-001
2018-002	Year-end Cutoff Procedures	Resolved

Federal Findings

None.

**CITY OF RIO RANCHO, NEW MEXICO
EXIT CONFERENCE
YEAR ENDED JUNE 30, 2019**

An exit conference was held at a closed meeting on December 4, 2019 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
Bryson H. Frazier, Deputy Director of Financial Services

CliftonLarsonAllen LLP:

Raul J. Anaya, CPA, CFE, CGFM, Principal
Roger A. Lilly, CPA, Director
Sheila Quintana, In-Charge

**City of Rio Rancho
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