RIO RANCHO, NEW MEXICO

City of Rio Rancho, New Mexico

Comprehensive Annual Financial Report

For the fiscal year ended June 30, 2012

30 Years

The Great Seal of the City of Rio Rancho, New Mexico

1981

1981-2011

CITY OF RIO RANCHO, NEW MEXICO

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Issued by:
Department of Financial Services

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CITY OF RIO RANCHO, NEW MEXICO
TABLE OF CONTENTS

INTRODUCTORY SECTION .....

LETTER OF TRANSMITTAL 3
GFOA CERTIFICATE OF ACHIEVEMENT 9
ORGANIZATIONAL CHART 10
OFFICIAL ROSTER 11

FINANCIAL SECTION .....

INDEPENDENT AUDITOR'S REPORT 15
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
(Required Supplementary Information) *19*
BASIC FINANCIAL STATEMENTS
GOVERNMENT-WIDE FINANCIAL STATEMENTS .....
Statement of Net Assets *39*
Statement of Activities *40*
FUND FINANCIAL STATEMENTS .....
Balance Sheet – Governmental Funds *42*
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Assets *43*
Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds *44*
Reconciliation of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds the Statement of Activities *45*
Statement of Revenues, Expenditures and Changes in Fund Balances Budget and Actual General Fund *47*
Statement of Net Assets – Proprietary Funds *48*
Statement of Revenues, Expenses and Changes in Fund Net Assets – Proprietary Funds .. *49*
Statement of Cash Flows – Proprietary Funds *50*
Statement of Fiduciary Assets and Liabilities *52*
NOTES TO THE FINANCIAL STATEMENTS 55
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES
COMBINING BALANCE SHEET – ALL NON-MAJOR GOVERNMENTAL FUNDS BY FUND TYPE 87
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – ALL NON-MAJOR GOVERNMENTAL FUNDS – BY FUND TYPE 88
NON-MAJOR GOVERNMENTAL FUND DESCRIPTIONS 91
COMBINING BALANCE SHEET – NON-MAJOR SPECIAL REVENUE FUNDS 96
COMBINING BALANCE SHEET – NON-MAJOR DEBT SERVICE FUNDS 102
COMBINING BALANCE SHEET – NON-MAJOR CAPITAL PROJECTS FUNDS 104
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –NON-MAJOR SPECIAL REVENUE FUNDS 108
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –NON-MAJOR DEBT SERVICE FUNDS 116
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – NON-MAJOR CAPITAL PROJECTS FUNDS 118
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS:

FINANCIAL SECTION (CONT'D).....

DONATIONS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL..... 125
RECREATION ACTIVITIES FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL..... 126
RECREATION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL..... 127
KEEP RIO RANCHO BEAUTIFUL GRANT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL..... 128
COMMUNITY RESPONSE PROGRAM FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL..... 129
WORKERS COMPENSATION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL..... 130
SENIOR SERVICES FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL..... 131
LIBRARY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL..... 132
PROMOTION AND MARKETING FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL..... 133
RIO RANCHO CONVENTION & VISITORS BUREAU FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL..... 134
RIO VISION CABLE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL..... 135
LOCAL GOVERNMENT CORRECTIONS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL..... 136
LAW ENFORCEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL..... 137
DPS ENFORCEMENT AID FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL..... 138
TRAFFIC EDUCATION AND ENFORCEMENT AID FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL..... 139
NM GANG TASK FORCE GRANT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL..... 140

CITY OF RIO RANCHO, NEW MEXICO
TABLE OF CONTENTS

FINANCIAL SECTION (CONT'D).....

FIRE PROTECTION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL..... 141
EMERGENCY MEDICAL SERVICES FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL..... 142
DWI PROGRAM FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL..... 143
SUMMER LUNCH PROGRAM FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL..... 144
ARRA EECBG FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL..... 145
PUBLIC SAFETY GRANTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL..... 146
ENVIRONMENTAL GROSS RECEIPTS TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL..... 147
HIGHER EDUCATION GROSS RECEIPTS TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL..... 148
MUNICIPAL ROAD FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL..... 149
RECREATIONAL DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL..... 150
HUD – CDBG FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL..... 151
CRIME VICTIMS ASSISTANCE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL..... 152
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
DEBT SERVICE FUNDS:
GENERAL OBLIGATION BONDS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL..... 153
GROSS RECEIPTS TAX REVENUE BONDS SERIES 2005 FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL..... 154
GROSS RECEIPTS TAX REFUND LOAN FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL..... 155

FINANCIAL SECTION (CONT'D).....

HP LOAN FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL..... 156
HS LOAN FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL..... 157
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
CAPITAL PROJECTS FUNDS:
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL..... 158
HP INFRASTRUCTURE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL..... 159
HS INFRASTRUCTURE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL..... 160
INFRASTRUCTURE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL..... 161
ARRA STIMULUS ROADS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL..... 162
STATE APPROPRIATIONS CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL..... 163
BOND CONSTRUCTION 2004 LIBRARY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL..... 164
BOND CONSTRUCTION 2004 AQUATICS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL..... 165
BOND CONSTRUCTION 2009 ROADS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL..... 166
ROAD IMPACT FEES FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL..... 167
TRAIL IMPACT FEES FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL..... 168
PARK IMPACT FEES FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL..... 169
PUBLIC SAFETY IMPACT FEES FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL..... 170

CITY OF RIO RANCHO, NEW MEXICO
TABLE OF CONTENTS

FINANCIAL SECTION (CONCL'D)

DRAINAGE IMPACT FEES FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL 171
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
MAJOR FUNDS:
UTILITIES FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
BUDGET AND ACTUAL 172
MULTI-PURPOSE EVENT CENTER FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
BUDGET AND ACTUAL 173
COMBINING STATEMENT OF NET ASSETS – INTERNAL SERVICE FUNDS 176
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
INTERNAL SERVICE FUNDS 177
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
INTERNAL SERVICE FUNDS:
HEALTH SELF INSURANCE FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
BUDGET AND ACTUAL 178
DENTAL SELF INSURANCE FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
BUDGET AND ACTUAL 179
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES – ALL AGENCY FUNDS 182
COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES 184
OTHER SUPPLEMENTAL INFORMATION:
SCHEDULE OF DEPOSIT AND INVESTMENT ACCOUNTS AND PLEDGED COLLATERAL 189
SCHEDULE OF JOINT POWERS AGREEMENTS AND MEMORANDUMS OF UNDERSTANDINGS ... 191
CONTINUING DISCLOSURE FILING/SUBMISSION
GENERAL OBLIGATION BONDS NET DEBT 197
GENERAL OBLIGATION BONDS OUTSTANDING DEBT 198
GENERAL OBLIGATION BONDS DEBT SERVICE REQUIREMENTS 199
GENERAL OBLIGATION BONDS DIRECT & OVERLAPPING DEBT 200
GENERAL OBLIGATION BONDS ANALYSIS OF ASSESSED VALUATION 201
GENERAL OBLIGATION BONDS HISTORY OF ASSESSED VALUATION 202
GENERAL OBLIGATION BONDS MAJOR TAXPAYERS 203
GENERAL OBLIGATION BONDS TAX RATES 204
GENERAL OBLIGATION BONDS TAX COLLECTIONS 205
GROSS RECEIPTS TAX REVENUE BONDS STATE GROSS RECEIPTS TAX REPORT 206
WATER & WASTEWATER SYSTEM REVENUE BONDS HISTORICAL OPERATING STATISTICS – WATER SYSTEM 207
WATER & WASTEWATER SYSTEM REVENUE BONDS HISTORICAL OPERATING STATISTICS – WASTEWATER SYSTEM 208
WATER & WASTEWATER SYSTEM REVENUE BONDS SYSTEM FINANCIAL INFORMATION ... 209
WATER & WASTEWATER SYSTEM REVENUE BONDS ANNUAL DEBT SERVICE SUMMARY .. 210

STATISTICAL SECTION

STATISTICAL SECTION TABLE OF CONTENTS 213

CITY OF RIO RANCHO, NEW MEXICO
TABLE OF CONTENTS

SINGLE AUDIT SECTION.....

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* 245
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 247
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS 250
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS 252
SCHEDULE OF FINDINGS AND QUESTIONED COSTS:
Section I – Summary of Auditors' Results *255*
Section II – Financial Statement Findings *256*
Section III – Federal Award Findings and Questioned Costs *258*
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS 265
EXIT CONFERENCE 266

INTRODUCTORY SECTION

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RioRancho
City of Vision
Department of Financial Services

August 10, 2012

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

The Audit Act, NMSA 1978, Section 12-6-12, requires cities to undergo an annual single audit and produce a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America. The Audit Act also requires that these financial statements be audited in accordance with auditing standards generally accepted in the United States of America by a certified public accounting firm licensed in the State of New Mexico. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of Rio Rancho for the fiscal year ended June 30, 2012.

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

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

CliftonLarsonAllen LLP, a certified public accounting firm, has audited the City's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2012, are free of material

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misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the fiscal year ended June 30, 2012, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditors' report is presented as the first component of the financial section of this report.

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

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

PROFILE OF THE CITY

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

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

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

consensus that emerged from the collaborative effort of the City leadership, City employees, and the community. This plan along with a status update can be found in the City's Fiscal Year 2013 Budget Document posted on the City's website.

FACTORS AFFECTING FINANCIAL CONDITION

The City's financial condition reflects a local economy that is climbing out of an economic recession that has plagued our country over the last three years. Various signs suggest that the recovery is gaining momentum, including a declining unemployment rate, stabilizing City revenues, and a trend of lower foreclosures in the area compared to recent years. However, the recovery has been much slower than most economists expected. Concerns remain over the somewhat slow pace of hiring and the risk that financial distress in various European countries could significantly impact economic growth in other parts of the world.

In Rio Rancho, specifically, there is reason to be cautiously optimistic about the outlook for the community and City government. Jobs have continued to be added in our region and housing markets appear to be stabilizing. Two new hospitals opened their doors and with those openings the City has added about 850 jobs since October of 2011. The Governing Body has worked hard to shore up the General Fund ending fund balance and continues to focus on increasing the recurring revenue base through the attraction of needed retail businesses and economic base jobs into our community.

The City of Rio Rancho is the fastest growing city in the State of New Mexico. The City's population has increased 69 percent from 51,765 in 2000 to 87,521 in 2010. Rapid population growth coupled with the increased availability of credit during the housing boom led to a surge in the number of single-family housing permits issued in the City of Rio Rancho beginning in 2003 and ending in 2007. During this time, annual permits issued rose steadily, peaking at an all-time high of 3,084 permits in 2007. As economic growth slowed in 2008 and the economy entered a recession in 2009, Rio Rancho housing market activity declined sharply. Since the peak in 2007, the number of housing permits issued declined 90 percent to 301 in 2011. From January to June of 2012, the number of housing permits has increased 18 percent above the 2011 level, though still well below pre-housing boom levels. This weakness in housing construction translated into a significant decline in the City's gross receipts tax revenues from Fiscal Year 2007 to Fiscal Year 2010 and significantly slowed the growth rate of City property tax revenues. Revenues started to stabilize in Fiscal Year 2011 and 2012 as the construction of two hospitals helped to offset some of the weakness in construction Gross Receipts Tax revenues. Combined, gross receipts and property tax revenues make up approximately seventy five percent of City General Fund revenues.

In 2006 and 2007 the City of Rio Rancho established a Central Business District anchored by a 6,500 seat Multi-Purpose Event Center and construction of a new City Hall building. Since then, various institutions have opened in the Central Business District, including Hewlett Packard, which employs approximately 950 employees currently (though news of nationwide layoffs at various HP sites have been reported in the media recently); Central New Mexico Community College opened its doors in the Fall of 2010 with an enrollment of approximately 1,400 students; and the University of New Mexico also opened the first building of a planned 12,000 student campus with a current enrollment of over 500 students.

Additional details on major projects that opened in the last year are included below:

- A new University of New Mexico 72- inpatient bed Sandoval County Regional Medical Center (Teaching Hospital) located near City Hall.
- Presbyterian Health Care 92-inpatient bed Rust Medical Center and corresponding office complex at Unser and Westside Boulevards.
- Premiere Cinemas opened an all-digital 14-screen (2,750-seat), 46,595 square-foot movie theater facility near the southwest corner of Southern and Unser.
- Adjacent to Presbyterian, developers have begun constructing public infrastructure for the Village at Rio Rancho, a 400,000 square foot mixed use development expected to begin construction in 2012.
- Petroglyph Medical Plaza, located across from the new Presbyterian Hospital, is expected to be competed in the first half of 2013 and will contain 60,000 square feet of Class A medical office space.

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

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

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

Rio Rancho is located in an arid region and water availability is of utmost importance to the City. In 2010 and 2011, the Governing Body approved a $3 and $2 surcharge, respectively, for a total of $5 for each water customer in order to assist with the cost of water rights acquisition. This surcharge will be used solely to assist the City in meeting the State requirements to acquire sufficient water rights to offset the impacts of groundwater pumping now and into the future.

Accounting System and Budgetary Control. Written financial policies were instituted in fiscal year 2006 as a basic framework for the financial management of the City of Rio Rancho. These policies are intended to assist members of the City of Rio Rancho Governing Body and City staff to evaluate current financial activities. These policies are to be reviewed on an annual

basis in conjunction with annual budget. During the Fiscal Year 2012, the Financial Services staff provided comprehensive training to City of Rio Rancho employees on various financial activities, such as budgeting, contracts, procurement, and grant applications and management. The purpose of this training was to train employees on Financial Services Department policies and procedures, enhance controls over these areas, and increase operating efficiencies.

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

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

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

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

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

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

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

Budget and Accounting Awards. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial reporting to the City of Rio Rancho for its comprehensive annual financial report for the fiscal year ended June 30, 2011. This is the seventh consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy generally accepted accounting principles and applicable legal requirements. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The Government Finance Officers Association (GFOA) of the United States and Canada presented an Award for Distinguished Budget Presentation to the City of Rio Rancho for its Annual Operating Budget for Fiscal Year ending June 30, 2012, which was the sixth consecutive year that the City received this award. The Distinguished Budget Presentation award is presented to those government units whose budgets are judged and adhere to strict program standards. In order to receive this award, a government must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communications medium. The award represents significant achievement and reflects the commitment of the Governing Body and staff to meeting the highest principles of government budgeting. We believe our current budget continues to conform to program requirements.

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

Respectfully submitted,

James C. Babin
Acting City Manager

Olivia Padilla-Jackson
Director of Financial Services

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, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

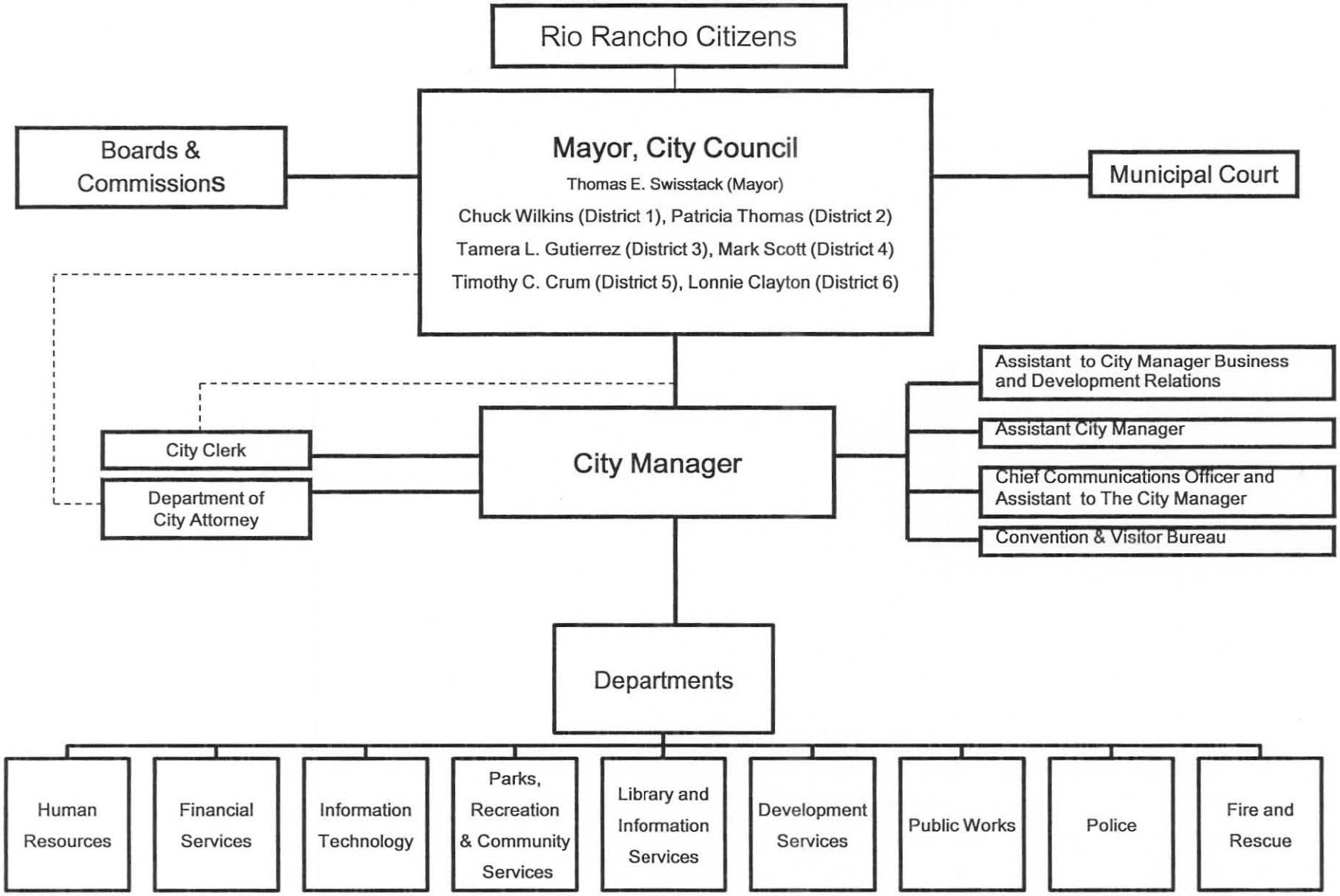
Linda C. Davidson

President

Jeffrey R. Esser

Executive Director

City of Rio Rancho Organizational Structure



CITY OF RIO RANCHO, NEW MEXICO

OFFICIAL ROSTER

MAYOR AND CITY COUNCIL

Thomas E. Swisstack, Mayor

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

ADMINISTRATIVE OFFICIALS

James C. Babin, Acting City Manager
Stephen Ruger, City Clerk
Olivia Padilla-Jackson, Director of Financial Services

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FINANCIAL SECTION

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CliftonLarsonAllen

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

Independent Auditor's Report

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

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 comparisons for the general fund of the City of Rio Rancho (the City) as of and for the year ended June 30, 2012, which collectively comprise the City's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the City's nonmajor governmental funds, fiduciary funds, internal service funds, and the budgetary comparisons for all nonmajor funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2012, as listed in the table of contents. These financial statements are the responsibility of the City's management. 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 of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the agency's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of each nonmajor governmental, fiduciary and internal service fund of the City as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for all nonmajor funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 28, 2012 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 19 through 33 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the basic financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations,* and is not a required part of the financial statements. The additional schedules listed as "other supplemental information" in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 taken as a whole.

Clifton Larson Allen LLP

Albuquerque, New Mexico
November 28, 2012

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

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As management of the City of Rio Rancho (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2012.

FINANCIAL HIGHLIGHTS

The financial statements, which follow the Management's Discussion and Analysis, provide those significant key financial highlights for 2012 as follows:

- In the Statement of Net Assets the City's total net assets of governmental activities increased $6.4 million to $270.7 million and business-type activities increased $5.0 million to $177.1 million representing 60.4 percent and 39.6 percent respectively, of the total net assets of $447.8 million.

- In the Statement of Activities the total governmental activities revenues amounted to $75.5 million, of which general revenues from governmental activities accounted for $51.3 million in revenue or 68.0 percent of all revenues from governmental activities. Program specific revenues in the form of charges for services and grants and contributions accounted for $24.1 million or 32.0 percent of total governmental activities revenues.

- In the Statement of Activities the total business-type activities revenues amounted to $40.3 million, of which general revenues from business-type activities accounted for $3.0 million or 7.4 percent of all revenues from business-type activities. Program specific revenues in the form of charges for services and capital contributions accounted for $37.3 million or 92.6 percent of business-type activities.

- In the Statement of Activities the City had $72.4 million in expenses related to governmental activities, of which $24.1 million of these expenditures were offset by program specific charges for services or grants and contributions. General revenues of $51.2 million were adequate to provide for the remaining costs of these programs. The City had $38.2 million in expenses related to business-type activities. These expenses were offset by program specific revenues in the form of charges for services and capital grants and contributions of $37.3 million.

- The General Fund had $52.5 million in revenues, which primarily consisted of taxes and charges for services. The total expenditures of the General Fund were $51.1 million. The General Fund's fund balance increased $1.4 million to $14.7 million, partially due to an increase in property tax revenue, charges for services, and gross receipts tax revenues.

- Net assets of the Enterprise Funds increased $2.1 million. Operating revenues of $36.3 million exceeded operating expenses of $30.9 million. Non-operating expenses of $7.5 million exceeded non-operating revenues of ($107,095).

OVERVIEW OF FINANCIAL STATEMENTS

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

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences).

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

- ***Governmental activities*** – Governmental activities include most of the City's basic services such as general government, public safety, public works, culture and recreation, and economic development. Gross receipt taxes, municipal and State shared taxes, intergovernmental revenues and charges for services finance most of these activities.

- ***Business-type activities*** – Business-type activities include water utility, wastewater utility, and event center activities provided by the City. These services are typically financed through user fees and charges.

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

> ***Governmental funds.*** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows of spendable resources, as well as on balances of

OVERVIEW OF FINANCIAL STATEMENTS (Cont'd)

spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the City's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. The reconciliations are on pages 43 and 45, respectively.

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund as this fund is considered to be a major fund. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements and schedules on pages 96-121.

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

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide additional information for the Utilities Fund and the Multi-Purpose Event Center Fund, which are considered to be major funds of the City. Both internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements on page 48.

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

OVERVIEW OF FINANCIAL STATEMENTS (Cont'd)

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

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. Under New Mexico Administrative Code Section 2.2.2 governments in New Mexico must include the budgetary comparison statement for the General and major Special Revenue Funds as a component of the fund financial statements within the basic financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net assets may serve over time as a useful indicator of a government's financial position. In the case of the City's governmental activities, assets exceeded liabilities by $270.6 million as of June 30, 2012.

A major portion of the City's net assets (82.4 percent) reflects its investment in capital assets (e.g., land and improvements, infrastructure, buildings and improvements, improvements other than buildings, vehicles, furniture and equipment and construction in progress), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. In addition, a portion of the City's net assets (3.9 percent) is restricted for the specified purposes of debt service repayment and capital outlay investment.

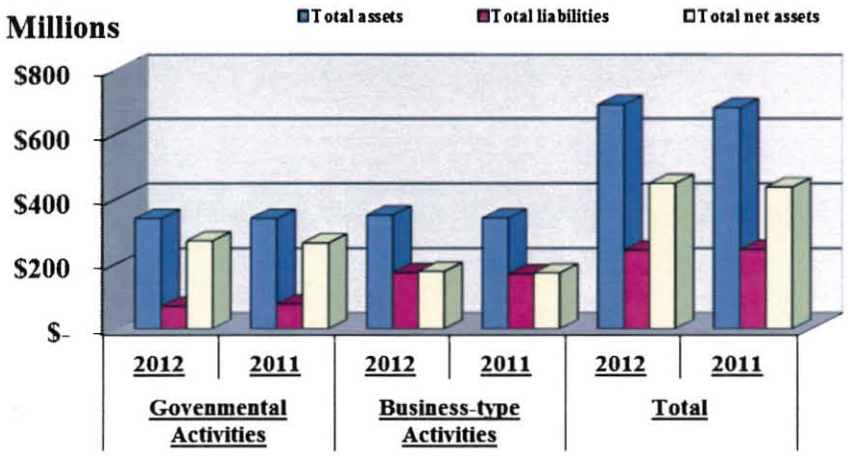
The City's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

The following table presents a summary of the City's net assets for the fiscal years ended June 30, 2012 and June 30, 2011.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont'd)

Government-wide Statement of Net Assets

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Current and other assets	$ 42,159,296	$ 44,870,654	$ 28,959,425	$ 41,241,886	$ 71,118,721	$ 86,112,540
Capital assets, net	297,960,784	295,467,841	321,143,191	299,662,488	619,103,975	595,130,329
Total assets, net	340,120,080	340,338,495	350,102,616	340,904,374	690,222,696	681,242,869
Current liabilities	10,402,535	17,760,189	12,572,529	10,705,258	22,975,064	28,465,447
Long-term obligations outstanding	58,996,508	58,295,709	160,400,758	158,101,794	219,397,266	216,397,503
Total liabilities	69,399,043	76,055,898	172,973,287	168,807,052	242,372,330	244,862,950
Net assets:						
Invested in capital assets, net of related debt	239,763,654	233,918,334	123,725,543	137,363,850	363,489,197	371,282,184
Restricted	7,128,889	10,158,631	10,276,537	9,623,009	17,405,426	19,781,640
Unrestricted	23,828,494	20,205,632	43,127,249	25,110,463	66,955,743	45,316,095
Total net assets	$ 270,721,037	$ 264,282,597	$ 177,129,329	$ 172,097,322	$ 447,850,366	$ 436,379,919



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

- The City received $9.3 million in loan proceeds for the purpose of water rights acquisition.
- The City received $2.6 million in loan proceeds for the purpose of construction of wastewater collection lines and water distribution lines.
- The City received $3.2 million in contributed capital for various City infrastructure projects which were constructed by developers.
- The City received $1.2 million in contributed capital for water and wastewater improvements which were constructed by developers and various contractors.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont'd)

Changes in net assets. The City's total revenues for the fiscal year ended June 30, 2012, were $115.8 million with an increase in net assets of $5.2 million, thereby accounting for 4.4 percent increase in the net assets of the City. The following table presents a summary of the changes in net assets for fiscal years ended June 30, 2012 and June 30, 2011.

Government-wide Statement of Activities

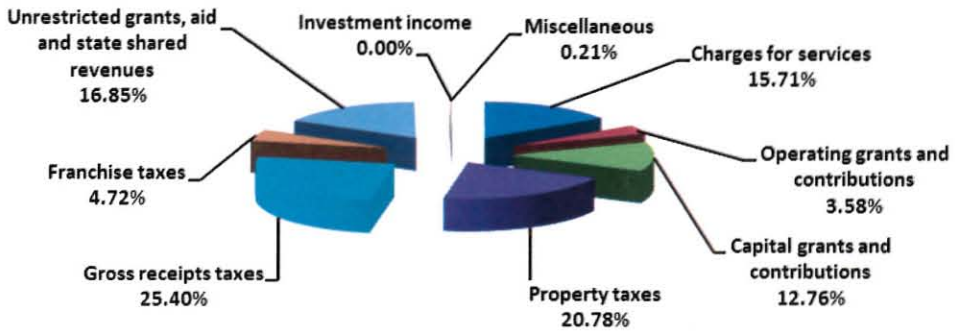
	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Revenues:						
Program revenues:						
Charges for services	$11,833,516	$11,326,419	$36,319,609	$33,150,775	$48,153,125	$44,477,194
Operating grants and contributions	2,699,763	10,059,893			2,699,763	10,059,893
Capital grants and contributions	9,614,534	22,786,582	988,436	12,546,387	10,602,970	35,332,969
General revenues:						
Property taxes	15,650,672	16,349,117			15,650,672	16,349,117
Gross receipts taxes	19,132,261	17,201,811			19,132,261	17,201,811
Franchise taxes	3,552,461	3,219,655			3,552,461	3,219,655
Unrestricted grants, aid and state shared revenues	12,691,071	13,534,932	2,671,184	4,972,974	15,362,255	18,507,906
Miscellaneous	306,977	77,709	272,951	323,934	579,928	401,643
Investment income	(2,913)	23,408	37,164	42,183	34,251	65,591
Total revenues	$75,478,342	$94,579,526	$40,289,344	$51,036,253	$115,767,686	$145,615,779
Expenses:						
General government	10,366,776	13,287,694			10,366,776	13,287,694
Public safety	29,556,691	35,822,606			29,556,691	35,822,606
Public works	17,987,939	25,118,971			17,987,939	25,118,971
Culture and recreation	9,797,929	9,882,400			9,797,929	9,882,400
Economic development	2,434,122	2,296,117			2,434,122	2,296,117
Interest on long-term debt	2,265,490	2,484,088			2,265,490	2,484,088
Water			17,761,031	11,384,029	17,761,031	11,384,029
Wastewater			17,867,174	17,624,272	17,867,174	17,624,272
Event center	-	-	2,574,952	2,639,138	2,574,952	2,639,138
Total expenses	72,408,947	88,891,876	38,203,157	31,647,439	110,612,104	120,539,315
Increase in net assets	$ 3,069,395	$ 5,687,650	$2,086,187	$19,388,814	$5,155,582	$25,076,464

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont'd)

Government-wide Statement of Activities (Cont'd)

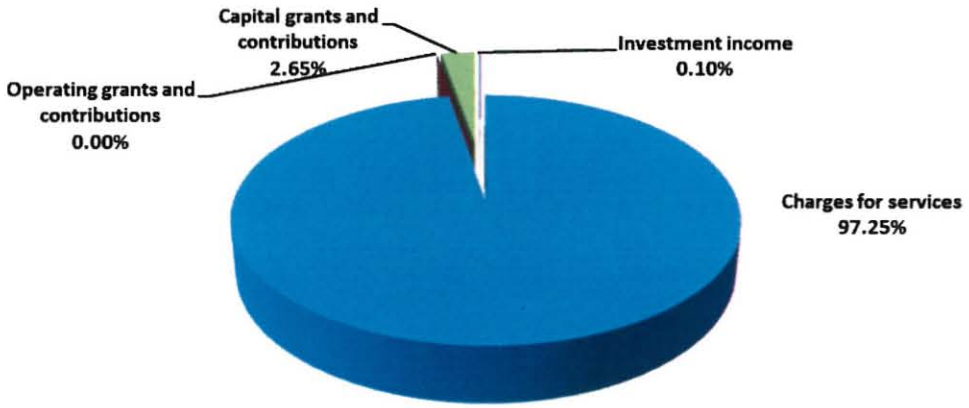
	Year Ended June 30, 2012		Year Ended June 30, 2011	
	Total Expenses	Net(Expense)/ Program Revenue	Total Expenses	Net (Expense)/ Program Revenue
Governmental activities:				
General government	10,366,776	$(7,613,496)	$13,287,694	$(10,501,454)
Public safety	29,556,691	(21,667,835)	35,822,606	(19,167,602)
Public works	17,987,939	(7,743,962)	25,118,971	(3,060,857)
Culture and recreation	9,797,929	(7,076,366)	9,882,400	(7,590,794)
Economic development	2,434,122	(1,893,985)	2,296,117	(1,914,187)
Interest on long-term debt	2,265,490	(2,265,490)	2,484,088	(2,484,088)
Total expenses	$72,408,947	$(48,261,134)	$88,891,876	$(44,718,982)
Business-type activities:				
Water	17,761,031	4,358,540	11,384,029	19,801,227
Wastewater	17,867,174	(3,172,234)	17,624,272	(3,863,813)
Event center	2,574,952	(2,081,418)	2,639,138	(1,887,691)
Total expenses	$38,203,157	($895,112)	$31,647,439	$14,049,723

Revenues by Source – Governmental Activities

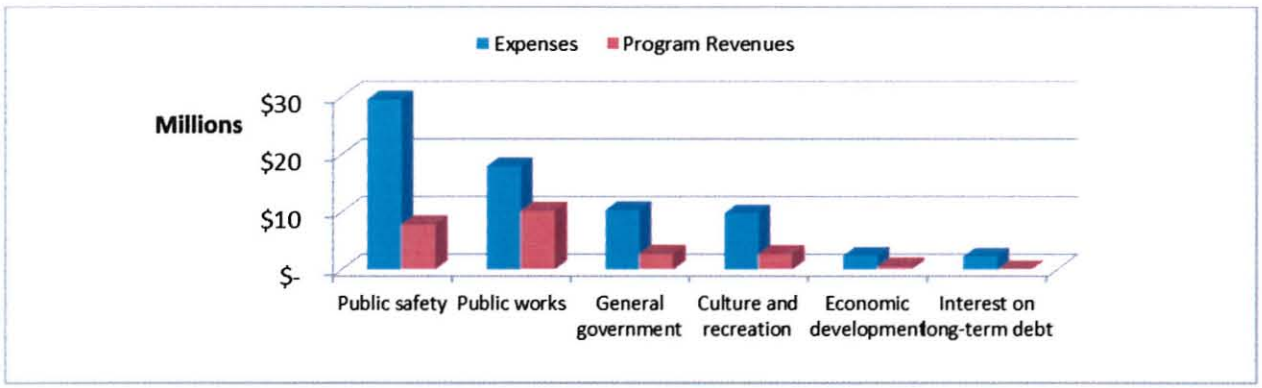


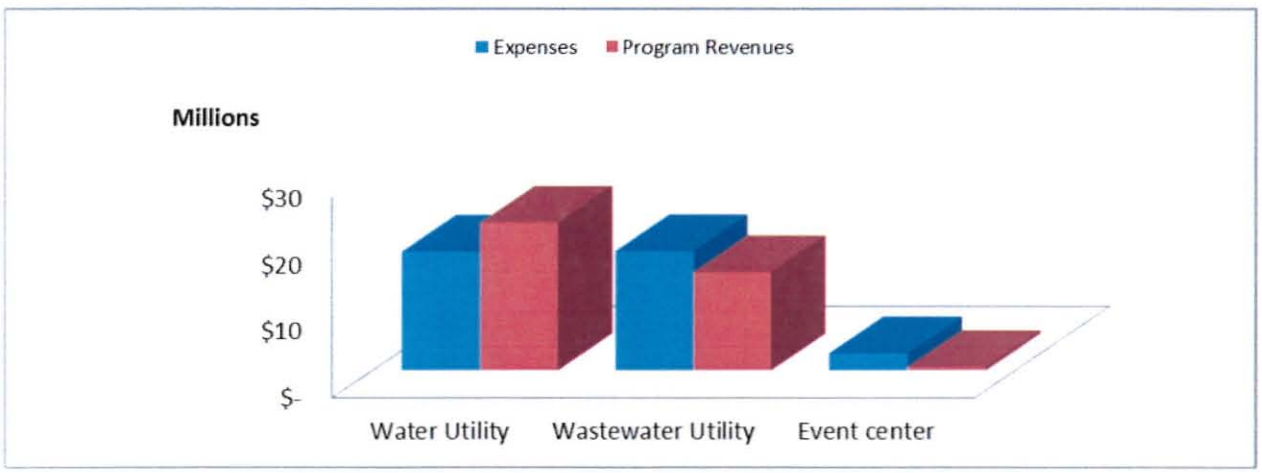
GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont'd)

Revenues by Source – Business-type Activities



Expenses and Program Revenues – Governmental & Business type Activities





GOVERNMENT-WIDE FINANCIAL ANALYSIS (Concl'd)

Governmental-type activities: Net assets of the governmental-type activities at the end of the year amount to $270.7 million. The following are significant current year transactions that have had an impact on the Statement of Activities.

- Program revenues including federal and state grants and contributions, charges for services, and local revenues subsidized certain programs totaling $24.1 million.
- The cost of all governmental activities in fiscal year 2012 was $72.4 million, 18.5 percent lower than fiscal year 2011 due primarily to the decrease in grant and loan funded projects.
- The net cost of governmental activities ($48.3 million) was financed by general revenues ($51.3 million) that primarily consist of municipal gross receipt taxes ($19.1 million), property taxes ($15.7 million), and unrestricted grants, aid and state shared revenues ($12.7 million).
- Gross receipt taxes and unrestricted grants, aid and state shared revenues increased $1.1 million from fiscal year 2011, partially due to the increase in construction activity specifically for the Presbyterian and Sandoval County Regional Medical Center hospitals.
- Investment income decreased $26,321 primarily due to the recognition of a loss on an investment from the reserve contingency fund being held at the New Mexico Local Government Investment Pool (LGIP).
- Property tax revenues declined from those received in fiscal year 2011 by $698,445, or 4.3 percent, primarily due to slight decreases in both residential construction and non-residential development and the inflation rate.

Business-type activities. Net assets of the business-type activities at the end of the year amount to $177.1 million. The increase of $5.0 million over fiscal year 2011 was primarily due to a rate increase in the charges for water and wastewater services, water rights fees and developer capital contributions.

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

- The City's water and wastewater utility increase in net assets is partially attributed to a 3.3 percent increase in water and wastewater rates plus a monthly $5 water rights acquisition surcharge. An increase in the number of customers also contributed to this growth.
- The cost of all business-type activities in fiscal year 2012 was $38.2 million, 20.7 percent higher than fiscal year 2011 due primarily to increase in operational and maintenance and/or repairs to the City infrastructure and a $5.1 million expense for the recognition of uncollectible receivable related to the Department of Army federal grant.
- Program revenues, specifically capital grants and contributions for the Santa Ana Star Center decreased $242,251 due to a decrease in improvements needed to the building.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

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

The financial performance of the City as a whole is reflected in its governmental funds. As the City completed the year, its governmental funds reported a combined fund balance of $34.8 million; a decrease of $1.8 million primarily due to the use of bond funds on capital projects.

The General Fund is the principal operating fund of the City. The increase in fund balance of $1.4 million in the General Fund to $14.7 million as of June 30, 2012 was due primarily to revenue increases in GRT revenue from strong construction activity from the two new hospitals, property tax revenue with slight increases in both residential construction and non-residential development, and franchise fee revenue.

Proprietary funds. Net assets of the business-type activities at the end of the year amount to $177.1 million. The increase of $5.0 million over fiscal year 2011 was primarily due to a 3.3 percent rate increase in the charges for water and wastewater services plus the implementation of a monthly $5 water rights acquisition surcharge, and $4.0 million in capital contributions.

BUDGETARY HIGHLIGHTS

The budget theme for fiscal year 2012 was sustainability, which is critical to our efforts to implement the City's adopted Strategic Plan. The Governing Body took decisive measures that provided a balanced and long-term approach to addressing the budget shortfall. Because of these measures as well as what appears to be a local economy that is stabilizing, the overall fiscal health of the City is showing improvement.

- At initial adoption of the FY12 budget the reserve fund balances were forecasted to be at 8.3 percent of expenditures, which is the minimum required by the State of New Mexico, and an estimated unreserved ending fund balance of $2.6 million for the General Fund, bringing the total reserves to 13.5 percent of expenditures.
- The City continued to require Departments hold the line by maintaining 83 frozen positions. Expenditure levels reflect the City's high priority service areas, including providing additional funding for two public safety positions, EMS system upgrades, and law enforcement protective equipment.
- The City revised the overall budget during the year. The City conducts a mid-year budget review, which provides the City with an opportunity to adjust the fiscal year budget for changes in projected revenue and expenditure levels.

BUDGETARY HIGHLIGHTS (Concl'd)

The changes made to the fiscal year 2012 budget at midyear can be briefly summarized as follows:

- The FY12 midyear budget has relatively insignificant adjustments, reflecting an economy that is experiencing a slow, but steady recovery, and reflective of recent efforts to achieve a sustainable long-term budget. The more stable budget situation can be attributed to various measures taken by the Governing Body to attain financial sustainability. These include multi-year budget planning, setting aside into General Fund reserves non-recurring revenues, such as construction revenues from the two hospitals, allocating resources strategically through service prioritization, shop local initiatives, and enhancing revenue collections.
- While there was an increase in GRT revenue of $300,000, there were decreases in licenses and permit fees due to a reduced number of projects needing permits.
- There were multiple positions held vacant during the fiscal year. The value of the vacant positions was approximately $1.2 million.

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

- $1.0 million positive variance for charges for services primarily due to enhanced billing and collection efforts for ambulance services and increase activity for recreational activities.
- $2.1 million in expenditure savings due to department's aggressively reducing materials and services budgets and multiple positions that were held vacant.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. The City's investment in capital assets for its governmental and business-type activities as of June 30, 2012 amounts to $619.1million (net of accumulated depreciation). This investment in capital assets includes buildings, facilities, vehicles, equipment, and infrastructure assets. This amount represents a net increase of $24.0 million over last year, primarily due to additions of general governmental road network assets, and various arsenic water projects. Total depreciation expense for the year was $18.0 million.

CAPITAL ASSETS AND DEBT ADMINISTRATION (Cont'd)

The following schedule presents capital asset balances net of depreciation for the fiscal years ended June 30, 2012 and June 30, 2011.

Governmental and Business-type Capital Assets

	Governmental activities		Business-type activities		Total	
	2012	2011	2012	2011	2012	2011
Land	$61,695,142	$61,618,023	$40,753,810	$28,354,925	$102,448,952	$89,972,948
Land improvements	9,088,923	9,165,459	7,878,554	7,400,089	16,967,477	16,565,548
Buildings and improvements	46,367,350	46,020,414	74,056,511	75,784,687	120,423,861	121,805,101
Vehicles, furniture and equipment	6,927,673	7,889,648	19,206,530	21,091,467	26,134,203	28,981,115
System infrastructure	130,533,522	122,370,688	125,004,082	111,887,951	255,537,604	234,258,639
Construction in progress	43,348,175	48,403,609	54,243,705	55,143,369	97,591,880	103,546,978
Total	$297,960,784	$295,467,841	$321,143,191	$299,662,488	$619,103,977	$595,130,329

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

Debt Administration. At the end of the current fiscal year, the City had $223.0 million in long-term debt outstanding, with $15.1 million due within one year. The following table presents a summary of the City's outstanding bonded debt for the fiscal years ended June 30, 2012 and June 30, 2011.

Governmental and Business-type Outstanding Debt

	Governmental activities		Business-type activities		Total	
	2012	2011	2012	2011	2012	2011
General obligation bonds	$25,875,000	$29,575,000			$25,875,000	$29,575,000
Revenue bonds	16,075,000	16,660,000	138,370,000	145,205,000	154,445,000	161,865,000
Notes payable	15,115,441	15,918,080			15,115,441	15,918,080
Loans payable	-	-	27,558,858	16,513,872	27,558,858	16,513,872
Total	$57,065,441	$62,153,080	$165,928,858	$161,718,872	$222,994,299	$223,871,952

State statutes currently limit the amount of general obligation debt a City may issue to 4 percent of its total assessed valuation for general purposes. The current debt limitation for the City is $79,685,637. State statute also currently does not limit the amount of general obligation debt a City may issue for the water and wastewater system. The City has no outstanding general obligation debt for the water and wastewater system.

CAPITAL ASSETS AND DEBT ADMINISTRATION (Concl'd)

The City's general obligation bond debt is graded at AA by Fitch Ratings and A1 by Moody's. In July of 2011, Fitch Ratings reviewed the City's GO credit rating as part of their surveillance program. Fitch Ratings has affirmed its AA rating. One of the key rating factors was the City maintaining its financial reserves in light of the City's heavy reliance on economically sensitive GRT revenue. The gross receipts tax revenue bond debt is graded an A1 by Moody's and A+ by Standard & Poors.

The City's water and wastewater revenue bonds were also reviewed by Fitch in July of 2011 and downgraded to AA- although the Outlook is stable. One of the key rating factors was the downward decline in liquidity and debt service coverage, coupled with increasing operating expenses and lack of comparable offsetting rate increases. Standard & Poors rating of A+ was unchanged.

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

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

- The addition of $5.1 million in governmental activities primarily due to capital contributions from developers.
- The addition of approximately $17.0 million in business-type activities primarily due to the federal mandate of water well arsenic removal systems and various other water and wastewater system upgrades.
- The addition of $4.3 million in business-type activities, specifically the utility fund, primarily due to capital contributions from developers.

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

- The City received $9.3 million in loan proceeds for the purpose of water rights acquisition.
- The City received $2.6 million in loan proceeds for the purpose of construction of wastewater collection lines and water distribution lines.

NEXT YEAR'S BUDGET AND ECONOMIC FACTORS

Many factors were considered by the City's administration during the process of developing the fiscal year 2012-2013 budget. The objectives set for the 2013 fiscal year budget include the following:

- The City has been focused on building a sustainable budget over the past couple of years, as achieving sustainability is an ongoing effort. For the first time in at least three years the City is projecting a balanced General Fund five year financial plan and the City's ending fund balance as a percent of total expenditures is approximately 13.6 percent, approaching our target balance of 15 percent. These are two major steps to achieving a sustainable budget.

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

- The FY13 budget reflects a local economy that is climbing out of an economic recession that has plagued our country over that last three years. Various signs suggest that the recovery is gaining momentum, including a steadily declining unemployment rate, stabilizing City revenues, and a trend of lower foreclosures in the area compared to recent years. Hard budget choices made by the Governing Body have set the City on a path and a way of thinking that establishes a solid foundation from which to further the City's Strategic Goals. In addition to long-term planning, prioritization plays a big role in achieving sustainability. The City must continue to evaluate all City services and to focus resources on the City's highest priority areas.
- City Departments were instructed to keep their budgets at the Fiscal Year 2012 levels, except as necessary to address the highest priority needs. Using additional expenditure savings and non-recurring revenue, the Budget includes additional funding for critical areas that have been under funded in recent years. This includes 14 new police vehicles, additional police officer training, a new animal control truck, a rescue ambulance, a cardiac defibrillator, funding for the City's graphical information system (GIS), and other small capital needs.
- The Budget also incorporates a modest pay increase to the City's number one asset, our employees. City employees have sustained pay cuts (through furloughs) and have foregone raises over recent years at a time when the cost of living continues to increase. The Budget includes a two percent recurring salary increase.
- The City's most important revenue source is the Gross Receipts Tax (GRT). The GRT revenue estimate of $24.3 million (including recurring and non-recurring estimates) accounts for approximately 48 percent of the total FY13 General Fund operating revenues. The GRT distribution to the General Fund is projected to decrease $1.17 million or 4.6 percent from FY12 levels. Growth in most GRT sectors is offset by the significant decline in one-time construction activity associated with the two new hospitals built in the City.
- Property tax revenue, the second-largest revenue source, is estimated to increase 4.5 percent from FY12 levels, with an estimated increase of $557,094. The property tax revenue forecast utilizes a Yield Control Formula, as established by State Statute. The FY13 revenue estimate incorporates housing permits and known non-residential construction activity to establish the construction growth factor. The estimate assumes an inflation factor of four percent (based on Bureau of Economic Analysis data) for a total growth factor of just under five percent. This total growth factor is applied to the previous year tax effort (current taxes imposed).
- Water and wastewater utility operation revenue has a scheduled rate increase of 3.3 percent that will help to offset increasing operation and capital costs. This increase is based on the Global Insight CPI estimate for water and wastewater maintenance.
- The Utility Fund unreserved ending net asset balance is $6.8 million. The Utility meets the required debt service coverage ratio of 1.15 time coverage for parity bonds. In FY13, the debt coverage ratio for parity bonds is projected to be 1.34 times and the debt coverage ratio for bonds and loans is 1.13 times. A rate study has been finalized to increase liquidity, reserves and debt ratios.

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

When looking at the local economy, the number one factor to consider is jobs. Employment growth in the Albuquerque Metro Areas is expected to exceed one percent during the first half of FY13 and to average 1.3 percent for the full fiscal year. Job growth is anticipated in healthcare, manufacturing, wholesale trade, retail and utilities. Construction and government employment is expected to decline modestly. Over the five-year outlook, annual employment growth in this region is expected to range from 1.3 to 2.1 percent, according to the Bureau of Business and Economic Research May Forecast.

Since its inception thirty years ago, our City has been a leader in single family housing construction. While housing construction has allowed us to grow to the third largest City in New Mexico in that time, it has not come without a cost, which we have felt these past five years. If nothing else, the recession has taught the City that reliance on housing construction for budget sustainability is not a solid strategy. Given the risks inherent in housing construction, which can fluctuate dramatically, it is more important than ever to continue our push for more economic diversification. Diversification will not occur overnight but our efforts to attract retail and service businesses is now beginning to be rewarded.

Rio Rancho continues to be one of the best places to relocate a business, offering a portfolio of incentives, tax benefits and other programs that stand behind the City commitment to attract economic base jobs and increase the quality of life thought the attraction of targeted retail and entertainment companies. In July 2012, Money magazine ranked Rio Rancho 58th in its list of the "100 Best Places to Live." The magazine took into consideration criteria such as job opportunities, schools, low crime, and health care. In profiling Rio Rancho, Money noted the community has added jobs and features many recreational amenities. Rio Rancho is the only New Mexico city to appear on the 2012 list.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

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

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BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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CITY OF RIO RANCHO, NEW MEXICO
STATEMENT OF NET ASSETS
JUNE 30, 2012

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and investments	$ 27,403,578	$ 8,195,482	$ 35,599,060
Property taxes receivable	1,173,625		1,173,625
Accounts receivable	1,737,199	3,940,320	5,677,519
Interest receivable	23,531		23,531
Internal balances	(26,964)	26,964	
Due from federal government	4,961,836	5,441	4,967,277
Due from state government	5,925,091	534,530	6,459,621
Due from county government	250,305		250,305
Total current assets	41,448,201	12,702,737	54,150,938
Noncurrent assets:			
Restricted investments	491,121	10,276,537	10,767,658
Deferred bond issuance costs	219,974	1,873,036	2,093,010
Goodwill (net of amortization)		4,107,115	4,107,115
Land	61,695,142	40,753,810	102,448,952
Land improvements	13,475,934	9,245,428	22,721,362
Infrastructure	263,894,226	143,310,425	407,204,651
Buildings and improvements	53,175,999	87,145,510	140,321,509
Vehicles, furniture and equipment	24,237,463	38,286,431	62,523,894
Construction in progress	43,348,175	54,243,705	97,591,880
Accumulated depreciation	(161,866,155)	(51,842,118)	(213,708,273)
Total noncurrent assets	298,671,879	337,399,879	636,071,758
Total assets	340,120,080	350,102,616	690,222,696
LIABILITIES			
Current liabilities:			
Accounts payable	2,867,748	1,377,262	4,245,010
Accrued payroll	1,419,811	54,703	1,474,514
Accrued interest payable	476,772	930,502	1,407,274
Compensated absences payable	211,684	86,127	297,811
Note payable	1,142,283	2,188,610	3,330,893
Unearned revenue	714,237		714,237
General obligation bonds payable	2,650,000		2,650,000
Revenue bonds payable	920,000	7,050,000	7,970,000
Deposits held for others		885,325	885,325
Total current liabilities	10,402,535	12,572,529	22,975,064
Noncurrent liabilities:			
Compensated absences payable	5,156,454		5,156,454
Litigation claims payable	355,207		355,207
Note payable	13,973,158	25,370,248	39,343,406
General obligation bonds payable	23,724,440		23,724,440
Revenue bonds payable	15,787,249	135,030,510	150,817,759
Total non-current liabilities	58,996,508	160,400,758	219,397,266
Total liabilities	69,399,043	172,973,287	242,372,330
NET ASSETS			
Invested in capital assets, net of related debt	239,763,654	123,725,543	363,489,197
Restricted for:			
Debt service	4,002,889	10,276,537	14,279,426
Capital projects	3,126,000		3,126,000
Unrestricted	23,828,494	43,127,249	66,955,743
Total net assets	$ 270,721,037	$ 177,129,329	$ 447,850,366

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

CITY OF RIO RANCHO, NEW MEXICO
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2012

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Governmental Activities
Primary Government					
Governmental activities:					
General government	$ 10,366,776	$ 2,418,576	$ 334,704	$	$ (7,613,496)
Public safety	29,556,691	5,737,263	1,359,049	792,544	(21,667,835)
Public works	17,987,939	1,346,006	408,582	8,489,389	(7,743,962)
Culture and recreation	9,600,763	1,801,534	587,428	332,601	(6,879,200)
Economic development	2,631,288	530,137	10,000		(2,091,151)
Interest on long-term debt	2,265,490				(2,265,490)
Total governmental activities	72,408,947	11,833,516	2,699,763	9,614,534	(48,261,134)
Business-type activities:					
Water	17,761,031	21,748,781		370,790	
Wastewater	17,867,174	14,122,874		572,066	
Event center	2,574,952	447,954		45,580	
Total business-type activities	38,203,157	36,319,609		988,436	
Total primary government	$ 110,612,104	$ 48,153,125	$ 2,699,763	$ 10,602,970	$ (48,261,134)

General revenues:	
Taxes:	
Property taxes, levied for general purposes	12,306,005
Property taxes, levied for debt service	3,344,667
Gross receipts taxes	19,132,261
Franchise taxes	3,552,461
Unrestricted grants, aid and state shared revenues	12,691,071
Investment income (loss)	(2,913)
Miscellaneous	306,977
Total general revenues	51,330,529
Changes in net assets	3,069,395
Net assets, beginning of year	264,282,597
Restatement	3,369,045
Net assets, beginning of year, as restated	267,651,642
Net assets, end of year	$ 270,721,037

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

Net (Expense) Revenue and Changes in Net Assets	
Business-type Activities	Totals
$	$ (7,613,496)
	(21,667,835)
	(7,743,962)
	(6,879,200)
	(2,091,151)
	(2,265,490)
	(48,261,134)
4,358,540	4,358,540
(3,172,234)	(3,172,234)
(2,081,418)	(2,081,418)
(895,112)	(895,112)
$ (895,112)	$ (49,156,246)
	12,306,005
	3,344,667
	19,132,261
	3,552,461
2,671,184	15,362,255
37,164	34,251
272,951	579,928
2,981,299	54,311,828
2,086,187	5,155,582
172,097,322	436,379,919
2,945,820	6,314,865
175,043,142	442,694,784
$ 177,129,329	$ 447,850,366

CITY OF RIO RANCHO, NEW MEXICO
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2012

	General Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS			
Cash and investments	$ 9,982,247	$ 15,915,630	$ 25,897,877
Property taxes receivable	827,254	346,371	1,173,625
Accounts receivable	1,709,447	27,752	1,737,199
Interest receivable	23,531		23,531
Due from federal government	58,279	4,903,557	4,961,836
Due from state government	4,290,494	1,634,597	5,925,091
Due from county government		250,305	250,305
Due from other funds	655,419	3,985,605	4,641,024
Restricted investments		491,121	491,121
Total assets	$ 17,546,671	$ 27,554,938	$ 45,101,609
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	$ 541,759	$ 1,494,400	$ 2,036,159
Accrued payroll	1,381,438	38,373	1,419,811
Accrued interest payable		476,772	476,772
Due to other funds		4,641,024	4,641,024
Deferred revenue	954,069	740,262	1,694,331
Total liabilities	2,877,266	7,390,831	10,268,097
Fund balances (deficits):			
Non-Spendable	$	$	$
Restricted	58,279	20,486,621	20,544,900
Committed		87,381	87,381
Assigned	2		2
Unassigned	14,611,124	(409,895)	14,201,229
Total fund balances	14,669,405	20,164,107	34,833,512
Total liabilities and fund balances	$ 17,546,671	$ 27,554,938	$ 45,101,609

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

CITY OF RIO RANCHO, NEW MEXICO
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2012

Total Governmental Fund balances		**$ 34,833,512**
Amounts reported for *governmental activities* in the Statement of Net Assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Governmental capital assets	459,826,939	
Less accumulated depreciation	(161,866,155)	297,960,784
Property tax revenues that are not available to pay for current period expenditures are deferred in the funds.		980,094
Deferred charges, issuance costs and premiums related to issuance of bonds are amortized over the life of the associated issue in the government-wide statements.		
Issuance premium	(1,273,559)	
Issuance discounts	141,870	
Deferred bond issuance costs	219,974	(911,715)
Internal service funds are used by management to charge the costs of health and dental self-insurance. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.		
Total internal service funds Net Assets	674,112	
Internal service funds Net Assets attrbutable to Enterprise Funds	(26,964)	647,148
Litigation liability related to a lawsuit that has ruled against the City.		(355,207)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Compensated absences payable	(5,368,138)	
Notes payable	(15,115,441)	
General obligation bonds payable	(25,875,000)	
Revenue bonds payable	(16,075,000)	(62,433,579)
Net Assets of Governmental Activities		**$ 270,721,037**

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

CITY OF RIO RANCHO, NEW MEXICO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2012

	General Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues:			
Property taxes	$ 12,416,276	$ 3,480,946	$ 15,897,222
Municipal and state shared taxes	25,841,212	5,982,120	31,823,332
License and permits	470,789		470,789
Intergovernmental federal	96,856	6,596,145	6,693,001
Intergovernmental state		1,568,110	1,568,110
Intergovernmental county	1,000	262,274	263,274
Impact fees		447,021	447,021
Charges for services	5,471,228	644,855	6,116,083
Fines and forfeits	1,337,074	80,872	1,417,946
Franchise fees	3,437,112	115,349	3,552,461
Contributions and donations	144,000	38,263	182,263
Investment income	(13,074)	10,161	(2,913)
Other revenues	3,276,107	839,235	4,115,342
Total revenues	52,478,580	20,065,351	72,543,931
Expenditures:			
Current -			
General government	8,859,186	2,157,204	11,016,390
Public safety	25,884,502	2,164,090	28,048,592
Public works	6,438,082	2,727,948	9,166,030
Culture and recreation	7,342,090	1,288,117	8,630,207
Economic development	2,046,699	350,709	2,397,408
Capital outlay	193,666	8,919,136	9,112,802
Debt service -			
Principal		5,087,639	5,087,639
Interest and fiscal charges		2,344,979	2,344,979
Total expenditures	50,764,225	25,039,822	75,804,047
Excess (deficiency) of revenues over expenditures	1,714,355	(4,974,471)	(3,260,116)
Other financing sources (uses):			
Transfers in	84,180	837,832	922,012
Transfers out	(443,886)	(478,126)	(922,012)
Total other financing sources (uses)	(359,706)	359,706	
Changes in fund balances	1,354,649	(4,614,765)	(3,260,116)
Fund balances (deficits), beginning of year	13,314,756	23,304,756	36,619,512
Restatement		1,474,116	1,474,116
Fund balances (deficits), beginning of year, as restated	13,314,756	24,778,872	38,093,628
Fund balances (deficits), end of year	$ 14,669,405	$ 20,164,107	$ 34,833,512

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

CITY OF RIO RANCHO, NEW MEXICO
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2012

Net Changes in Fund Balances - Total Governmental Funds		**$ (3,260,116)**
Amounts reported for *governmental activities* in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Expenditures for capital assets	9,112,802	
Less current year depreciation	(11,695,749)	(2,582,947)
Capital assets contributed by developers to the City are not recorded in the governmental funds as they do not provide current financial resources but are recognized in the Statement of Activities as program revenues.		3,180,961
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.		
Amortization of bond issuance costs	(19,090)	
Amortization of bond discount	(14,187)	
Arbitrage costs	65,911	
Compensated absences	(271,017)	(238,383)
Revenue that are deferred in the governmental funds because they do not provide current financial resources are included in the Statement of Activities.		
Property taxes	(246,550)	
Amortization of bond premium	112,766	(133,784)
Repayment of long-term debt principal are expenditures in the governmental funds, but the payment reduces long-term liabilities in the Statement of Net Assets.		
General obligation bonds retirement	3,700,000	
Revenue bonds retirement	585,000	
Notes payable retirement	802,639	5,087,639
Internal service funds are used by management to charge the costs of health and dental self-insurance. The net revenue of certain activities of internal service funds is reported with governmental activities.		621,232
Litigation liability related to a lawsuit that has ruled against the City.		394,793
Change in Net Assets in Governmental Activities		**$ 3,069,395**

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

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CITY OF RIO RANCHO, NEW MEXICO
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED JUNE 30, 2012

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property taxes	$ 12,010,565	$ 12,249,062	$ 12,416,276	$ 167,214
Municipal and state shared taxes	25,472,401	25,787,433	25,841,212	53,779
License and permits	519,362	404,362	470,789	66,427
Intergovernmental federal	103,400	141,400	96,856	(44,544)
Intergovernmental county	1,000	1,000	1,000	
Charges for services	4,707,372	4,374,248	5,471,228	1,096,980
Fines and forfeits	1,068,750	1,134,250	1,337,074	202,824
Franchise fees	3,138,828	3,277,638	3,437,112	159,474
Contributions and donations	14,000	144,000	144,000	
Investment income	10,000	10,000	(13,074)	(23,074)
Other revenues	3,003,889	3,366,515	3,276,107	(90,408)
Total revenues	50,049,567	50,889,908	52,478,580	1,588,672
Expenditures:				
Current -				
General government	7,739,009	8,818,588	8,859,186	(40,598)
Public safety	26,156,203	26,529,667	25,884,502	645,165
Public works	6,683,938	6,835,876	6,438,082	397,794
Culture and recreation	7,947,641	8,093,000	7,342,090	750,910
Economic development	2,265,269	2,292,607	2,046,699	245,908
Capital outlay	292,763	405,458	193,666	211,792
Total expenditures	51,084,823	52,975,196	50,764,225	2,210,971
Excess (deficiency) of revenues over expenditures	(1,035,256)	(2,085,288)	1,714,355	3,799,643
Other financing sources (uses):				
Transfers in	121,182	100,663	84,180	(16,483)
Transfers out	(363,000)	(447,925)	(443,886)	4,039
Total other financing sources (uses)	(241,818)	(347,262)	(359,706)	(12,444)
Change in fund balances	(1,277,074)	(2,432,550)	1,354,649	3,787,199
Fund balances, July 1, 2011	8,164,947	8,713,003	13,314,756	4,601,753
Fund balances, June 30, 2012	$ 6,887,873	$ 6,280,453	$ 14,669,405	$ 8,388,952

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

CITY OF RIO RANCHO, NEW MEXICO
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2012

	Enterprise Funds			Governmental Activities: Internal Service Funds
	Utilities Fund	Multi-Purpose Event Center Fund	Total	
ASSETS				
Current assets:				
Cash and investments	$ 7,740,543	$ 454,939	$ 8,195,482	$ 1,505,701
Accounts receivable	3,908,536	31,784	3,940,320	
Due from federal government	5,441		5,441	
Due from state government	103,400	431,130	534,530	
Total current assets	11,757,920	917,853	12,675,773	1,505,701
Noncurrent assets:				
Restricted investments	7,398,565	2,877,972	10,276,537	
Deferred bond issuance costs	1,493,287	379,749	1,873,036	
Goodwill (net of amortization)	4,107,115		4,107,115	
Land	40,421,310	332,500	40,753,810	
Land improvements	9,239,431	5,997	9,245,428	
Infrastructure	143,310,425		143,310,425	
Buildings and improvements	46,159,703	40,985,807	87,145,510	
Vehicles, furniture and equipment	37,119,768	1,166,663	38,286,431	
Construction in progress	54,243,705		54,243,705	
Accumulated depreciation	(48,162,837)	(3,679,281)	(51,842,118)	
Total noncurrent assets	295,330,472	42,069,407	337,399,879	
Total assets	307,088,392	42,987,260	350,075,652	1,505,701
LIABILITIES				
Current liabilities:				
Accounts payable	1,371,654	5,608	1,377,262	
Accrued payroll	54,703		54,703	
Accrued interest payable	812,040	118,462	930,502	
Claims payable				831,589
Compensated absences payable	86,127		86,127	
Note payable	2,188,610		2,188,610	
Revenue bonds payable	5,665,000	1,385,000	7,050,000	
Deposits held for others	885,325		885,325	
Total current liabilities	11,063,459	1,509,070	12,572,529	831,589
Noncurrent liabilities:				
Note payable	25,370,248		25,370,248	
Revenue bonds payable	106,969,006	28,061,504	135,030,510	
Total non-current liabilities	132,339,254	28,061,504	160,400,758	
Total liabilities	143,402,713	29,570,574	172,973,287	831,589
NET ASSETS				
Invested in capital assets, net of related debt	113,980,612	9,744,931	123,725,543	
Restricted for:				
Debt service	7,398,565	2,877,972	10,276,537	
Unrestricted	42,306,502	793,783	43,100,285	674,112
Total net assets	$ 163,685,679	$ 13,416,686	$ 177,102,365	$ 674,112

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.	26,964
Net assets of business-type activities	$ 177,129,329

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

CITY OF RIO RANCHO, NEW MEXICO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	Enterprise Funds			Governmental Activities - Internal Service Funds
	Utilities Fund	Multi-Purpose Event Center Fund	Total	
Operating revenues:				
Charges for services - water	$ 21,748,781	$	$ 21,748,781	
Charges for services - wastewater	14,122,874		14,122,874	
Charges for services - event center		447,954	447,954	
Charges for services - other services				5,648,112
Total operating revenues	35,871,655	447,954	36,319,609	5,648,112
Operating expenses:				
Administration	8,985,563	105,557	9,091,120	
Production costs	15,487,382		15,487,382	
Other services				5,065,036
Depreciation	5,412,426	884,301	6,296,727	
Total operating expenses	29,885,371	989,858	30,875,229	5,065,036
Operating income (loss)	5,986,284	(541,904)	5,444,380	583,076
Nonoperating revenues (expenses):				
Interest expense	(5,832,272)	(1,545,877)	(7,378,149)	
Intergovernmental federal	254,283		254,283	
Intergovernmental federal - bad debt expense	(5,120,270)		(5,120,270)	
Intergovernmental state	1,386,436	2,671,184	4,057,620	
Amortization of deferred bond items	242,449	(39,217)	203,232	
Impact fees	391,157		391,157	
Amortization of goodwill	(178,895)		(178,895)	
Investment income	37,064	100	37,164	3,667
Other revenues	272,951		272,951	60,373
Total nonoperating revenues (expenses)	(8,547,097)	1,086,190	(7,460,907)	64,040
Income before capital contributions and transfers	(2,560,813)	544,286	(2,016,527)	647,116
Capital contributions	4,031,250	45,580	4,076,830	
Changes in net assets	1,470,437	589,866	2,060,303	647,116
Total net assets, beginning of year	159,269,422	12,826,820	172,096,242	26,996
Restatement	2,945,820		2,945,820	
Total net assets, beginning of year, as restated	162,215,242	12,826,820	175,042,062	26,996
Total net assets, end of year	$ 163,685,679	$ 13,416,686	$ 177,102,365	$ 674,112

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.	25,884
Change in net assets of business-type activities	$ 2,086,187

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

CITY OF RIO RANCHO, NEW MEXICO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2012

	Enterprise Funds			
	Utilities Fund	Multi-Purpose Event Center Fund	Total	Governmental Activities - Internal Service Funds
Increase (Decrease) In Cash and Cash Equivalents				
Cash flows from operating activities:				
Cash received from customers	$ 38,940,222	$ 454,978	$ 39,395,200	$ 5,648,112
Cash payments to employees	(1,599,797)		(1,599,797)	
Cash payments to suppliers for goods and services	(22,862,838)	(114,606)	(22,977,444)	(5,199,736)
Net cash provided by (used for) operating activities	14,477,587	340,372	14,817,959	448,376
Cash flows from noncapital financing activities:				
Intergovernmental revenues	2,410,308	2,688,065	5,098,373	60,373
Net cash provided by (used for) noncapital and related financing activities	2,410,308	2,688,065	5,098,373	60,373
Cash flows from capital and related financing activities:				
Net acquisition of capital assets	(9,603,890)		(9,603,890)	
Payment of principal on long-term debt	(7,860,647)	(1,325,000)	(9,185,647)	
Issuance of debt	1,624,585		1,624,585	
Interest paid on bonds	(5,621,480)	(1,550,616)	(7,172,096)	
Development impact fees	391,157		391,157	
Net cash provided by (used for) capital and related financing activities	(21,070,275)	(2,875,616)	(23,945,891)	-
Cash flows from investing activities:				
Investment income	37,064	100	37,164	3,667
Net cash provided by (used for) investing activities	37,064	100	37,164	3,667
Net increase (decrease) in cash and cash equivalents	(4,145,316)	152,921	(3,992,395)	512,416
Cash and cash equivalents, beginning of year	11,885,859	302,018	12,187,877	993,284

Cash and cash equivalents, end of year	$ 7,740,543	$ 454,939	$ 8,195,482	$ 1,505,700
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities				
Operating income/(loss)	$ 5,986,284	$ (541,904)	$ 5,444,380	$ 583,076
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:				
Depreciation	5,412,426	884,301	6,296,727	
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	3,016,365	7,024	3,023,389	
Increase (decrease) in accounts payable	26,995	(9,049)	17,946	(134,700)
Increase (decrease) in accrued liabilities	(5,239)		(5,239)	
Increase (decrease) in compensated absences payable	(11,446)		(11,446)	
Increase (decrease) in deposits held for others	52,202		52,202	
Increase (decrease) in deferred revenue			-	
Total adjustments	8,491,303	882,276	9,373,579	(134,700)
Net cash provided by (used for) operating activities	$ 14,477,587	$ 340,372	$ 14,817,959	$ 448,376
Non-cash investing capital and financing activities:				
Capital assets acquired through contributions from developers	$ 1,184,330	$ -	$ 1,184,330	$ -

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

CITY OF RIO RANCHO, NEW MEXICO
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2012

	Agency
ASSETS	
Cash and investments	$ 3,051,545
Total assets	$ 3,051,545
LIABILITIES	
Deposits held for others	3,051,545
Total liabilities	$ 3,051,545

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

NOTES TO FINANCIAL STATEMENTS

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

The City's significant accounting policies are described below.

A. Reporting Entity

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

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

B. Government-Wide and Fund Financial Statements

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes,

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

investment income and other items not included among program revenues, but are reported instead as general revenues.

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

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

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

Fund Financial Statements - Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. In addition, derived tax revenues, such as gross receipts and gasoline taxes, are recognized as revenues when the underlying exchange transaction has occurred. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

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

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

The City reports the following major governmental funds.

General Fund – This fund accounts for all financial resources of the City, except those required to be accounted for in other funds.

The City reports the following major proprietary funds.

Utilities Fund – This enterprise fund is used to account for all operations of the water and wastewater systems.

Multi-Purpose Event Center Fund – This enterprise fund is used to account for all construction and operations of the multi-purpose event center.

Additionally, the City reports the following fund type:

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

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

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

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

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

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

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

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

D. Investments

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

The State of New Mexico local government investment pool is a pool that is not registered with the United States Securities Exchange Commission. Section 6-10-101, NMSA 1978, empowers the State Treasurer, with the advice and consent of the State Board of Finance, to invest money held in the short-term investment in securities that are issued by the United States government or by its departments or agencies and are either direct obligations of the United States or are backed by the full faith and credit of the United States government or are agencies sponsored by the United States government. The Local Government Investment Pool investments are monitored by the same investment committee and the same policies and procedures that apply to all other state investments. The pool does not have unit shares. Per section 6-10-10.1F, NMSA 1978, at the end of each month all interest earned is distributed by the State Treasurer to the contributing entities in amounts directly proportionate to the respective amounts deposited in the fund and the length of time the fund amounts were invested. Participation in the local government investment pool is voluntary. The investment in the State of New Mexico local government investment pool approximates the value of the participant's pool share.

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

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

E. Investment Income

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

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

F. Receivables and Payables

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

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

Property taxes attach as a lien on property as of January 1. Taxes are levied each year on July 1 on the taxable valuation of property located within the City as of the preceding January 1. The taxable valuation for the various classes of property are determined by the Sandoval County Assessor and the State of New Mexico Department of Finance and Administration (DFA), Local Government Division at one-third of assessed valuation. Property in the City for the fiscal year 2012 tax levy had a taxable value of $1,992,140,934. The rate of taxes for operating purposes for all taxing jurisdictions is limited by the State Constitution to 20 mils ($20 per $1,000 assessed valuation), of which the City's portion, by state regulation, is limited to 5.151 mils. The 2012 rate for residential and non-residential City rate for operations and debt service was 6.990 and 1.617 mils, respectively. 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.

G. Capital Assets

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

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

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

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

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

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

H. Compensated Absences

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

I. Long-term Obligations

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

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

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

J. Net Assets Restriction

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

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

K. Interfund Activity

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

L. Budgets

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

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

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

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

M. Estimates

The preparation of the financial statements in conformity with accounting princples generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

N. Statement of Cash Flows

For purposes of the Statement of Cash Flows, the City considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents at June 30, 2012 were cash in bank, investments held by the State Treasurer, and investments held by City.

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

O. Encumbrances

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

Fund	Year-End Encumbrances
General Fund	$ 501,583
Other governmental	8,885,488
Total	$ 9,387,071

NOTE 2 – CASH AND INVESTMENTS

At June 30, 2012, the carrying amount of the City's deposits was $38,013,853 and the bank was $39,069,144. The difference represents outstanding checks, deposits, and other reconciling items. In addition, the City has $5,715 of cash on hand at June 30, 2012.

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned. The City does not have a specific deposit policy for custodial credit risk; however, under New Mexico law, all deposits with financial institutions must be collateralized in an amount not less than 50% of the uninsured balance. The City's agreement with its sole depository requires pledged collateral of 102% of the public money in each account. No security is required for the deposit of public money that is insured by the Federal Deposit Insurance Corporation (FDIC). As of June 30, 2012, $38,916,348 of the City's bank balance was exposed to custodial credit risk as insured and collateralized with securities held by the pledging financial institution's trust department.
Effective 12/31/10 through 12/31/12, a temporary change in Federal Deposit Insurance Corporation (FDIC) insurance coverage will be fully insured regardless of the amount in the account. The temporary unlimited coverage is in addition to, and separate from, the coverage of at least $250,000 available to depositors under the FDIC's general deposit insurance rules.

The pledged collateral by bank at June 30, 2012, consists of the following.

	Restricted	Operating	Savings
Total amount on deposit	$1,661,258	$34,400,987	$3,006,899
Less FDIC coverage	0**	(34,400,987)	(250,000)
Total uninsured public funds	1,661,258	0	2,756,899
50% collateral requirement	830,629	0	1,378,450
Pledged securities, fair value	830,629	0	2,920,189
Pledged in excess of requirement	$0	$0	$1,541,739

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

NOTE 2 - DEPOSITS AND INVESTMENTS (Cont'd)

As of June 30, 2012, the City had the following investments and maturities.

		Investment Maturities (in Years)	
Investment Type	**Fair Value**	**Less Than 1**	**1-5**
State Treasurer's Investment Pool	$11,066	$11,066	
Municipal Bond, University of NM – Valencia County Branch	1,657,298	700,826	956,472
Certificates of Deposit	3,500,000	3,500,000	
Federal Home Loan Mortgage Coupon (FHLMC)	6,230,331		6,230,331
Total	$11,398,696	$4,211,892	$7,186,804

Credit Risk

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

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

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

All other investments are rated AAA, or equivalent, by at least one nationally recognized rating agency. Investments are made primarily in obligations of the US Government, its agencies or instrumentalities. The City's adopted Investment Policy restricts investment in banker's acceptances and mortgage-backed derivative securities.

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

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

NOTE 2 - DEPOSITS AND INVESTMENTS (Cont'd)

Money market mutual funds must be registered under the 1940 Act and must have assets of at least $100 million. The City's Policy does not require that SEC registered money market mutual funds be rated as to investment quality.

On January 9, 2009, the City was notified by the New Mexico State Treasurer's Office (STO) that the Reserve Primary Fund (the nation's oldest and widely considered one of the most conservative "AAA" rated funds), was downgraded from "AAA" to "D" caused by the market turmoil during that period and the bankruptcy filing of Lehman Brothers. The New Mexico Local Government Investment Pool (LGIP) investment in the Primary Fund was frozen by the Fund as the result of a drop of the net asset value below $1.00. The LGIP investment in this fund was then isolated and placed in the Reserve Contingency Fund (RCF), a Fund created by the Treasurer to hold these nonperforming assets until the Primary Fund's liquidation process could occur. At that time, the City of Rio Rancho had over $540,000 with the New Mexico LGIP that was impacted by this investment. During the liquidation process over the last few years, approximately $0.8777 (87 percent) of the total City holdings has been returned. According to the Trustee for the Primary Fund, it is not known at this time whether there will be any further distributions from the Primary Fund.

On June 30, 2012, the LGIP participants were notified by the State Treasurer's Office that based on the recommendation by their auditor, that approximately 83 percent of the remaining amount held in the Reserve Contingency Fund was being recognized as a loss and reduced as of June 30, 2012. For the City, this translates to $54,996 reduction in value, $26,789 of which is held by the General Fund. The City has consulted with the City auditor on the appropriate accounting treatment and disclosure of the reduced value of this investment. The changes in values are reflected in the June 30, 2012 investment holdings. The remaining $11,066 will be held in the RCF until the State Treasurer's Office finalizes its audit and recommends final action regarding the remaining funds.

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

As of June 30, 2012,

- commercial paper represented 0% of the total portfolio,
- certificates of deposit represented 6.96% of the total portfolio,
- municipal bonds represented 3.29% of the total portfolio,
- investment in the State Treasurer's local government investment pool represented 0.02% of the total portfolio,
- investment in a money market mutual fund operating as a bank sweep vehicle represented 0% of the total portfolio,
- collateralized holdings in depository demand accounts represented 77.35% of the portfolio, and
- the remainder of the portfolio (12.38%) was in US Government securities rated AAA.

NOTE 2 - DEPOSITS AND INVESTMENTS (Cont'd)

Concentration of Credit Risk

The City of Rio Rancho's adopted Investment Policy stresses diversification on all investments. With the exception of US Treasuries and cash on deposit at the City's depository bank, the City's Policy allows no more than 50% of the total portfolio to be invested in any single investment type, any single financial institution, or single maturity.

As of June 30, 2012,

- holdings in the State Treasurer's local government investment fund represented 0.02% of the total portfolio,
- holdings in insured/collateralized bank deposits at the Depository bank represented 77.35% of the total portfolio,
- holding in a money market mutual fund used as a bank sweep represented 0% of the total portfolio, and
- the remainder of the portfolio was in municipal bonds (3.29%) and agencies of the US Government (FHLMC 12.6%).

Interest Rate Risk

In order to limit interest and market rate risk from changes in interest rates, the City's adopted Investment Policy sets a maximum maturity on any investment of three (3) years with the exception of bond or trust funds which should be matched to the planned expenditures of the funds.

As of June 30, 2012, the portfolio contained two holdings with a stated maturity beyond one year. The portfolio contained one structured note which could have interest rate risk.

As of June 30, 2012, the portfolio contained:

- no investment matured beyond 24 months, and
- the dollar weighted average maturity of the total portfolio was 142 days.

Custodial Credit Risk

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

Portfolio disclosure as of June 30, 2012:

- the portfolio contained certificates of deposit
- the portfolio contained no repurchase agreements

NOTE 2 - DEPOSITS AND INVESTMENTS (Concl'd)

- all bank demand deposits were fully insured and collateralized. All pledged bank collateral for demand deposits was held by an independent institution outside the bank's holding company.

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

NOTE 3 – DEFERRED REVENUE/ACCOUNTS RECEVABLE

A. Deferred revenues

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental and Proprietary funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue reported in the governmental funds were as follows.

	Unavailable	Unearned
Governmental Funds:		
Delinquent property taxes receivable (General Fund)	$ 683,369	$
Customer deposits (General Fund)		166,321
Confiscations (General Fund)		48,988
Red-light program (General Fund)		54,098
Federal and state revenues (General Fund)		1,293
Impact fees (Non-major Funds)		49,115
Federal and state revenues (Non-major Funds)		394,422
Delinquent property taxes receivable (Non-major Funds)	296,725	
Total deferred revenue for governmental funds	$ 980,094	$ 714,237

B. Accounts Receivable

In October 2007, the City entered into a grant agreement with the U.S. Army Corps of Engineers to fund an arsenic removal facility. The estimated cost of this facility was $9 million, of which 75 percent or $6.75 million was to be funded with a grant from the U.S. Army Corps of Engineers. The City has been partially reimbursed for construction expenses; however, because Congress has not appropriated additional funds, the Army Corps of Engineers cannot yet fully reimburse the City for the entire grant amount. Therefore, the due from the federal government balance for the Utilities Fund is net an allowance for revenue that is not considered available.

NOTE 3 – DEFERRED REVENUE/ACCOUNTS RECEVABLE (Concl'd)

Beginning in fiscal year 2013, the City will accrue $200,000 per year to fund a $5.1 million allowance or until the revenue becomes available.

In addition, the accounts receivable balances for the General Fund and the Utilities Fund are net an allowance of approximately $417,000 and $1,103,000, respectively.

NOTE 4 – CAPITAL ASSETS

A summary of capital asset activity for the fiscal year ended June 30, 2012 follows.

Governmental Activities	Beginning Balance (As restated)	Increase	Decrease	Ending Balance
Capital assets, not being depreciated:				
Land	$61,618,023	$ 77,119		$61,695,142
Construction in progress	48,403,610	11,649,877	(16,705,314)	43,348,173
Total capital assets, not being depreciated	110,021,633	11,726,996	(16,705,314)	105,043,315
Capital assets, being depreciated:				
Infrastructure	249,165,666	14,728,560		263,894,226
Buildings and improvements	51,791,613	1,384,386		53,175,999
Land improvements	13,003,565	472,369		13,475,934
Vehicles, furniture and equipment	23,637,745	686,766	(87,046)	24,237,465
Total capital assets being depreciated	337,598,589	17,272,081	(87,046)	354,783,624
Less accumulated depreciation for:				
Infrastructure	(124,900,049)	(8,460,656)		(133,360,705)
Buildings and improvements	(5,771,199)	(1,037,450)		(6,808,649)
Land improvements	(3,838,106)	(548,905)		(4,387,011)
Vehicles, furniture and equipment	(15,748,097)	(1,648,739)	87,046	(17,309,790)
Total accumulated depreciation	(150,257,451)	(11,695,750)	87,046	(161,866,155)
Total capital assets, being depreciated, net	187,341,138	5,576,331		192,917,469
Governmental activities capital assets, net	$297,362,771	$17,303,327	$16,705,314	$297,960,784

NOTE 4 – CAPITAL ASSETS (Concl'd)

Business-Type Activities	Beginning Balance (As restated)	Increase	Decrease	Ending Balance
Capital assets, not being depreciated:				
Land	$28,354,925	$12,398,885		$40,753,810
Construction in progress	55,143,369	9,008,971	(9,908,635)	54,243,705
Total capital assets, notbeing depreciated	83,498,294	21,407,856	(9,908,635)	94,997,515
Capital assets, being depreciated:				
Building and Improvements	87,130,910	14,600		87,145,510
System infrastructure	131,098,708	12,211,717		143,310,425
Vehicles, furniture and equipment	38,004,099	325,637	(43,305)	38,286,431
Land Improvements	8,441,698	803,730		9,245,428
Total capital assets being depreciated	264,675,415	13,355,684	(43,305)	277,987,794
Less accumulated depreciation for:				
Building and Improvements	(11,346,223)	(1,742,774)		(13,088,997)
System infrastructure	(16,264,936)	(2,041,410)		(18,306,346)
Vehicles, furniture and equipment	(16,912,632)	(2,187,279)	20,010	(19,079,901)
Land Improvements	(1,041,609)	(325,265)		(1,366,874)
Total accumulated depreciation	(45,565,400)	(6,296,728)	20,010	(51,842,118)
Total capital assets, being depreciated, net	219,110,015	7,058,956	(23,295)	226,145,676
Business-type activities capital assets, net	$302,608,309	$28,466,812	$ 9,931,930	$321,143,191

Depreciation expense was charged to functions/programs as follows.

Governmental Activities:	
General government	$ 381,356
Public safety	1,346,728
Public works	8,799,738
Culture and recreation	1,139,081
Economic development	28,847
Total depreciation expense– governmental activities	$ 11,695,750
Business-Type Activities:	
Event center	$ 884,301
Water	3,064,227
Wastewater	2,348,200
Total depreciation expense– business-type activities	$ 6,296,728

Construction Commitments - As of June 30, 2012, the City was involved in several construction projects. The estimated cost to complete the construction projects is $115,454,057.

NOTE 5 – LONG-TERM LIABILITIES

A. General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the City. These bonds are generally issued as 10 to 15 year serial bonds with varying amounts of principal maturing each year. General Obligation bonds outstanding as reported in governmental activities at June 30, 2012 were as follows.

Governmental Activities General Obligation Bonds:	Outstanding June 30, 2012
$5,000,000 General Obligation, Series 2002, due in annual installments of $250,000 to $600,000 through 08/01/2014; interest at 3.6 percent to 5.0 percent	$ 450,000
$5,500,000 General Obligation, Series 2004, due in annual installments of $75,000 to 725,000 through 08/01/2016; interest at 3.15 percent to 4.0 percent	2,550,000
$7,000,000 General Obligation, Series 2006, due in annual installments of $300,000 to $1,150,000 through 08/01/2018; interest at 4.0 percent to 5.0 percent	4,550,000
$25,000,000 General Obligation, Series 2009, due in annual installments of $1,500,000 to $2,175,000 through 08/01/2021; interest at 2.5 percent to 4.0 percent	18,325,000
Total Governmental Activities General Obligation Bonds	$25,875,000

B. Gross Receipts Tax Revenue Bonds

Gross receipts tax revenue bonds are issued specifically for the acquisition and construction of major capital facilities. These bonds are secured by a pledge of gross receipts tax revenue. Gross receipts tax revenue bonds outstanding as reported in governmental activities at June 30, 2012 were as follows.

Governmental Activities Revenue Bonds:	Outstanding June 30, 2012
$18,130,000 Gross Receipts Tax Bonds, Series 2005, due in annual installments of $210,000 to $1,625,000, through 06/01/2025; interest at 3.0 percent to 5.0 percent	$16,075,000
Total Governmental Activities Revenue Bonds	$16,075,000

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

C. Water and Wastewater Revenue Bonds

Water and Wastewater revenue bonds are issued and authorized by the governing body to provide funds to acquire and construct certain improvements to the water and wastewater systems of the City and to pay the costs incurred in connection with the issuance of the bonds. These bonds are secured by a pledge of revenues of the systems, and do not constitute a general obligation of the City backed by the general taxing authority. Water and Wastewater system revenue bonds outstanding as reported in business-type activities at June 30, 2012 were as follows.

Business-Type Activities Revenue Bonds:	Outstanding June 30, 2012
$4,395,000 Water & Wastewater System Bonds, Series 2004, due in annual installments of $170,000 to $310,000 through 05/15/2024; interest at 2.375 percent to 4.5 percent	$ 3,000,000
$21,225,000 Water & Wastewater System Bonds, Series 2005, due in annual installments of $715,000 to $1,580,000 through 05/15/2025; interest at 3.25 percent to 5.0 percent	15,670,000
$32,930,000 Water & Wastewater System Bonds, Series 2007, due in annual installments of $310,000 to $3,235,000 through 05/15/2032; interest at 4.0 percent to 4.5 percent	31,260,000
$13,240,000 Water & Wastewater System Bonds, Series 2008, due in annual installments of $255,000 to $830,000 through 05/15/2034; interest at 3.0 percent to 4.5 percent	12,010,000
$57,990,000 Water & Wastewater System Refunding Bonds, Series 2009, due in annual installments of $3,790,000 to $5,710,000 through 05/15/2022; interest at 4.4 percent to 5.3 percent	46,775,000
Total Business-Type Activities Revenue Bonds	$108,715,000

D. Event Center Revenue Bonds

The Event Center revenue bonds are issued to provide for acquiring land for, and designing, purchasing, constructing, remodeling, rehabilitation, renovation, improving, equipping and furnishing, a municipal event center. These bonds are secured by a pledge of revenues from rentals, receipts, fees or other charges imposed from the event center. Event center revenue bonds outstanding as reported in business-type activities at June 30, 2012 were as follows.

Business-Type Activities Revenue Bonds:	Outstanding June 30, 2012
$35,750,000 Taxable Event Center Revenue Bonds, Series 2005, due in annual installments of $1,120,000 to $2,735,000 through 05/15/2027; interest at 4.20 percent to 5.15 percent	$29,655,000
Total Business-Type Activities Revenue Bonds	$29,655,000

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

E. Note Payable

The City has entered into intercept agreements with the State of New Mexico Finance Authority (NMFA) for the purchase of capital equipment and facilities. Notes payables outstanding as reported in governmental activities at June 30, 2012 were as follows.

Governmental Activities Revenue Bonds:	Outstanding June 30, 2012
$1,649,286 Note Payable, Fire Equipment, due in annual installments of $35,000 to $146,015 through 05/01/2022; interest at 3.32 percent to 3.91 percent	$1,235,849
$337,259 Note Payable, Fire Pumper & Equip, due in annual installments of $29,113 to $37,731 through 05/01/2020; interest at .98 percent to 3.22 percent	276,511
$5,217,100 Note Payable, HP Project, due in annual installments of $157,100 to $400,000 through 06/01/2028; interest at 4.0 percent to 5.2 percent	4,520,000
$4,669,000 Note Payable, HS Road Project, due in annual installments of $205,000 to $365,000 through 06/01/2028; interest at 1.6 percent to 5.3 percent	4,464,000
$269,990 Note Payable, Public Safety, due in annual installments of $53,069 to $55,333 through 05/01/2015; interest at 1.497 percent	163,610
$967,515 Note Payable, GRT Refunding, due in annual installments of $317,724 to $327,682 through 06/01/2015;interest at 1.65 percent	967,515
$3,942,260 Note Payable, Infrastructure Improvements, due in annual installments of $226,382 to $325,754 through 05/01/2025; interest at 3.46 percent	3,487,957
Total Notes Payable	$15,115,441

F. Loan Payable

A loan was issued by the New Mexico Environment Department under the Clean Water State Revolving Loan Fund, which is also known as the Wastewater Facility Construction Loan Program. The loan proceeds were used for wastewater treatment system upgrades to increase capacity, biological nutrient removal and other approved wastewater treatment improvements. Loan payables outstanding as reported in the business-type activities at June 30, 2012 were as follows.

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

Business-Type Activities Loan Payable:	Outstanding June 30, 2012
$10,486,627 Note Payable, Wastewater Facility Construction, due in annual installments of $426,456 to $684,336 through 12/02/2023; interest at 3.0 percent.	$ 6,521,861
$1,010,000 Note Payable, Water Project Fund Loan, due in annual installments of $45,856 to $55,428 through 05/15/2031; interest at 1.0 percent	964,131
$7,000,000 Note Payable, Water Rights, due in annual installments of $274,221 to $488,849 through 05/01/2030; interest at 4.028 percent	6,449,775
$25,000,000 Note Payable, Wastewater Treatment System Improvements, due in annual installments of $930,393 to $1,631,449 through 12/01/2031; interest 2.56 percent	4,081,221
$390,000 Note Payable, Water Reuse Project, due in annual installments of $19,041 to 19,966 through 06/01/2030; interest 0.250 percent	351,870
$9,335,000 Note Payable, Water Rights Acquisition, due in annual installments of $145,000 to $625,000 through 05/01/2031; interest 3.197 percent	9,190,000
Total Loans Payable	$ 27,558,858

G. Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2012 was as follows.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds payable:					
General obligation bonds	$29,575,000		$(3,700,000)	$25,875,000	$ 2,650,000
Revenue bonds	16,660,000		(585,000)	16,075,000	920,000
Less deferred amounts:					
For issuance discounts	(156,057)		14,187	(141,870)	
For issuance premium	1,386,325		(112,766)	1,273,559	
Total bonds payable	47,465,268		(4,383,579)	43,081,689	3,570,000
Notes payable	15,918,080		(802,639)	15,115,441	1,142,283
Compensated absences	5,097,121	3,452,742	(3,181,725)	5,368,138	211,684
Governmental activity Long-term liabilities	$68,480,469	$3,452,742	$(8,367,943)	$63,565,268	$4,923,967

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type Activities:					
Bonds payable:					
Revenue bonds	$145,205,000		$(6,835,000)	$138,370,000	$7,050,000
Less deferred amounts:					
For issuance discounts	(648,801)		40,807	(607,994)	
For issuance premium	4,695,949		(377,446)	4,318,504	
Total bonds payable	149,252,148		(7,171,639)	142,080,510	7,050,000
Notes payable	16,513,872	12,360,081	(1,315,095)	27,558,858	2,188,610
Compensated absences	74,681	96,620	(85,175)	86,127	86,127
Business-type activity Long-term liabilities	$165,840,701	$12,456,701	$(8,571,908)	$169,725,495	$9,324,737

H. Special Assessment Bonds

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

As trustee for improvement districts, the City is solely responsible for collection of assessments levied against the owners of property within the improvement districts and for disbursement of these amounts for retirement of the respective bonds issued to finance the improvements. The City is not obligated in any manner to pay the debt service payments on the Special Assessment Bonds with any general or other funds of the City. Special assessment bonds payable at June 30, 2012 were $13,484,721.

I. Statutory Debt Limitation

The Constitution of the State of New Mexico limits the amount of general purpose government obligation bonds that may be issued by a municipality to four percent of the taxable valuation of property located within the City. At June 30, 2012, based on the most recent assessed taxable valuation of $2,056,634,824 the City may issue an additional $59,737,932 of general purpose general obligation bonds. The debt limit is calculated using the total outstanding debt plus any cash reserves held for general obligation purposes.

J. Bond Covenants

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

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

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

K. Debt Service Requirements to Maturity

The following is a summary of debt service requirements to maturity, which includes interest, for all bonds and loans payable as of June 30, 2012.

	Governmental Activities						
Years ended June 30,	General Obligation Bonds		Revenue Bonds		Notes Payable		Total
	Principal	Interest	Principal	Interest	Principal	Interest	
2013	$2,650,000	$861,463	$920,000	$775,074	$1,142,282	$615,746	$6,964,565
2014	2,550,000	780,488	955,000	738,274	1,169,859	588,885	6,782,506
2015	2,925,000	693,081	1,005,000	690,524	1,199,987	564,108	7,077,700
2016	3,100,000	591,713	1,055,000	640,274	846,883	521,880	6,755,750
2017	3,275,000	481,000	1,110,000	587,524	873,172	490,355	6,817,051
2018-2022	11,375,000	997,124	6,385,000	2,089,148	4,844,987	1,888,157	27,579,416
2023-2027			4,645,000	441,531	4,334,271	794,975	10,215,777
2028					704,000	35,990	739,990
Total	$25,875,000	$4,404,869	$16,075,000	$5,962,349	$15,115,441	$5,550,096	$72,932,755

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

	Business-Type Activities				
Years ended June 30,	Revenue Bonds		Notes Payable		Total
	Principal	Interest	Principal	Interest	
2013	$7,050,000	$6,408,848	$2,188,610	$1,711,365	$17,358,823
2014	7,345,000	6,121,880	2,240,791	1,383,859	17,091,530
2015	7,680,000	5,820,430	2,290,247	1,331,902	17,122,579
2016	7,950,000	5,533,170	2,347,058	1,276,196	17,106,424
2017	8,305,000	5,166,664	1,548,101	1,216,771	16,236,536
2018-2022	47,900,000	19,482,077	7,340,857	2,381,620	77,104,554
2023-2027	32,210,000	9,014,364	5,551,748	1,342,831	48,118,943
2028-2032	18,305,000	2,927,225	4,051,446	371,213	25,654,884
2033-2034	1,625,000	110,475			1,735,475
Total	$138,370,000	$60,585,133	$27,558,858	$11,015,757	$237,529,748

L. Arbitrage on Tax Exempt Bonds

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

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

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

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

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

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

NOTE 6 – OPERATING LEASES

The City has entered into noncancelable operating leases for computers and office equipment. The operating lease expenditures for the year ended June 30, 2012 were $154,368. The minimum lease payments are as follows.

Year ending June 30:	
2013	$104,524
2014	98,454
2015	84,456
2016	52,051
2017	22,968
Total	$362,453

NOTE 7 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

At June 30, 2012, interfund balances were as follows.

Due to/from other funds:

At June 30, 2012, Governmental Funds had a $655,419 interfund payable with the General Fund, and an interfund payable of $3,985,605 for non-major funds. Additionally, $4,641,024 interfund payables for the non-major funds. These balances resulted from negative cash balances. All interfund balances are expected to be paid within one year.

NOTE 7 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (Concl'd)

Interfund transfers:

		General Fund	Non-Major Governmental Fund	Total
Transfer out	General Fund		$443,886	$443,886
	Non-Major Governmental	84,180	393,946	478,126
	Total	$84,180	$837,832	$922,012

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

NOTE 8 - CONTINGENT LIABILITIES

Federal and State grants and loans

The City has received a number of grants and loans from both the Federal and State governments. Although the programs have been audited, not all audits have been approved as of June 30, 2012. At this point, the City expects to receive all outstanding funds, however there is always the risk that cost will be disallowed or programs not appropriated.

Lawsuits

The City has reached a settlement agreement for litigation in the amount of $725,000 related to a lawsuit. This settlement agreement will occur in three-installments on the following schedule: 1) $375,000 on or before 12/31/11; 2) $200,000 on or before 12/31/12; and 3) $150,000 on or before 12/1/2013. An interest rate of 3% per annum from 12/31/11 will also accrue until paid. The first payment of $375,000 was paid per the agreed upon settlement schedule during December 2011.

The City is also a defendant in a number of other lawsuits as of June 30, 2012. It is the opinion of management and City council that the amount of losses resulting from these litigations at June 30, 2012, would not be material to the financial position of the City.

NOTE 9 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Individual Deficit Fund Balances - At June 30, 2012, the following individual major and non-major funds reported deficits in fund balance.

	Deficit
Non-Major Funds:	
Public Safety Grants	($1,227)
Infrastructure Fund	(370,824)
State Appropriation Capital Projects	(37,844)

The deficits arose because of operations during the year and prior years. Additional revenues received in fiscal year 2012-13 are expected to eliminate the deficits.

NOTE 10 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. In 1985, the City was unable to obtain general property, worker's compensation and liability insurance at a cost it considered to be economically justifiable. Therefore, the City joined the New Mexico Self-Insurers' Fund Risk Pool (Pool), together with other cities and towns in the State. The Pool is a public entity risk pool currently operating as a common risk management and insurance program for member cities and towns. The City paid an annual premium of $1,376,400 into the Pool for its general insurance coverage during the fiscal year. The agreement provides that the Pool will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of the annual aggregate per policy for general liability, property, and workers' compensation claims.

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

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

NOTE 10 - RISK MANAGEMENT (Concl'd)

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

Health and Dental Self-Insurance Fund:

	Beginning of Fiscal-Year Liability	Current-Year Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year-End
2010-11	$ -	$5,536,677	$(4,626,392)	$910,285
2011-12	910,285	$5,648,112	(5,726,808)	831,589

NOTE 11 - RETIREMENT PLAN

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

Funding Policy. Plan members are required to contribute 2.29% and 4.07% (ranges from 3.83% to 16.65% depending upon the plan - i.e., state general, state hazardous duty, state police and adult correctional officers, municipal general, municipal police, municipal fire, municipal detention officer) of their gross salary. The City is required to contribute between 6.86% and 21.25% (ranges from 7.0% to 25.72% depending upon the plan) of the gross covered salary. The contribution requirements of plan members and the City are established in State statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The City's contributions to PERA for the fiscal years ending June 30, 2012, 2011 and 2010 were $6,564,680, $5,688,026, and $5,834,625, respectively, which equal the amount of the required contributions for each fiscal year.

NOTE 12 – POST-EMPLOYMENT BENEFITS

Plan Description. The City contributes to the New Mexico Retiree Health Care Fund, a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the New Mexico Retiree Health Care Authority (RHCA). The RHCA provides health care insurance and prescription drug benefits to retired employees of participating New Mexico government

NOTE 12 – POST-EMPLOYMENT BENEFITS (Cont'd)

agencies, their spouses, dependents, and surviving spouses and dependents. The RHCA Board was established by the Retiree Health Care Act (Chapter 10, Article 7C, NMSA 1978). The Board is responsible for establishing and amending benefit provisions of the healthcare plan and is also authorized to designate optional and/or voluntary benefits like dental, vision, supplemental life insurance, and long-term care policies.

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

The RHCA issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for the postemployment healthcare plan. That report and further information can be obtained by writing to the Retiree Health Care Authority at 4308 Carlisle NE, Suite 104, Albuquerque, NM 87107.

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

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. During the fiscal year ended June 30, 2012, the statute required each participating employer to contribute 1.834% of each participating employee's annual salary; each participating employee was required to contribute .917% of their salary. In the fiscal year ending June 30, 2013 the contribution rates for employees and employers will rise as follows:

NOTE 12 – POST-EMPLOYMENT BENEFITS (Concl'd)

(1)
For employees who are not members of an enhanced retirement plan the contribution rates will be:

Fiscal Year	Employer Contribution Rate	Employee Contribution Rate
FY13	2.000%	1.000%

(2)
For employees who are members of an enhanced retirement plan (state police and adult correctional officer coverage plan 1; municipal police member coverage plans 3, 4 and 5; municipal fire member coverage plan 3, 4 and 5; municipal detention officer member coverage plan 1; and members pursuant to the Judicial Retirement Act [10-12B-1 NMSA 1978]), during the fiscal year ended June 30, 2012, the statute required each participating employer to contribute 2.292% of each participating employee's annual salary, and each participating employee was required to contribute 1.146% of their salary. In the fiscal year ending June 30, 2013 the contribution rates for both employees and employers will rise as follows:

Fiscal Year	Employer Contribution Rate	Employee Contribution Rate
FY13	2.500%	1.250%

Also, employers joining the program after January 1, 1998, are required to make a surplus amount contribution to the RHCA based on one of two formulas at agreed-upon intervals. The RHCA plan is financed on a pay-as-you-go basis. The employer, employee and retiree contributions are required to be remitted to the RHCA on a monthly basis. The statutory requirements for the contributions can be changed by the New Mexico State Legislature.

The City's contributions to the RHCA for the years ended June 30, 2012, 2011 and 2010 were $804,072, $327,286 and $345,389, respectively, which equal the required contributions for each year.

NOTE 13 – FUND BALANCE

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

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

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

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

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

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

A summary of the nature and purpose of balances with reserves by fund type at June 30, 2012 are as follows:

NOTE 13 – FUND BALANCE (Concl'd)

Fund Balance Category	General Fund	Non-major Governmental Funds	Total Governmental Funds
Nonspendable:			
Long term receivables			
Land held for resale			
Total nonspendable fund balances			
Restricted for:			
General Government	58,279	4,442,346	4,500,625
Public Safety		742,705	742,705
Public Works		10,114,356	10,114,356
Culture and recreation		1,398,074	1,398,074
Economic development		82,976	82,976
Debt service		3,706,164	3,706,164
Total restricted fund balances	58,279	20,486,621	20,544,900
Committed to:			
Capital Projects			
Culture and recreation		53,929	53,929
Public Safety		33,452	33,452
Debt service			
Total committed fund balances		87,381	87,381
Assigned to:			
Capital Projects			
General Government	2		2
Total assigned fund balances	2		2
Unassigned:	14,611,124	(409,895)	14,201,229
Total Fund Balances	$ 14,669,405	$ 20,164,107	$ 34,833,512

NOTE 14 – ACCOUNTING RESTATEMENT

The July 1, 2011, beginning net assets of the governmental activities on the government-wide financial statements and the Infrastructure Fund in the fund financials do not agree with the prior year financial statements due to an understatement of intergovernmental federal sources; balances were corrected in fiscal year 2012. As a result of the restatement, the June 30, 2012 fund balance in the Infrastructure Fund was increased by $1,474,116.

The July 1, 2011, beginning net assets of the business-type activities on the government-wide financial statements and the Utilities Fund and in the fund financials do not agree with the prior year financial statements due to a correction of an error for the additions of contributed water and wastewater infrastructure. The result of the restatement on net assets was $2,971,941 less accumulated depreciation of $26,121 for a net increase of $2,945,820 in beginning net assets.

NOTE 14 – ACCOUNTING RESTATEMENT (Concl'd)

The July 1, 2011, beginning net assets of the governmental activities on the government-wide financial statements do not agree with the prior year financial statements due to a correction of an error for the additions of contributed road and drainage infrastructure. The result of the restatement on net assets was $1,950,703 less accumulated depreciation of $55,774 for a net increase of $1,894,929 in beginning net assets.

Governmental Funds		Proprietary Funds	
	Infrastructure Fund		Utilities Fund
Fund balance, beginning of year, as previously stated	$(2,469,524)	Total net assets, beginning of year, as previously stated	$159,269,422
Restatement	1,474,116	Restatement	2,945,820
	$(995,408)		$162,215,242

Statement of Net Assets

	Governmental Activities		Business-type Activities
Net assets, beginning of year, as previously stated	$ 264,282,597	Net assets, beginning of year, as previously stated	$ 172,097,322
Restatement	3,369,045	Restatement	2,945,820
	$ 267,651,642		$ 175,043,142

NOTE 15 – SUBSEQUENT EVENTS

On October 1, 2012, the City installed the Arsenic Removal Facilities project, located at various well sites throughout the City, to the capital asset listing in the amount of $12.1 million.

On October 1, 2012, the City installed the Northern Boulevard widening project, from Broadmoor Boulevard to 35th Court, to the capital asset listing in the amount of $6.7 million.

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

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CITY OF RIO RANCHO, NEW MEXICO
COMBINING BALANCE SHEET - ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
JUNE 30, 2012

	Special Revenue	Debt Service	Capital Projects	Total Non-Major Governmental Funds
ASSETS				
Cash and investments	$ 7,174,227	$ 3,615,625	$ 5,125,778	$ 15,915,630
Property taxes receivable		346,371		346,371
Accounts receivable	27,752			27,752
Due from federal government	533,573		4,369,984	4,903,557
Due from state government	597,316	489,688	547,593	1,634,597
Due from county government	250,305			250,305
Due from other funds			3,985,605	3,985,605
Restricted investments	491,121			491,121
Total assets	$ 9,074,294	$ 4,451,684	$ 14,028,960	$ 27,554,938
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	$ 366,935	$	$ 1,127,465	$ 1,494,400
Accrued payroll	38,373			38,373
Accrued interest payable	27,977	448,795		476,772
Due to other funds	465,391		4,175,633	4,641,024
Deferred revenue	35,458	296,725	408,079	740,262
Total liabilities	934,134	745,520	5,711,177	7,390,831
Fund balances:				
Non-Spendable				
Restricted	8,054,006	3,706,164	8,726,451	20,486,621
Committed	87,381			87,381
Assigned				
Unassigned	(1,227)		(408,668)	(409,895)
Total fund balances	8,140,160	3,706,164	8,317,783	20,164,107
Total liabilities and fund balances	$ 9,074,294	$ 4,451,684	$ 14,028,960	$ 27,554,938

CITY OF RIO RANCHO, NEW MEXICO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
YEAR ENDED JUNE 30, 2012

	Special Revenue	Debt Service	Capital Projects	Total Non-Major Governmental Funds
Revenues:				
Property taxes	$	$ 3,480,946	$	$ 3,480,946
Municipal and state shared taxes	3,885,894	2,096,226		5,982,120
Intergovernmental federal	1,537,941		5,058,204	6,596,145
Intergovernmental state	1,269,840		298,270	1,568,110
Intergovernmental county	262,274			262,274
Impact fees			447,021	447,021
Charges for services	644,855			644,855
Fines and forfeits	80,872			80,872
Franchise fees	115,349			115,349
Contributions and donations	38,263			38,263
Investment income	6,863	861	2,437	10,161
Other revenues	769,891		69,344	839,235
Total revenues	8,612,042	5,578,033	5,875,276	20,065,351
Expenditures:				
Current -				
General government	2,157,204			2,157,204
Public safety	2,124,729		39,361	2,164,090
Public works	1,953,584		774,364	2,727,948
Culture and recreation	1,286,529		1,588	1,288,117
Economic development	350,709			350,709
Capital outlay	368,893		8,550,243	8,919,136
Debt service -				
Principal	412,639	4,675,000		5,087,639
Interest and fiscal charges	173,772	2,171,207		2,344,979
Total expenditures	8,828,059	6,846,207	9,365,556	25,039,822
Excess (deficiency) of revenues over expenditures	(216,017)	(1,268,174)	(3,490,280)	(4,974,471)
Other financing sources (uses):				
Transfers in	335,206	368,035	134,591	837,832
Transfers out	(30,463)		(447,663)	(478,126)
Total other financing sources (uses)	304,743	368,035	(313,072)	359,706
Change in fund balances	88,726	(900,139)	(3,803,352)	(4,614,765)
Fund balances, beginning of year	8,051,434	4,606,303	10,647,019	23,304,756
Restatement			1,474,116	1,474,116
Fund balances, beginning of year as restated	8,051,434	4,606,303	12,121,135	24,778,872
Fund balances, end of year	$ 8,140,160	$ 3,706,164	$ 8,317,783	$ 20,164,107

NON-MAJOR GOVERNMENTAL FUNDS

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NON-MAJOR GOVERNMENTAL FUND DESCRIPTIONS

SPECIAL REVENUE FUNDS:

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

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

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

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

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

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

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

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

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

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

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

NON-MAJOR GOVENMENTAL FUND DESCRIPTIONS

SPECIAL REVENUE FUNDS (Cont'd)

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

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

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

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

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

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

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

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

NON-MAJOR GOVERNMENTAL FUND DESCRIPTIONS

SPECIAL REVENUE FUNDS (Cont'd)

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

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

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

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

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

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

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

NON-MAJOR GOVERNMENTAL FUND DESCRIPTIONS

SPECIAL REVENUE FUNDS (Concl'd)

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

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

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

DEBT SERVICE FUNDS:

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

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

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

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

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

CAPITAL PROJECT FUNDS:

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

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

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

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

NON-MAJOR GOVERNMENTAL FUND DESCRIPTIONS

CAPITAL PROJECT FUNDS (Concl'd)

ARRA Stimulus Roads Fund – To account for revenues received from American Recovery and Reinvestment Act (ARRA) of 2009 agreement with the New Mexico Department of Transportation (NMDOT) to construct Paseo del Volcan Phase II from Iris to US Highway 550.

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

Bond Construction 2004 Library Fund – To account for proceeds received for construction of Loma Colorado site Library.

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

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

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

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 - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2012

	Donations Fund	Recreation Activities Fund	Recreation Fund	Keep Rio Rancho Beautiful Grant Fund
ASSETS				
Cash and investments	$ 37,950	$ 199,728	$ 48,052	$
Accounts receivable				
Due from federal government				
Due from state government				22,728
Due from county government				
Restricted investments				
Total assets	$ 37,950	$ 199,728	$ 48,052	$ 22,728
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	$ 364	$ 14,681	$	$
Accrued payroll		2,156		2,676
Accrued interest payable				
Due to other funds				19,978
Deferred revenue				
Total liabilities	364	16,837		22,654
Fund balances (deficits):				
Non-spendable				
Restricted		182,891	48,052	74
Committed	37,586			
Assigned				
Unassigned				
Total fund balances	37,586	182,891	48,052	74
Total liabilities and fund balances	$ 37,950	$ 199,728	$ 48,052	$ 22,728

Community Response Program Fund	Workers Compensation Fund	Senior Services Fund	Library Fund	Promotion and Marketing Fund	Rio Rancho Convention & Visitors Bureau Fund
$	$ 653,538	$ 25,752	$ 314,001	$ 57,181	$ 31,651
4,392					
		296			10,000
			250,305		
$ 4,392	$ 653,538	$ 26,048	$ 564,306	$ 57,181	$ 41,651
$ 752	$ 61,984	$ 650	$ 8,896	$ 5,281	$ 500
				2,189	7,886
3,640					
		296			
4,392	61,984	946	8,896	7,470	8,386
	591,554	25,102	555,410	49,711	33,265
	591,554	25,102	555,410	49,711	33,265
$ 4,392	$ 653,538	$ 26,048	$ 564,306	$ 57,181	$ 41,651

(Continued)

CITY OF RIO RANCHO, NEW MEXICO
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2012
(Continued)

	Rio Vision Cable Fund	Local Government Corrections Fund	Law Enforcement Fund	DPS Enforcement Aid Fund
ASSETS				
Cash and investments	$ 32,335	$ 63,183	$ 13,323	$ 15,101
Accounts receivable	27,752			
Due from federal government				
Due from state government				
Due from county government				
Restricted investments				
Total assets	$ 60,087	$ 63,183	$ 13,323	$ 15,101
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	$ 10,292	$ 37,252	$ 4,714	$ 275
Accrued payroll				
Accrued interest payable			429	
Due to other funds				
Deferred revenue				2,580
Total liabilities	10,292	37,252	5,143	2,855
Fund balances (deficits):				
Non-spendable				
Restricted		25,931	8,180	12,246
Committed	49,795			
Assigned				
Unassigned				
Total fund balances	49,795	25,931	8,180	12,246
Total liabilities and fund balances	$ 60,087	$ 63,183	$ 13,323	$ 15,101

Traffic Education and Enforcement Aid Fund	NM Gang Task Force Grant Fund	Fire Protection Fund	Emergency Medical Services Fund	DWI Program Fund	Summer Lunch Program Fund
$ 33,850	$	$ 42,092	$ 4,416	$ 228,374	$ 89,357
	130,904				
		152,121			
$ 33,850	$ 130,904	$ 194,213	$ 4,416	$ 228,374	$ 89,357
$	$ 5,377	$	$	$	$ 53,016
	3,166				3,721
		9,556			
	91,214				
					32,582
	99,757	9,556			89,319
33,850	31,147	184,657	4,416	228,374	38
33,850	31,147	184,657	4,416	228,374	38
$ 33,850	$ 130,904	$ 194,213	$ 4,416	$ 228,374	$ 89,357

(Continued)

CITY OF RIO RANCHO, NEW MEXICO
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2012
(Concluded)

	ARRA EECBG Fund	Public Safety Grants Fund	Environmental Gross Receipts Tax Fund	Higher Education Gross Receipts Tax Fund
ASSETS				
Cash and investments	$	$	$ 1,301,605	$ 3,489,551
Accounts receivable				
Due from federal government	17,295	203,833		
Due from state government		44,814	111,651	361,241
Due from county government				
Restricted investments			339,000	
Total assets	$ 17,295	$ 248,647	$ 1,752,256	$ 3,850,792
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	$ 14,000	$ 2,479	$ 16,434	$
Accrued payroll		13,372	1,388	
Accrued interest payable			17,992	
Due to other funds	3,295	234,023		
Deferred revenue				
Total liabilities	17,295	249,874	35,814	
Fund balances (deficits):				
Non-spendable				
Restricted			1,716,442	3,850,792
Committed				
Assigned				
Unassigned		(1,227)		
Total fund balances		(1,227)	1,716,442	3,850,792
Total liabilities and fund balances	$ 17,295	$ 248,647	$ 1,752,256	$ 3,850,792

Municipal Road Fund	Recreation Development Fund	HUD - CDBG Fund	Crime Victims Assistance Fund	Totals
$ 365,276	$ 127,911	$	$	$ 7,174,227
				27,752
		163,558	13,591	533,573
46,586				597,316
				250,305
				491,121
$ 411,862	$ 127,911	$ 163,558	$ 13,591	$ 9,074,294
$ 61,906	$ 5,993	$ 62,089	$	$ 366,935
			1,819	38,373
				27,977
		101,469	11,772	465,391
				35,458
61,906	5,993	163,558	13,591	934,134
349,956	121,918			8,054,006
				87,381
				(1,227)
349,956	121,918			8,140,160
$ 411,862	$ 127,911	$ 163,558	$ 13,591	$ 9,074,294

CITY OF RIO RANCHO, NEW MEXICO
COMBINING BALANCE SHEET - NON-MAJOR DEBT SERVICE FUNDS
JUNE 30, 2012

	General Obligation Bonds Fund	Gross Receipts Tax Revenue Bonds Series 2005 Fund	Gross Receipts Tax Refund Loan Fund	HP Loan Fund
ASSETS				
Cash and investments	$ 3,347,539	$ 185,441	$ 2,665	$ 61,338
Property taxes receivable	346,371			
Due from state government		285,454	60,570	67,962
Total assets	$ 3,693,910	$ 470,895	$ 63,235	$ 129,300
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accrued interest payable	$ 351,666	$ 61,581	$ 1,225	$ 17,721
Deferred revenue	296,725			
Total liabilities	648,391	61,581	1,225	17,721
Fund balances:				
Non-spendable				
Restricted	3,045,519	409,314	62,010	111,579
Committed				
Assigned				
Unassigned				
Total fund balances	3,045,519	409,314	62,010	111,579
Total liabilities and fund balances	$ 3,693,910	$ 470,895	$ 63,235	$ 129,300

HS Loan Fund	Totals
$ 18,642	$ 3,615,625
	346,371
75,702	489,688
$ 94,344	$ 4,451,684

$ 16,602	$ 448,795
	296,725
16,602	745,520

77,742	3,706,164

77,742	3,706,164

$ 94,344	$ 4,451,684

CITY OF RIO RANCHO, NEW MEXICO
COMBINING BALANCE SHEET - NON-MAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2012

	Capital Projects Fund	HP Infrastructure Fund	HS Infrastructure Fund	Infrastructure Fund
ASSETS				
Cash and investments	$ 19,573	$ 280,998	$ 118,918	$
Due from federal government				4,318,976
Due from state government				395,409
Due from other funds				51,008
Total assets	$ 19,573	$ 280,998	$ 118,918	$ 4,765,393
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	$	$	$ 38,548	$ 842,656
Due to other funds				3,934,597
Deferred revenue				358,964
Total liabilities			38,548	5,136,217
Fund balances (deficits):				
Non-spendable				
Restricted	19,573	280,998	80,370	
Committed				
Assigned				
Unassigned				(370,824)
Total fund balances	19,573	280,998	80,370	(370,824)
Total liabilities and fund balances	$ 19,573	$ 280,998	$ 118,918	$ 4,765,393

ARRA Stimulus Roads Fund	State Appropriation Capital Projects Fund	Bond Construction 2004 Library Fund	Bond Construction 2006 Aquatics Fund	Bond Construction 2009 Roads Fund	Road Impact Fees Fund
$	$	$	$ 6,569	$ 1,510,332	$ 1,476,394
51,008					
	152,184				
				3,934,597	
$ 51,008	$ 152,184	$	$ 6,569	$ 5,444,929	$ 1,476,394
$	$	$	$	$ 231,988	$
51,008	190,028				
51,008	190,028			231,988	
			6,569	5,212,941	1,476,394
	(37,844)				
	(37,844)		6,569	5,212,941	1,476,394
$ 51,008	$ 152,184	$	$ 6,569	$ 5,444,929	$ 1,476,394

(Continued)

CITY OF RIO RANCHO, NEW MEXICO
COMBINING BALANCE SHEET - NON-MAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2012
(Concluded)

	Trail Impact Fees Fund	Park Impact Fees Fund	Public Safety Impact Fees Fund	Drainage Impact Fees Fund
ASSETS				
Cash and investments	$ 163,574	$ 474,397	$ 213,904	$ 861,119
Due from federal government				
Due from state government				
Due from other funds				
Total assets	$ 163,574	$ 474,397	$ 213,904	$ 861,119
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	$	$ 9,808	$	$ 4,465
Due to other funds				
Deferred revenue				49,115
Total liabilities		9,808		53,580
Fund balances (deficits):				
Non-spendable				
Restricted	163,574	464,589	213,904	807,539
Committed				
Assigned				
Unassigned				
Total fund balances	163,574	464,589	213,904	807,539
Total liabilities and fund balances	$ 163,574	$ 474,397	$ 213,904	$ 861,119

Totals
$ 5,125,778
4,369,984
547,593
3,985,605
$ 14,028,960

$ 1,127,465
4,175,633
408,079
5,711,177

8,726,451

(408,668)
8,317,783

$ 14,028,960

CITY OF RIO RANCHO, NEW MEXICO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2012

	Donations Fund	Recreation Activities Fund	Recreation Fund
Revenues:			
Municipal and state shared taxes	$	$	$
Intergovernmental federal			
Intergovernmental state			
Intergovernmental county			
Charges for services	30,403	254,498	
Fines and forfeits	580		
Franchise fees			
Contributions and donations	14,358		
Investment income	24	97	39
Other revenues			
Total revenues	45,365	254,595	39
Expenditures:			
Current -			
General government			
Public safety	35,110		
Public works			
Culture and recreation	4,533	193,946	10,934
Economic development			
Capital outlay		27,642	
Debt service -			
Principal			
Interest and fiscal charges			
Total expenditures	39,643	221,588	10,934
Excess (deficiency) of revenues over expenditures	5,722	33,007	(10,895)
Other financing sources (uses):			
Transfers in			
Transfers out		(20,463)	
Total other financing sources (uses)		(20,463)	
Change in fund balances	5,722	12,544	(10,895)
Fund balances (deficits), beginning of year	31,864	170,347	58,947
Fund balances (deficits), end of year	$ 37,586	$ 182,891	$ 48,052

Keep Rio Rancho Beautiful Grant Fund	Community Response Program Fund	Workers Compensation Fund	Senior Services Fund	Library Fund	Promotion and Marketing Fund
$	$	$	$	$	$
	18,272				
65,691			7,828	140,094	
				250,305	
			16,797		103,766
			822		
		1,184	14	1,242	18
2,750		552,591			
68,441	18,272	553,775	25,461	391,641	103,784
		589,824			
	17,733				
63,502			18,001	489,322	
					176,791
63,502	17,733	589,824	18,001	489,322	176,791
4,939	539	(36,049)	7,460	(97,681)	(73,007)
					108,794
					108,794
4,939	539	(36,049)	7,460	(97,681)	35,787
(4,865)	(539)	627,603	17,642	653,091	13,924
$ 74	$	$ 591,554	$ 25,102	$ 555,410	$ 49,711

(Continued)

CITY OF RIO RANCHO, NEW MEXICO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2012
(Continued)

	Rio Rancho Convention & Visitors Bureau Fund	Rio Vision Cable Fund	Local Government Corrections Fund
Revenues:			
Municipal and state shared taxes	$ 331,775	$	$
Intergovernmental federal			
Intergovernmental state	10,000		
Intergovernmental county			
Charges for services		825	233,774
Fines and forfeits			
Franchise fees		115,349	
Contributions and donations			
Investment income	27	34	31
Other revenues	5,250		
Total revenues	347,052	116,208	233,805
Expenditures:			
Current -			
General government			
Public safety			306,794
Public works			
Culture and recreation		143,992	
Economic development	371,084		
Capital outlay		13,019	
Debt service -			
Principal			
Interest and fiscal charges			
Total expenditures	371,084	157,011	306,794
Excess (deficiency) of revenues over expenditures	(24,032)	(40,803)	(72,989)
Other financing sources (uses):			
Transfers in	31,219		90,200
Transfers out			
Total other financing sources (uses)	31,219		90,200
Change in fund balances	7,187	(40,803)	17,211
Fund balances (deficits), beginning of year	26,078	90,598	8,720
Fund balances (deficits), end of year	$ 33,265	$ 49,795	$ 25,931

Law Enforcement Fund	DPS Enforcement Aid Fund	Traffic Education and Enforcement Aid Fund	NM Gang Task Force Grant Fund	Fire Protection Fund	Emergency Medical Services Fund
$	$	$	$	$	$
	36,724		239,245		
99,600				571,128	19,923
		80,292			
			4,850		
25	23	32		188	5
	784		38,460	155,574	
99,625	37,531	80,324	282,555	726,890	19,928
43,043	30,404	53,126	271,492	367,505	4,893
		29,760		17,665	10,669
53,341				131,377	
2,995				59,384	
99,379	30,404	82,886	271,492	575,931	15,562
246	7,127	(2,562)	11,063	150,959	4,366
	10,000				
	(10,000)				
246	7,127	(2,562)	11,063	150,959	4,366
7,934	5,119	36,412	20,084	33,698	50
$ 8,180	$ 12,246	$ 33,850	$ 31,147	$ 184,657	$ 4,416

(Continued)

CITY OF RIO RANCHO, NEW MEXICO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2012
(Continued)

	DWI Program Fund	Summer Lunch Program Fund	ARRA EECBG Fund
Revenues:			
Municipal and state shared taxes	$ 228,250	$	$
Intergovernmental federal		114,797	54,380
Intergovernmental state			
Intergovernmental county			
Charges for services			
Fines and forfeits			
Franchise fees			
Contributions and donations			
Investment income	124	39	
Other revenues			
Total revenues	228,374	114,836	54,380
Expenditures:			
Current -			
General government			54,380
Public safety			
Public works			
Culture and recreation		114,798	
Economic development			
Capital outlay			
Debt service -			
Principal			
Interest and fiscal charges			
Total expenditures		114,798	54,380
Excess (deficiency) of revenues over expenditures	228,374	38	
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)			
Change in fund balances	228,374	38	
Fund balances (deficits), beginning of year			
Fund balances (deficits), end of year	$ 228,374	$ 38	$

Public Safety Grants Fund	Environmental Gross Receipts Tax Fund	Higher Education Gross Receipts Tax Fund	Municipal Road Fund	Recreation Development Fund	HUD - CDBG Fund
$	$ 664,221	$ 2,137,526	$ 524,122	$	$
622,250					408,582
355,576					
				11,969	
			4,792		
	18,233				
	777	2,259	657	24	
			13,202	1,280	
977,826	683,231	2,139,785	542,773	13,273	408,582
		1,513,000			
947,366					
	1,172,887		449,634		331,063
	39,696			10,639	
29,565	(65,911)		145,255	83,710	77,519
	227,921				
	111,393				
976,931	1,485,986	1,513,000	594,889	94,349	408,582
895	(802,755)	626,785	(52,116)	(81,076)	
	17,364			74,057	
	17,364			74,057	
895	(785,391)	626,785	(52,116)	(7,019)	
(2,122)	2,501,833	3,224,007	402,072	128,937	
$ (1,227)	$ 1,716,442	$ 3,850,792	$ 349,956	$ 121,918	$

(Continued)

CITY OF RIO RANCHO, NEW MEXICO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2012
(Concluded)

	Crime Victims Assistance Fund	Totals
Revenues:		
Municipal and state shared taxes	$	$ 3,885,894
Intergovernmental federal	43,691	1,537,941
Intergovernmental state		1,269,840
Intergovernmental county		262,274
Charges for services		644,855
Fines and forfeits		80,872
Franchise fees		115,349
Contributions and donations		38,263
Investment income		6,863
Other revenues		769,891
Total revenues	43,691	8,612,042
Expenditures:		
Current -		
General government		2,157,204
Public safety	47,263	2,124,729
Public works		1,953,584
Culture and recreation		1,089,363
Economic development		547,875
Capital outlay		368,893
Debt service -		
Principal		412,639
Interest and fiscal charges		173,772
Total expenditures	47,263	8,828,059
Excess (deficiency) of revenues over expenditures	(3,572)	(216,017)
Other financing sources (uses):		
Transfers in	3,572	335,206
Transfers out		(30,463)
Total other financing sources (uses)	3,572	304,743
Change in fund balances		88,726
Fund balances (deficits), beginning of year		8,051,434
Fund balances (deficits), end of year	$	$ 8,140,160

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CITY OF RIO RANCHO, NEW MEXICO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NON-MAJOR DEBT SERVICE FUNDS
YEAR ENDED JUNE 30, 2012

	General Obligation Bonds Fund	Gross Receipts Tax Revenue Bonds Series 2005 Fund	Gross Receipts Tax Refund Loan Fund
Revenues:			
Property taxes	$ 3,480,946	$	$
Municipal and state shared taxes		1,492,167	74,477
Investment income	459	187	3
Total revenues	3,481,405	1,492,354	74,480
Expenditures:			
Debt service -			
Principal	3,700,000	585,000	
Interest and fiscal charges	921,870	796,615	15,419
Total expenditures	4,621,870	1,381,615	15,419
Excess (deficiency) of revenues over expenditures	(1,140,465)	110,739	59,061
Other financing sources (uses):			
Transfers in	5,513		
Total other financing sources (uses)	5,513		
Change in fund balances	(1,134,952)	110,739	59,061
Fund balances, beginning of year	4,180,471	298,575	2,949
Fund balances, end of year	$ 3,045,519	$ 409,314	$ 62,010

HP Loan Fund	HS Loan Fund	Totals
$	$	$ 3,480,946
428,928	100,654	2,096,226
164	48	861
429,092	100,702	5,578,033
185,000	205,000	4,675,000
222,496	214,807	2,171,207
407,496	419,807	6,846,207
21,596	(319,105)	(1,268,174)
	362,522	368,035
	362,522	368,035
21,596	43,417	(900,139)
89,983	34,325	4,606,303
$ 111,579	$ 77,742	$ 3,706,164

CITY OF RIO RANCHO, NEW MEXICO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NON-MAJOR CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2012

	Capital Projects Fund	HP Infrastructure Fund	HS Infrastructure Fund
Revenues:			
Intergovernmental federal	$	$	$
Intergovernmental state			
Impact fees			
Investment income	6	46	59
Other revenues			
Total revenues	6	46	59
Expenditures:			
Current -			
Public safety			
Public works			
Culture and recreation			
Capital outlay	10,433		51,094
Total expenditures	10,433		51,094
Excess (deficiency) of revenues over expenditures	(10,427)	46	(51,035)
Other financing sources (uses):			
Transfers in			
Transfers out	(33,978)		(362,522)
Total other financing sources (uses)	(33,978)		(362,522)
Changes in fund balances	(44,405)	46	(413,557)
Fund balances (deficits), beginning of year	63,978	280,952	493,927
Restatement			
Fund balances (deficits), beginning of year as restated	63,978	280,952	493,927
Fund balances (deficits), end of year	$ 19,573	$ 280,998	$ 80,370

Infrastructure Fund	ARRA Stimulus Roads Fund	State Appropriation Capital Projects Fund	Bond Construction 2004 Library Fund	Bond Construction 2006 Aquatics Fund	Bond Construction 2009 Roads Fund
$ 5,058,204	$	$	$	$	$
36,445		261,825			
14					1,246
69,344					
5,164,007		261,825			1,246
18,983					733,222
		1,588			
4,520,440		265,871	5,501		1,293,481
4,539,423		267,459	5,501		2,026,703
624,584		(5,634)	(5,501)		(2,025,457)
		100,000			
			(5,513)		(34,591)
		100,000	(5,513)		(34,591)
624,584		94,366	(11,014)		(2,060,048)
(2,469,524)		(132,210)	11,014	6,569	7,272,989
1,474,116					
(995,408)		(132,210)	11,014	6,569	7,272,989
$ (370,824)	$	$ (37,844)	$	$ 6,569	$ 5,212,941

(Continued)

CITY OF RIO RANCHO, NEW MEXICO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NON-MAJOR CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2012
(Concluded)

	Road Impact Fees Fund	Trail Impact Fees Fund	Park Impact Fees Fund
Revenues:			
Intergovernmental federal	$	$	$
Intergovernmental state			
Impact fees	142,339	10,150	52,798
Investment income	666	27	116
Other revenues			
Total revenues	143,005	10,177	52,914
Expenditures:			
Current -			
Public safety			
Public works			
Culture and recreation			
Capital outlay	1,569,184		189,585
Total expenditures	1,569,184		189,585
Excess (deficiency) of revenues over expenditures	(1,426,179)	10,177	(136,671)
Other financing sources (uses):			
Transfers in			
Transfers out	(2,734)	(131)	(1,132)
Total other financing sources (uses)	(2,734)	(131)	(1,132)
Changes in fund balances	(1,428,913)	10,046	(137,803)
Fund balances (deficits), beginning of year	2,905,307	153,528	602,392
Restatement			
Fund balances (deficits), beginning of year as restated	2,905,307	153,528	602,392
Fund balances (deficits), end of year	$ 1,476,394	$ 163,574	$ 464,589

Public Safety Impact Fees Fund	Drainage Impact Fees Fund	Totals
$	$	$ 5,058,204
		298,270
170,294	71,440	447,021
93	164	2,437
		69,344
170,387	71,604	5,875,276
39,361		39,361
	22,159	774,364
		1,588
501,480	143,174	8,550,243
540,841	165,333	9,365,556
(370,454)	(93,729)	(3,490,280)
	34,591	134,591
(5,053)	(2,009)	(447,663)
(5,053)	32,582	(313,072)
(375,507)	(61,147)	(3,803,352)
589,411	868,686	10,647,019
		1,474,116
589,411	868,686	12,121,135
$ 213,904	$ 807,539	$ 8,317,783

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

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CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - DONATIONS FUND
YEAR ENDED JUNE 30, 2012

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Charges for services	$ 35,000	$ 35,000	$ 30,403	$ (4,597)
Fines and forfeits	800	800	580	(220)
Contributions and donations	5,600	7,300	14,358	7,058
Investment income			24	24
Total revenues	41,400	43,100	45,365	2,265
Expenditures:				
Current -				
Public safety	64,262	66,249	35,110	31,139
Culture and recreation	4,804	6,504	4,533	1,971
Total expenditures	69,066	72,753	39,643	33,110
Change in fund balances	(27,666)	(29,653)	5,722	35,375
Fund balances, July 1, 2011	29,945	33,918	31,864	(2,054)
Fund balances, June 30, 2012	$ 2,279	$ 4,265	$ 37,586	$ 33,321

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - RECREATION ACTIVITIES FUND
YEAR ENDED JUNE 30, 2012

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Charges for services	$ 361,997	$ 349,982	$ 254,498	$ (95,484)
Investment income			97	97
Total revenues	361,997	349,982	254,595	(95,387)
Expenditures:				
Current -				
Culture and recreation	380,505	407,814	193,946	213,868
Capital outlay		52,923	27,642	25,281
Total expenditures	380,505	460,737	221,588	239,149
Excess (deficiency) of revenues over expenditures	(18,508)	(110,755)	33,007	143,762
Other financing sources (uses):				
Transfers out	(20,463)	(20,463)	(20,463)	
Total other financing sources (uses)	(20,463)	(20,463)	(20,463)	
Change in fund balances	(38,971)	(131,218)	12,544	143,762
Fund balances, July 1, 2011	88,582	195,617	170,347	(25,270)
Fund balances, June 30, 2012	$ 49,611	$ 64,399	$ 182,891	$ 118,492

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - RECREATION FUND
YEAR ENDED JUNE 30, 2012

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Investment income	$	$	$ 39	$ 39
Total revenues			39	39
Expenditures:				
Current -				
Culture and recreation		10,944	10,934	10
Capital outlay	2	47,987		47,987
Total expenditures	2	58,931	10,934	47,997
Change in fund balances	(2)	(58,931)	(10,895)	48,036
Fund balances, July 1, 2011	2	58,931	58,947	16
Fund balances, June 30, 2012	$	$	$ 48,052	$ 48,052

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - KEEP RIO RANCHO BEAUTIFUL GRANT FUND
YEAR ENDED JUNE 30, 2012

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental state	$ 68,000	$ 99,434	$ 65,691	$ (33,743)
Other revenues		2,750	2,750	
Total revenues	68,000	102,184	68,441	(33,743)
Expenditures:				
Current -				
Culture and recreation	66,580	70,750	63,502	7,248
Total expenditures	66,580	70,750	63,502	7,248
Change in fund balances	1,420	31,434	4,939	(26,495)
Fund balances (deficits), July 1, 2011	(1,420)	(31,434)	(4,865)	26,569
Fund balances, June 30, 2012	$	$	$ 74	$ 74

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - COMMUNITY RESPONSE PROGRAM FUND
YEAR ENDED JUNE 30, 2012

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental federal	$	$ 38,811	$ 18,272	$ (20,539)
Total revenues		38,811	18,272	(20,539)
Expenditures:				
Current -				
Public safety		34,129	17,733	16,396
Total expenditures		34,129	17,733	16,396
Change in fund balances		4,682	539	(4,143)
Fund balances (deficits), July 1, 2011		(4,682)	(539)	4,143
Fund balances, June 30, 2012	$	$	$	$

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - WORKERS COMPENSATION FUND
YEAR ENDED JUNE 30, 2012

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Investment income	$	$	$ 1,184	$ 1,184
Other revenues	525,091	525,091	552,591	27,500
Total revenues	525,091	525,091	553,775	28,684
Expenditures:				
Current -				
General government	600,000	600,000	589,824	10,176
Total expenditures	600,000	600,000	589,824	10,176
Changes in fund balances	(74,909)	(74,909)	(36,049)	38,860
Fund balances (deficits), beginning of year	627,603	627,603	627,603	
Fund balances (deficits), end of year	$ 552,694	$ 552,694	$ 591,554	$ 38,860

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - SENIOR SERVICES FUND
YEAR ENDED JUNE 30, 2012

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental state	$	$ 12,426	$ 7,828	$ (4,598)
Charges for services	29,289	29,289	16,797	(12,492)
Contributions and donations	1,400	1,400	822	(578)
Investment income	25	25	14	(11)
Total revenues	30,714	43,140	25,461	(17,679)
Expenditures:				
Current -				
Culture and recreation	38,939	46,194	18,001	28,193
Total expenditures	38,939	46,194	18,001	28,193
Change in fund balances	(8,225)	(3,054)	7,460	10,514
Fund balances, July 1, 2011	25,241	20,070	17,642	(2,428)
Fund balances, June 30, 2012	$ 17,016	$ 17,016	$ 25,102	$ 8,086

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - LIBRARY FUND
YEAR ENDED JUNE 30, 2012

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental state	$ 700,334	$ 791,328	$ 140,094	$ (651,234)
Intergovernmental county		1,911,528	250,305	(1,661,223)
Investment income			1,242	1,242
Total revenues	700,334	2,702,856	391,641	(2,311,215)
Expenditures:				
Current -				
Culture and recreation	700,334	2,721,497	489,322	2,232,175
Capital outlay		400,000		400,000
Total expenditures	700,334	3,121,497	489,322	2,632,175
Change in fund balances		(418,641)	(97,681)	320,960
Fund balances, July 1, 2011	195,828	676,369	653,091	(23,278)
Fund balances, June 30, 2012	$ 195,828	$ 257,728	$ 555,410	$ 297,682

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - PROMOTION AND MARKETING FUND
YEAR ENDED JUNE 30, 2012

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Charges for services	$ 82,537	$ 215,087	$ 103,766	$ (111,321)
Investment income			18	18
Total revenues	82,537	215,087	103,784	(111,303)
Expenditures:				
Current -				
Economic development	155,245	363,564	176,791	186,773
Total expenditures	155,245	363,564	176,791	186,773
Excess (deficiency) of revenues over expenditures	(72,708)	(148,477)	(73,007)	75,470
Other financing sources (uses):				
Transfers in	60,290	108,794	108,794	
Total other financing sources (uses)	60,290	108,794	108,794	
Change in fund balances	(12,418)	(39,683)	35,787	75,470
Fund balances, July 1, 2011	12,418	39,768	13,924	(25,844)
Fund balances, June 30, 2012	$	$ 85	$ 49,711	$ 49,626

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - RIO RANCHO CONVENTION & VISITORS BUREAU FUND
YEAR ENDED JUNE 30, 2012

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Municipal and state shared taxes	$ 351,709	$ 351,709	$ 331,775	$ (19,934)
Intergovernmental state	2,500	12,500	10,000	(2,500)
Investment income	5	5	27	22
Other revenues			5,250	5,250
Total revenues	354,214	364,214	347,052	(17,162)
Expenditures:				
Current -				
Economic development	398,194	411,404	371,084	40,320
Total expenditures	398,194	411,404	371,084	40,320
Excess (deficiency) of revenues over expenditures	(43,980)	(47,190)	(24,032)	23,158
Other financing sources (uses):				
Transfers in	31,219	31,219	31,219	
Total other financing sources (uses)	31,219	31,219	31,219	
Change in fund balances	(12,761)	(15,971)	7,187	23,158
Fund balances, July 1, 2011	30,700	35,617	26,078	(9,539)
Fund balances, June 30, 2012	$ 17,939	$ 19,646	$ 33,265	$ 13,619

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - RIO VISION CABLE FUND
YEAR ENDED JUNE 30, 2012

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Charges for services	$	$	$ 825	$ 825
Franchise fees	129,729	121,349	115,349	(6,000)
Investment income			34	34
Total revenues	129,729	121,349	116,208	(5,141)
Expenditures:				
Current -				
Culture and recreation	155,001	159,815	143,992	15,823
Capital outlay		13,020	13,019	1
Total expenditures	155,001	172,835	157,011	15,824
Change in fund balances	(25,272)	(51,486)	(40,803)	10,683
Fund balances, July 1, 2011	50,047	60,941	90,598	29,657
Fund balances, June 30, 2012	$ 24,775	$ 9,455	$ 49,795	$ 40,340

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - LOCAL GOVERNMENT CORRECTIONS FUND
YEAR ENDED JUNE 30, 2012

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Charges for services	$ 186,000	$ 218,000	$ 233,774	$ 15,774
Investment income			31	31
Total revenues	186,000	218,000	233,805	15,805
Expenditures:				
Current -				
Public safety	258,530	311,769	306,794	4,975
Total expenditures	258,530	311,769	306,794	4,975
Excess (deficiency) of revenues over expenditures	(72,530)	(93,769)	(72,989)	20,780
Other financing sources (uses):				
Transfers in	90,200	90,200	90,200	
Total other financing sources (uses)	90,200	90,200	90,200	
Change in fund balances	17,670	(3,569)	17,211	20,780
Fund balances (deficits), July 1, 2011	(17,670)	29,959	8,720	(21,239)
Fund balances, June 30, 2012	$	$ 26,390	$ 25,931	$ (459)

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - LAW ENFORCEMENT FUND
YEAR ENDED JUNE 30, 2012

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental state	$ 99,600	$ 99,600	$ 99,600	$
Investment income			25	25
Total revenues	99,600	99,600	99,625	25
Expenditures:				
Current -				
Public safety	51,188	51,188	43,043	8,145
Debt service -				
Principal	53,341	53,341	53,341	
Interest and fiscal charges	3,500	3,500	2,995	505
Total expenditures	108,029	108,029	99,379	8,650
Changes in fund balances	(8,429)	(8,429)	246	8,675
Fund balances (deficits), beginning of year	8,439	8,439	7,934	(505)
Fund balances (deficits), end of year	$ 10	$ 10	$ 8,180	$ 8,170

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - DPS ENFORCEMENT AID FUND
YEAR ENDED JUNE 30, 2012

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental federal	$ 15,000	$ 15,000	$ 36,724	$ 21,724
Contributions and donations	1,000	1,000		(1,000)
Investment income			23	23
Other revenues	3,000	3,000	784	(2,216)
Total revenues	19,000	19,000	37,531	18,531
Expenditures:				
Current -				
Public safety	39,862	40,050	30,404	9,646
Total expenditures	39,862	40,050	30,404	9,646
Excess (deficiency) of revenues over expenditures	(20,862)	(21,050)	7,127	28,177
Other financing sources (uses):				
Transfers in		10,000	10,000	
Transfers out		(10,000)	(10,000)	
Total other financing sources (uses)				
Change in fund balances	(20,862)	(21,050)	7,127	28,177
Fund balances, July 1, 2011	30,299	31,278	5,119	(26,159)
Fund balances, June 30, 2012	$ 9,437	$ 10,228	$ 12,246	$ 2,018

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - TRAFFIC EDUCATION AND ENFORCEMENT AID FUND
YEAR ENDED JUNE 30, 2012

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Fines and forfeits	$ 62,000	$ 62,000	$ 80,292	$ 18,292
Investment income			32	32
Total revenues	62,000	62,000	80,324	18,324
Expenditures:				
Current -				
Public safety	95,339	65,400	53,126	12,274
Capital outlay		30,000	29,760	240
Total expenditures	95,339	95,400	82,886	12,514
Change in fund balances	(33,339)	(33,400)	(2,562)	30,838
Fund balances, July 1, 2011	33,562	37,222	36,412	(810)
Fund balances, June 30, 2012	$ 223	$ 3,822	$ 33,850	$ 30,028

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - NM GANG TASK FORCE GRANT FUND
YEAR ENDED JUNE 30, 2012

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental federal	$	$ 518,622	$ 239,245	$ (279,377)
Contributions and donations			4,850	4,850
Other revenues		52,000	38,460	(13,540)
Total revenues		570,622	282,555	(288,067)
Expenditures:				
Current -				
Public safety	18,522	415,976	271,492	144,484
Total expenditures	18,522	415,976	271,492	144,484
Change in fund balances	(18,522)	154,646	11,063	(143,583)
Fund balances (deficits), July 1, 2011	18,522	(145,872)	20,084	165,956
Fund balances, June 30, 2012	$	$ 8,774	$ 31,147	$ 22,373

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - FIRE PROTECTION FUND
YEAR ENDED JUNE 30, 2012

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental state	$ 571,122	$ 571,122	$ 571,128	$ 6
Investment income			188	188
Other revenues		3,453	155,574	152,121
Total revenues	571,122	574,575	726,890	152,315
Expenditures:				
Current -				
Public safety	368,525	432,635	367,505	65,130
Capital outlay	25,000	22,000	17,665	4,335
Debt service -				
Principal	131,377	131,377	131,377	
Interest and fiscal charges	60,573	60,573	59,384	1,189
Total expenditures	585,475	646,585	575,931	70,654
Change in fund balances	(14,353)	(72,010)	150,959	222,969
Fund balances, July 1, 2011	64,353	72,010	33,698	(38,312)
Fund balances, June 30, 2012	$ 50,000	$	$ 184,657	$ 184,657

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - EMERGENCY MEDICAL SERVICES FUND
YEAR ENDED JUNE 30, 2012

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental state	$ 19,882	$ 19,882	$ 19,923	$ 41
Investment income			5	5
Total revenues	19,882	19,882	19,928	46
Expenditures:				
Current -				
Public safety	19,932	9,510	4,893	4,617
Capital outlay		10,669	10,669	
Total expenditures	19,932	20,179	15,562	4,617
Change in fund balances	(50)	(297)	4,366	4,663
Fund balances, July 1, 2011	50	297	50	(247)
Fund balances, June 30, 2012	$	$	$ 4,416	$ 4,416

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - DWI PROGRAM FUND
YEAR ENDED JUNE 30, 2012

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Municipal and state shared taxes	$	$ 228,250	$ 228,250	$
Investment income			124	124
Total revenues		228,250	228,374	124
Expenditures:				
Capital outlay		228,250		228,250
Total expenditures		228,250		228,250
Change in fund balances			228,374	228,374
Fund balances, July 1, 2011				
Fund balances, June 30, 2012	$	$	$ 228,374	$ 228,374

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - SUMMER LUNCH PROGRAM FUND
YEAR ENDED JUNE 30, 2012

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental federal	$ 116,500	$ 126,500	$ 114,797	$ (11,703)
Investment income			39	39
Total revenues	116,500	126,500	114,836	(11,664)
Expenditures:				
Current -				
Culture and recreation	171,836	220,425	114,798	105,627
Total expenditures	171,836	220,425	114,798	105,627
Change in fund balances	(55,336)	(93,925)	38	93,963
Fund balances, July 1, 2011	55,336	93,925		(93,925)
Fund balances, June 30, 2012	$	$	$ 38	$ 38

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - ARRA EECBG FUND
YEAR ENDED JUNE 30, 2012

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental federal	$	$ 83,416	$ 54,380	$ (29,036)
Total revenues		83,416	54,380	(29,036)
Expenditures:				
Current -				
General government		83,415	54,380	29,035
Total expenditures		83,415	54,380	29,035
Change in fund balances		1		(1)
Fund balances (deficits), July 1, 2011		(1)		1
Fund balances, June 30, 2012	$	$	$	$

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - PUBLIC SAFETY GRANTS FUND
YEAR ENDED JUNE 30, 2012

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental federal	$ 449,999	$ 1,693,350	$ 622,250	$ (1,071,100)
Intergovernmental state	19,640	1,536,282	355,576	(1,180,706)
Total revenues	469,639	3,229,632	977,826	(2,251,806)
Expenditures:				
Current -				
Public safety	469,639	2,297,040	947,366	1,349,674
Capital outlay		33,151	29,565	3,586
Total expenditures	469,639	2,330,191	976,931	1,353,260
Change in fund balances		899,441	895	(898,546)
Fund balances (deficits), July 1, 2011	8	(899,433)	(2,122)	897,311
Fund balances (deficits), June 30, 2012	$ 8	$ 8	$ (1,227)	$ (1,235)

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - ENVIRONMENTAL GROSS RECEIPTS TAX FUND
YEAR ENDED JUNE 30, 2012

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Municipal and state shared taxes	$ 650,000	$ 650,000	$ 664,221	$ 14,221
Contributions and donations	18,232	18,232	18,233	1
Investment income			777	777
Total revenues	668,232	668,232	683,231	14,999
Expenditures:				
Current -				
Public works	136,095	1,205,143	1,172,887	32,256
Culture and recreation	39,574	39,581	39,696	(115)
Capital outlay	214,110	1,284,355	(65,911)	1,350,266
Debt service -				
Principal	227,921	227,921	227,921	
Interest and fiscal charges	129,768	129,768	111,393	18,375
Total expenditures	747,468	2,886,768	1,485,986	1,400,782
Excess (deficiency) of revenues over expenditures	(79,236)	(2,218,536)	(802,755)	1,415,781
Other financing sources (uses):				
Transfers in		17,364	17,364	
Total other financing sources (uses)		17,364	17,364	
Change in fund balances	(79,236)	(2,201,172)	(785,391)	1,415,781
Fund balances, July 1, 2011	123,449	2,250,378	2,501,833	251,455
Fund balances, June 30, 2012	$ 44,213	$ 49,206	$ 1,716,442	$ 1,667,236

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - HIGHER EDUCATION GROSS RECEIPTS TAX FUND
YEAR ENDED JUNE 30, 2012

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Municipal and state shared taxes	$ 2,078,723	$ 2,078,723	$ 2,137,526	$ 58,803
Investment income			2,259	2,259
Total revenues	2,078,723	2,078,723	2,139,785	61,062
Expenditures:				
Current -				
General government	4,078,723	4,078,723	1,513,000	2,565,723
Capital outlay		250,000		250,000
Total expenditures	4,078,723	4,328,723	1,513,000	2,815,723
Change in fund balances	(2,000,000)	(2,250,000)	626,785	2,876,785
Fund balances, July 1, 2011	2,844,262	2,844,262	3,224,007	379,745
Fund balances, June 30, 2012	$ 844,262	$ 594,262	$ 3,850,792	$ 3,256,530

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - MUNICIPAL ROAD FUND
YEAR ENDED JUNE 30, 2012

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Municipal and state shared taxes	$ 580,000	$ 530,000	$ 524,122	$ (5,878)
Charges for services	25,000	1,000	4,792	3,792
Investment income	50	50	657	607
Other revenues	30,000	10,000	13,202	3,202
Total revenues	635,050	541,050	542,773	1,723
Expenditures:				
Current -				
Public works	616,855	699,281	449,634	249,647
Capital outlay	70,000	239,025	145,255	93,770
Total expenditures	686,855	938,306	594,889	343,417
Change in fund balances	(51,805)	(397,256)	(52,116)	345,140
Fund balances, July 1, 2011	121,805	436,256	402,072	(34,184)
Fund balances, June 30, 2012	$ 70,000	$ 39,000	$ 349,956	$ 310,956

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - RECREATION DEVELOPMENT FUND
YEAR ENDED JUNE 30, 2012

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental county	$	$ 12,000	$ 11,969	$ (31)
Investment income			24	24
Other revenues	1,280	10,280	1,280	(9,000)
Total revenues	1,280	22,280	13,273	(9,007)
Expenditures:				
Current -				
Culture and recreation	1,280	19,642	10,639	9,003
Capital outlay	55,000	206,533	83,710	122,823
Total expenditures	56,280	226,175	94,349	131,826
Excess (deficiency) of revenues over expenditures	(55,000)	(203,895)	(81,076)	122,819
Other financing sources (uses):				
Transfers in	55,000	74,057	74,057	
Total other financing sources (uses)	55,000	74,057	74,057	
Change in fund balances		(129,838)	(7,019)	122,819
Fund balances, July 1, 2011	3,672	133,510	128,937	(4,573)
Fund balances, June 30, 2012	$ 3,672	$ 3,672	$ 121,918	$ 118,246

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - HUD - CDBG FUND
YEAR ENDED JUNE 30, 2012

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental federal	$ 301,475	$ 662,105	$ 408,582	$ (253,523)
Total revenues	301,475	662,105	408,582	(253,523)
Expenditures:				
Current -				
Public works	301,475	489,665	331,063	158,602
Capital outlay		64,108	77,519	(13,411)
Total expenditures	301,475	553,773	408,582	145,191
Change in fund balances		108,332		(108,332)
Fund balances (deficits), July 1, 2011		(108,332)		108,332
Fund balances, June 30, 2012	$	$	$	$

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - CRIME VICTIMS ASSISTANCE FUND
YEAR ENDED JUNE 30, 2012

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental federal	$ 34,400	$ 57,338	$ 43,691	$ (13,647)
Total revenues	34,400	57,338	43,691	(13,647)
Expenditures:				
Current -				
Public safety	42,011	57,322	47,263	10,059
Total expenditures	42,011	57,322	47,263	10,059
Excess (deficiency) of revenues over expenditures	(7,611)	16	(3,572)	(3,588)
Other financing sources (uses):				
Transfers in	7,611	7,611	3,572	(4,039)
Total other financing sources (uses)	7,611	7,611	3,572	(4,039)
Change in fund balances		7,627		(7,627)
Fund balances (deficits), July 1, 2011		(7,627)		7,627
Fund balances, June 30, 2012	$	$	$	$

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL OBLIGATION BONDS FUND
YEAR ENDED JUNE 30, 2012

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property taxes	$ 4,489,725	$ 3,383,164	$ 3,480,946	$ 97,782
Investment income			459	459
Other revenues		300		(300)
Total revenues	4,489,725	3,383,464	3,481,405	97,941
Expenditures:				
Debt service -				
Principal	3,700,000	3,700,000	3,700,000	
Interest and fiscal charges	1,315,205	1,315,205	921,870	393,335
Total expenditures	5,015,205	5,015,205	4,621,870	393,335
Excess (deficiency) of revenues over expenditures	(525,480)	(1,631,741)	(1,140,465)	491,276
Other financing sources (uses):				
Transfers in	5,513	5,513	5,513	
Total other financing sources (uses)	5,513	5,513	5,513	
Change in fund balances	(519,967)	(1,626,228)	(1,134,952)	491,276
Fund balances, July 1, 2011	4,519,094	4,519,094	4,180,471	(338,623)
Fund balances, June 30, 2012	$ 3,999,127	$ 2,892,866	$ 3,045,519	$ 152,653

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GROSS RECEIPTS TAX REVENUE BONDS SERIES 2005 FUND
YEAR ENDED JUNE 30, 2012

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Municipal and state shared taxes	$ 1,448,056	$ 1,448,056	$ 1,492,167	$ 44,111
Investment income			187	187
Total revenues	1,448,056	1,448,056	1,492,354	44,298
Expenditures:				
Debt service -				
Principal	585,000	585,000	585,000	
Interest and fiscal charges	863,056	863,056	796,615	66,441
Total expenditures	1,448,056	1,448,056	1,381,615	66,441
Changes in fund balances			110,739	110,739
Fund balances (deficits), beginning of year	120,672	120,672	298,575	177,903
Fund balances (deficits), end of year	$ 120,672	$ 120,672	$ 409,314	$ 288,642

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GROSS RECEIPTS TAX REFUND LOAN FUND
YEAR ENDED JUNE 30, 2012

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Municipal and state shared taxes	$ 16,687	$ 16,687	$ 74,477	$ 57,790
Investment income			3	3
Total revenues	16,687	16,687	74,480	57,793
Expenditures:				
Debt service -				
Interest and fiscal charges	16,687	16,687	15,419	1,268
Total expenditures	16,687	16,687	15,419	1,268
Changes in fund balances			59,061	59,061
Fund balances (deficits), beginning of year	1,393	1,393	2,949	1,556
Fund balances (deficits), end of year	$ 1,393	$ 1,393	$ 62,010	$ 60,617

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - HP LOAN FUND
YEAR ENDED JUNE 30, 2012

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Municipal and state shared taxes	$ 433,159	$ 433,159	$ 428,928	$ (4,231)
Investment income			164	164
Total revenues	433,159	433,159	429,092	(4,067)
Expenditures:				
Debt service -				
Principal	185,000	185,000	185,000	
Interest and fiscal charges	248,159	248,159	222,496	25,663
Total expenditures	433,159	433,159	407,496	25,663
Changes in fund balances			21,596	21,596
Fund balances (deficits), beginning of year	36,099	36,099	89,983	53,884
Fund balances (deficits), end of year	$ 36,099	$ 36,099	$ 111,579	$ 75,480

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - HS LOAN FUND
YEAR ENDED JUNE 30, 2012

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Municipal and state shared taxes	$ 24,952	$ 24,952	$ 100,654	$ 75,702
Investment income			48	48
Total revenues	24,952	24,952	100,702	75,750
Expenditures:				
Debt service -				
Principal	205,000	205,000	205,000	
Interest and fiscal charges	231,916	231,916	214,807	17,109
Total expenditures	436,916	436,916	419,807	17,109
Excess (deficiency) of revenues over expenditures	(411,964)	(411,964)	(319,105)	92,859
Other financing sources (uses):				
Transfers in	362,522	362,522	362,522	
Total other financing sources (uses)	362,522	362,522	362,522	
Changes in fund balances	(49,442)	(49,442)	43,417	92,859
Fund balances (deficits), beginning of year	51,432	51,432	34,325	(17,107)
Fund balances (deficits), end of year	$ 1,990	$ 1,990	$ 77,742	$ 75,752

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2012

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Investment income	$	$	$ 6	$ 6
Total revenues			6	6
Expenditures:				
Capital outlay		30,000	10,433	19,567
Total expenditures		30,000	10,433	19,567
Excess (deficiency) of revenues over expenditures		(30,000)	(10,427)	19,573
Other financing sources (uses):				
Transfers out	(33,978)	(33,978)	(33,978)	
Total other financing sources (uses)	(33,978)	(33,978)	(33,978)	
Change in fund balances	(33,978)	(63,978)	(44,405)	19,573
Fund balances, July 1, 2011	33,978	63,978	63,978	
Fund balances, June 30, 2012	$	$	$ 19,573	$ 19,573

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - HP INFRASTRUCTURE FUND
YEAR ENDED JUNE 30, 2012

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Investment income	$	$	$ 46	$ 46
Total revenues			46	46
Expenditures:				
Capital outlay		280,952		280,952
Total expenditures		280,952		280,952
Change in fund balances		(280,952)	46	280,998
Fund balances, July 1, 2011		280,952	280,952	
Fund balances, June 30, 2012	$	$	$ 280,998	$ 280,998

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - HS INFRASTRUCTURE FUND
YEAR ENDED JUNE 30, 2012

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Investment income	$	$	$ 59	$ 59
Total revenues			59	59
Expenditures:				
Capital outlay		148,170	51,094	97,076
Total expenditures		148,170	51,094	97,076
Excess (deficiency) of revenues over expenditures		(148,170)	(51,035)	97,135
Other financing sources (uses):				
Transfers out	(362,522)	(362,522)	(362,522)	
Total other financing sources (uses)	(362,522)	(362,522)	(362,522)	
Change in fund balances	(362,522)	(510,692)	(413,557)	97,135
Fund balances, July 1, 2011	362,522	510,692	493,927	(16,765)
Fund balances, June 30, 2012	$	$	$ 80,370	$ 80,370

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - INFRASTRUCTURE FUND
YEAR ENDED JUNE 30, 2012

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental federal	$	$ 15,354,866	$ 5,058,204	$ (10,296,662)
Intergovernmental state		1,397,220	36,445	(1,360,775)
Intergovernmental county		30,000		(30,000)
Investment income			14	14
Other revenues		68,920	69,344	424
Total revenues		16,851,006	5,164,007	(11,686,999)
Expenditures:				
Current -				
Public works		22,844	18,983	3,861
Capital outlay		10,876,195	4,520,440	6,355,755
Total expenditures		10,899,039	4,539,423	6,359,616
Change in fund balances		5,951,967	624,584	(5,327,383)
Fund balances (deficits), July 1, 2011	29,890	(5,922,077)	(995,408)	4,926,669
Fund balances (deficits), June 30, 2012	$ 29,890	$ 29,890	$ (370,824)	$ (400,714)

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - ARRA STIMULUS ROADS FUND
YEAR ENDED JUNE 30, 2012

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Change in fund balances	$	$ 129,945	$	$ (129,945)
Total revenues		129,945		(129,945)
Fund balances (deficits), July 1, 2011		(129,945)		129,945
Fund balances, June 30, 2012	$	$	$	$

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - STATE APPROPRIATION CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2012

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental state	$ (100,000)	$ 635,245	$ 261,825	$ (373,420)
Total revenues	(100,000)	635,245	261,825	(373,420)
Expenditures:				
Current -				
Culture and recreation	(90,504)	1,588	1,588	
Capital outlay	90,504	610,266	265,871	344,395
Total expenditures		611,854	267,459	344,395
Excess (deficiency) of revenues over expenditures	(100,000)	23,391	(5,634)	(29,025)
Other financing sources (uses):				
Transfers in	100,000	100,000	100,000	
Total other financing sources (uses)	100,000	100,000	100,000	
Change in fund balances		123,391	94,366	(29,025)
Fund balances (deficits), July 1, 2011		(123,391)	(132,210)	(8,819)
Fund balances (deficits), June 30, 2012	$	$	$ (37,844)	$ (37,844)

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - BOND CONSTRUCTION 2004 LIBRARY FUND
YEAR ENDED JUNE 30, 2012

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
	$	$	$	$
Total revenues				
Expenditures:				
Capital outlay		6,963	5,501	1,462
Total expenditures		6,963	5,501	1,462
Excess (deficiency) of revenues over expenditures		(6,963)	(5,501)	1,462
Other financing sources (uses):				
Transfers out	(5,513)	(5,513)	(5,513)	
Total other financing sources (uses)	(5,513)	(5,513)	(5,513)	
Changes in fund balances	(5,513)	(12,476)	(11,014)	1,462
Fund balances (deficits), beginning of year	5,513	12,476	11,014	(1,462)
Fund balances (deficits), end of year	$	$	$	$

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - BOND CONSTRUCTION 2004 AQUATICS FUND
YEAR ENDED JUNE 30, 2012

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
	$	$	$	$
Total revenues				
Expenditures:				
Current-				
Culture and recreation	72,480	65,912		65,912
Capital outlay		6,568		6,568
Total expenditures	72,480	72,480		72,480
Excess (deficiency) of revenues over expenditures	(72,480)	(72,480)		(72,480)
Fund balances (deficits), beginning of year	72,480	72,480	6,569	65,911
Fund balances (deficits), end of year	$	$	$ 6,569	$ (6,569)

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - BOND CONSTRUCTION 2009 ROADS FUND
YEAR ENDED JUNE 30, 2012

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Investment income	$	$	$ 1,246	$ 1,246
Total revenues			1,246	1,246
Expenditures:				
Current -				
Public works		733,222	733,222	
Capital outlay		6,922,138	1,293,481	5,628,657
Total expenditures		7,655,360	2,026,703	5,628,657
Excess (deficiency) of revenues over expenditures		(7,655,360)	(2,025,457)	5,629,903
Other financing sources (uses):				
Transfers out		(34,591)	(34,591)	
Total other financing sources (uses)		(34,591)	(34,591)	
Change in fund balances		(7,689,951)	(2,060,048)	5,629,903
Fund balances, July 1, 2011	2,439	7,692,390	7,272,989	(419,401)
Fund balances, June 30, 2012	$ 2,439	$ 2,439	$ 5,212,941	$ 5,210,502

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - ROAD IMPACT FEES FUND
YEAR ENDED JUNE 30, 2012

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Impact fees	$ 386,525	$ 91,126	$ 142,339	$ 51,213
Investment income	1,000	1,000	666	(334)
Total revenues	387,525	92,126	143,005	50,879
Expenditures:				
Capital outlay	422,917	3,041,758	1,569,184	1,472,574
Total expenditures	422,917	3,041,758	1,569,184	1,472,574
Excess (deficiency) of revenues over expenditures	(35,392)	(2,949,632)	(1,426,179)	1,523,453
Other financing sources (uses):				
Transfers out	(11,596)	(2,734)	(2,734)	
Total other financing sources (uses)	(11,596)	(2,734)	(2,734)	
Change in fund balances	(46,988)	(2,952,366)	(1,428,913)	1,523,453
Fund balances, July 1, 2011	531,845	3,153,176	2,905,307	(247,869)
Fund balances, June 30, 2012	$ 484,857	$ 200,810	$ 1,476,394	$ 1,275,584

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - TRAIL IMPACT FEES FUND
YEAR ENDED JUNE 30, 2012

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Impact fees	$ 6,099	$ 4,356	$ 10,150	$ 5,794
Investment income	10	30	27	(3)
Total revenues	6,109	4,386	10,177	5,791
Expenditures:				
Capital outlay	15,000	152,326		152,326
Total expenditures	15,000	152,326		152,326
Excess (deficiency) of revenues over expenditures	(8,891)	(147,940)	10,177	158,117
Other financing sources (uses):				
Transfers out	(193)	(131)	(131)	
Total other financing sources (uses)	(193)	(131)	(131)	
Change in fund balances	(9,084)	(148,071)	10,046	158,117
Fund balances, July 1, 2011	14,541	153,528	153,528	
Fund balances, June 30, 2012	$ 5,457	$ 5,457	$ 163,574	$ 158,117

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - PARK IMPACT FEES FUND
YEAR ENDED JUNE 30, 2012

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Impact fees	$ 81,770	$ 37,740	$ 52,798	$ 15,058
Investment income	50	125	116	(9)
Total revenues	81,820	37,865	52,914	15,049
Expenditures:				
Capital outlay	119,882	435,202	189,585	245,617
Total expenditures	119,882	435,202	189,585	245,617
Excess (deficiency) of revenues over expenditures	(38,062)	(397,337)	(136,671)	260,666
Other financing sources (uses):				
Transfers out	(2,453)	(1,132)	(1,132)	
Total other financing sources (uses)	(2,453)	(1,132)	(1,132)	
Change in fund balances	(40,515)	(398,469)	(137,803)	260,666
Fund balances, July 1, 2011	244,438	602,392	602,392	
Fund balances, June 30, 2012	$ 203,923	$ 203,923	$ 464,589	$ 260,666

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - PUBLIC SAFETY IMPACT FEES FUND
YEAR ENDED JUNE 30, 2012

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Impact fees	$ 168,420	$ 168,420	$ 170,294	$ 1,874
Investment income	50	100	93	(7)
Total revenues	168,470	168,520	170,387	1,867
Expenditures:				
Current -				
Public safety		39,361	39,361	
Capital outlay	316,565	650,752	501,480	149,272
Total expenditures	316,565	690,113	540,841	149,272
Excess (deficiency) of revenues over expenditures	(148,095)	(521,593)	(370,454)	151,139
Other financing sources (uses):				
Transfers out	(5,053)	(5,053)	(5,053)	
Total other financing sources (uses)	(5,053)	(5,053)	(5,053)	
Change in fund balances	(153,148)	(526,646)	(375,507)	151,139
Fund balances, July 1, 2011	220,080	593,628	589,411	(4,217)
Fund balances, June 30, 2012	$ 66,932	$ 66,982	$ 213,904	$ 146,922

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - DRAINAGE IMPACT FEES FUND
YEAR ENDED JUNE 30, 2012

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Impact fees	$ 72,556	$ 66,975	$ 71,440	$ 4,465
Investment income	200	200	164	(36)
Total revenues	72,756	67,175	71,604	4,429
Expenditures:				
Current -				
Public works		17,694	22,159	(4,465)
Capital outlay		775,019	143,174	631,845
Total expenditures		792,713	165,333	627,380
Excess (deficiency) of revenues over expenditures	72,756	(725,538)	(93,729)	631,809
Other financing sources (uses):				
Transfers in		34,591	34,591	
Transfers out	(2,177)	(2,009)	(2,009)	
Total other financing sources (uses)	(2,177)	32,582	32,582	
Change in fund balances	70,579	(692,956)	(61,147)	631,809
Fund balances, July 1, 2011	135,822	899,357	868,686	(30,671)
Fund balances, June 30, 2012	$ 206,401	$ 206,401	$ 807,539	$ 601,138

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET ASSETS - BUDGET AND ACTUAL
UTILITIES FUND
YEAR ENDED JUNE 30, 2012

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for services - water	$ 18,875,820	$ 19,968,020	$ 21,748,781	$ 1,780,761
Charges for services - wastewater	13,574,700	13,574,700	14,122,874	548,174
Interest on investments	27,775	28,100	37,064	8,964
Intergovernmental federal		6,684,827	(4,865,987)	(11,550,814)
Intergovernmental state		5,202,248	1,386,436	(3,815,812)
Impact fees	345,665	272,108	391,157	119,049
Loan Proceeds		34,413,590	10,469,564	(23,944,026)
Other revenues	90,000	497,500	272,951	(224,549)
Total revenues	32,913,960	80,641,093	43,562,840	(37,078,253)
Expenditures:				
Operations	19,954,681	21,230,497	24,472,945	(3,242,448)
Capital outlay	2,357,722	52,829,230	20,698,244	32,130,986
Debt service -				
Principal	6,412,356	6,557,356	6,509,382	47,974
Interest and fiscal charges	5,506,773	5,593,563	5,832,272	(238,709)
Total expenditures	34,231,532	86,210,646	57,512,843	28,697,803
Excess of revenues over (under) expenditures	$ (1,317,572)	$ (5,569,553)	(13,950,003)	$ (8,380,450)

Revenues (expenses) not budgeted:	
Amortization	63,554
Depreciation	(5,412,426)
Changes to conform to generally accepted accounting principles:	
Principal payment on bonds	6,509,382
Loan proceeds	(10,469,564)
Capital contributions	4,031,250
Capital outlay	20,698,244
Changes in Net Assets as reported in the Statement of Revenues, Expenses and Changes in Fund Net Assets	$ 1,470,437

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET ASSETS - BUDGET AND ACTUAL
MULTI-PURPOSE EVENT CENTER FUND
YEAR ENDED JUNE 30, 2012

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for services	$ 383,006	$ 383,006	$ 447,954	$ 64,948
Interest on investments	7,500	7,500	100	(7,400)
Intergovernmental	2,688,065	2,688,065	2,671,184	(16,881)
Total revenues	3,078,571	3,078,571	3,119,238	40,667
Expenditures:				
Operations	84,493	84,493	105,557	(21,064)
Capital outlay				
Debt service -				
Principal	1,325,000	1,325,000	1,325,000	
Interest and fiscal charges	1,669,078	1,669,078	1,545,877	123,201
Total expenditures	3,078,571	3,078,571	2,976,434	102,137
Excess of revenues over (under) expenditures	$	$	142,804	$ 142,804
Revenues (expenses) not budgeted:				
Amortization			(39,217)	
Depreciation			(884,301)	
Changes to conform to generally accepted accounting principles:				
Principal payment on bonds			1,325,000	
Capital contributions			45,580	
Changes in Net Assets as reported in the Statement of Revenues, Expenses and Changes in Fund Net Assets			$ 589,866	

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INTERNAL SERVICE FUND DESCRIPTIONS

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

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

CITY OF RIO RANCHO, NEW MEXICO
COMBINING STATEMENT OF NET ASSETS - ALL INTERNAL SERVICE FUNDS
JUNE 30, 2012

	Health Self Insurance Fund	Dental Self Insurance Fund	Totals
ASSETS			
Current assets:			
Cash and investments	$ 1,402,972	$ 102,729	$ 1,505,701
Total assets	1,402,972	102,729	1,505,701
LIABILITIES			
Current liabilities:			
Claims payable	$ 757,489	$ 74,100	$ 831,589
Total liabilities	757,489	74,100	831,589
NET ASSETS			
Unrestricted	645,483	28,629	674,112
Total net assets	$ 645,483	$ 28,629	$ 674,112

CITY OF RIO RANCHO, NEW MEXICO
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
ALL INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	Health Self Insurance Fund	Dental Self Insurance Fund	Totals
Operating revenues:			
Charges for services - other services	$ 5,194,049	$ 454,063	$ 5,648,112
Investment income	3,598	$ 69	3,667
Other revenue	60,373		60,373
Total operating revenues	5,258,020	454,132	5,712,152
Operating expenses:			
Other services	4,609,166	455,870	5,065,036
Total operating expenses	4,609,166	455,870	5,065,036
Operating income (loss)	648,854	(1,738)	647,116
Income before capital contributions and transfers	648,854	(1,738)	647,116
Change in net assets	648,854	(1,738)	647,116
Total net assets, beginning of year	(3,371)	30,367	26,996
Total net assets, end of year	$ 645,483	$ 28,629	$ 674,112

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET ASSETS - BUDGET AND ACTUAL
HEALTH SELF INSURANCE FUND
YEAR ENDED JUNE 30, 2012

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for services	$ 5,647,162	$ 5,647,162	$ 5,194,049	$ (453,113)
Investment income			3,598	3,598
Other revenue			60,373	60,373
Total revenues	5,647,162	5,647,162	5,258,020	(389,142)
Expenditures:				
Operations	5,477,748	5,477,748	4,609,166	868,582
Total expenditures	5,477,748	5,477,748	4,609,166	868,582
Excess of revenues over (under) expenditures	$ 169,414	$ 169,414	648,854	$ 479,440

Changes in Net Assets as reported in the Statement of Revenues, Expenses and Changes in Fund Net Assets	$ 648,854

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET ASSETS - BUDGET AND ACTUAL
DENTAL SELF INSURANCE FUND
YEAR ENDED JUNE 30, 2012

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for services	$ 494,280	$ 494,280	$ 454,063	$ (40,217)
Investment income			69	69
Total revenues	494,280	494,280	454,132	(40,148)
Expenditures:				
Operations	494,280	494,280	455,870	38,410
Total expenditures	494,280	494,280	455,870	38,410
Excess of revenues over (under) expenditures	$	$	(1,738)	$ (1,738)
Changes in Net Assets as reported in the Statement of Revenues, Expenses and Changes in Fund Net Assets			$ (1,738)	

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AGENCY FUND DESCRIPTIONS

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

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

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

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

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

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

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

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

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

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

CITY OF RIO RANCHO, NEW MEXICO
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
ALL AGENCY FUNDS
JUNE 30, 2012

	Rio Metro Fund	Special Assessment District Operations Fund	Special Assessment District VIII Bonds	Special Assessment District VI Bonds Fund	Special Assessment District VII Bonds Fund
ASSETS					
Cash and investments	$ (3,220)	$ 38,633	$ 270,475	$ 1,187,436	$ 1,522,792
Total assets	$ (3,220)	$ 38,633	$ 270,475	$ 1,187,436	$ 1,522,792
LIABILITIES					
Deposits held for others	(3,220)	38,633	270,475	1,187,436	1,522,792
Total liabilities	$ (3,220)	$ 38,633	$ 270,475	$ 1,187,436	$ 1,522,792

Special Assessment District V Bonds Fund	RR Economic Development Fund	Municipal Court Fund	Motor Vehicle Division Fund	Incentive Program (GRIP) Fund	Totals
$ 5,002	$ 946	$ 25,773	$ 3,708	$	$ 3,051,545
$ 5,002	$ 946	$ 25,773	$ 3,708	$	$ 3,051,545
5,002	946	25,773	3,708		3,051,545
$ 5,002	$ 946	$ 25,773	$ 3,708	$	$ 3,051,545

CITY OF RIO RANCHO, NEW MEXICO
COMBINING STATEMENT OF CHANGES IN FIUCIARY ASSETS AND LIABILITIES - ALL AGENCY FUNDS
YEAR ENDED JUNE 30, 2012

	Balance July 1, 2011	Additions	Deductions	Balance June 30, 2012
RIO METRO FUND				
Assets				
Cash and investments	$ 948	$ 117,762	$ 121,930	$ (3,220)
Total assets	$ 948	$ 117,762	$ 121,930	$ (3,220)
Liabilities				
Deposits held for others	$ 948	$ 117,762	$ 121,930	$ (3,220)
Total liabilities	$ 948	$ 117,762	$ 121,930	$ (3,220)
SPECIAL ASSESSMENT DISTRICT OPERATIONS FUND				
Assets				
Cash and investments	$ 42,658	$ 55,130	$ 59,155	$ 38,633
Total assets	$ 42,658	$ 55,130	$ 59,155	$ 38,633
Liabilities				
Deposits held for others	$ 42,658	$ 55,130	$ 59,155	$ 38,633
Total liabilities	$ 42,658	$ 55,130	$ 59,155	$ 38,633
SPECIAL ASSESSMENT DISTRICT VIII BONDS				
Assets				
Cash and investments	$ 127,191	$ 276,154	$ 132,870	$ 270,475
Total assets	$ 127,191	$ 276,154	$ 132,870	$ 270,475
Liabilities				
Deposits held for others	$ 127,191	$ 276,154	$ 132,870	$ 270,475
Total liabilities	$ 127,191	$ 276,154	$ 132,870	$ 270,475
SPECIAL ASSESSMENT DISTRICT VI BONDS				
Assets				
Cash and investments	$ 712,795	$ 750,890	$ 276,249	$ 1,187,436
Total assets	$ 712,795	$ 750,890	$ 276,249	$ 1,187,436
Liabilities				
Deposits held for others	$ 712,795	$ 750,890	$ 276,249	$ 1,187,436
Total liabilities	$ 712,795	$ 750,890	$ 276,249	$ 1,187,436

	Balance July 1, 2011	Additions	Deductions	Balance June 30, 2012
SPECIAL ASSESSMENT DISTRICT VII BONDS				
Assets				
Cash and investments	$ 1,159,970	$ 987,771	$ 624,949	$ 1,522,792
Total assets	$ 1,159,970	$ 987,771	$ 624,949	$ 1,522,792
Liabilities				
Deposits held for others	$ 1,159,970	$ 987,771	$ 624,949	$ 1,522,792
Total liabilities	$ 1,159,970	$ 987,771	$ 624,949	$ 1,522,792
SPECIAL ASSESSMENT DISTRICT V BONDS				
Assets				
Cash and investments	$ 2,345	$ 3,107	$ 450	$ 5,002
Total assets	$ 2,345	$ 3,107	$ 450	$ 5,002
Liabilities				
Deposits held for others	$ 2,345	$ 3,107	$ 450	$ 5,002
Total liabilities	$ 2,345	$ 3,107	$ 450	$ 5,002
RIO RANCHO ECONOMIC DEVELOPMENT FUND				
Assets				
Cash and investments	$ 728	$ 8,850	$ 8,632	$ 946
Total assets	$ 728	$ 8,850	$ 8,632	$ 946
Liabilities				
Deposits held for others	$ 728	$ 8,850	$ 8,632	$ 946
Total liabilities	$ 728	$ 8,850	$ 8,632	$ 946
MUNICIPAL COURT FUND				
Assets				
Cash and investments	$ 15,415	$ 166,322	$ 155,964	$ 25,773
Total assets	$ 15,415	$ 166,322	$ 155,964	$ 25,773
Liabilities				
Deposits held for others	$ 15,415	$ 166,322	$ 155,964	$ 25,773
Total liabilities	$ 15,415	$ 166,322	$ 155,964	$ 25,773

	Balance July 1, 2011	Additions	Deductions	Balance June 30, 2012
MOTOR VEHICLE DIVISION FUND				
Assets				
Cash and investments	$ 2,533	$ 1,717,340	$ 1,716,165	$ 3,708
Total assets	$ 2,533	$ 1,717,340	$ 1,716,165	$ 3,708
Liabilities				
Deposits held for others	$ 2,533	$ 1,717,340	$ 1,716,165	$ 3,708
Total liabilities	$ 2,533	$ 1,717,340	$ 1,716,165	$ 3,708
GROSS RECEIPTS INCENTIVE PROGRAM (GRIP) FUND				
Assets				
Cash and investments	$ -	$ 231,037	$ 231,037	$ -
Total assets	$ -	$ 231,037	$ 231,037	$ -
Liabilities				
Deposits held for others	$ -	$ 231,037	$ 231,037	$ -
Total liabilities	$ -	$ 231,037	$ 231,037	$ -
TOTAL AGENCY FUNDS				
Assets				
Cash and investments	$ 2,064,583	$ 4,314,362	$ 3,327,400	$ 3,051,545
Total assets	$ 2,064,583	$ 4,314,362	$ 3,327,400	$ 3,051,545
Liabilities				
Deposits held for others	$ 2,064,583	$ 4,314,363	$ 3,327,400	$ 3,051,545
Total liabilities				
Total liabilities	$ 2,064,583	$ 4,314,363	$ 3,327,400	$ 3,051,545

OTHER SUPPLEMENTAL INFORMATION REQUIRED BY THE NEW MEXICO STATE AUDITOR

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CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF DEPOSIT AND INVESTMENT ACCOUNTS
AND PLEDGED COLLATERAL
June 30, 2012

DEPOSIT ACCOUNTS:

Financial Institution: Account Name	Account Type	Balances: Reconciled	Balances: On Deposit
Wells Fargo			
Operating	Checking	$ 33,321,338	$ 34,365,480
Operating	Savings	3,006,899	3,006,899
Motor Vehicle	Checking	3,708	7,269
Municipal Court - Bond	Checking	25,773	28,238
Total Wells Fargo Deposit Accounts		36,357,718	37,407,886
Bank of New York Mellon			
Reserve (Loan# riorancho7)	Trust	$ 152,121	$ 152,796
Reserve (Loan# riorancho19)	Trust	339,000	340,504
Reserve (Loan# riorancho21)	Trust	511,486	513,756
Reserve (Loan# riorancho22)	Trust	653,528	654,202
		1,656,135	1,661,258
Total Deposit Accounts		$ 38,013,853	$ 39,069,144

INVESTMENT ACCOUNTS

Financial Institution: Account Name	Account Type	Cost	Market
State of New Mexico			
Local Government Investment Pool	Investment	$ 11,066	$ 11,066
Total State of New Mexico Investment Accounts		11,066	11,066
NM Bank & Trust			
Certificates of Deposit	Investment	$ 3,500,000	$ 3,500,000
Total State of New Mexico Investment Accounts		3,500,000	3,500,000
Wells Fargo Bank			
Federal Home Loan Mortgage Coupon (FHLMC)	Investment	6,220,000	6,230,331
University of New Mexico Valencia County Branch	Investment	700,000	700,826
University of New Mexico Valencia County Branch	Investment	945,000	956,472
Total Wells Fargo Bank Investment Accounts		7,865,000	7,887,629
Total Investment Accounts		$ 11,376,066	$ 11,398,695

PLEDGED COLLATERAL

Custodian	Security	CUSIP Number	Location	Maturity Date	Fair Market Value
Wells Fargo	FNMA-PT	3138A77E2	San Francisco, CA	04/01/41	47,138
Wells Fargo	FNMA-PT	31418AD96	San Francisco, CA	04/01/42	89,153
Wells Fargo	FNMA-PT	3138A2CF4	San Francisco, CA	12/01/25	1,259,656
Wells Fargo	FNMA-PT	3138A1AH4	San Francisco, CA	12/01/40	1,519,804
Wells Fargo	FNMA-PT	3138AVTE5	San Francisco, CA	11/01/26	4,438
Total Pledged Collateral					$ 2,920,189 *

*All funds in a "noninterest-bearing transaction account" are insured in full by FDIC Insurance Corporation from December 31, 2010, through December 31, 2012. Pledged Collateral in only for the Savings Account. (Refer to Note 2 of the Financial Statements)

Despository - Cash	Account Name	Account Type	Bank Balance **
Bank of New York - Mellon	RioRancho7	Money Market	152,796
Bank of New York - Mellon	RioRancho19	Money Market	340,504
Bank of New York - Mellon	RioRancho21	Money Market	513,756
Bank of New York - Mellon	RioRancho22	Money Market	654,202

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

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CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF JOINT POWERS AGREEMENTS (JPA)
FISCAL YEAR ENDED
JUNE 30. 2012

TYPE	*PARTICIPANTS*	*RESPONSIBLE PARTY*	*DESCRIPTION*	*BEGINNING/ENDING DATES OF AGREEMENT*	*TOTAL AMOUNT CITY SHARE*	*FY12 AMOUNT*	*AUDIT RESPONSIBILITY*	*FISCAL AGENT*	*GOVERNMENT AGENCY FOR REPORTED REVENUES AND EXPENDITURES ARE REPORTED*
JPA	CITY OF RIO RANCHO/ NEW MEXICO TAXATION & REVENUE DEPARTMENT	BOTH	APPOINTMENT AS AGENT FOR ISSUANCE OF TAX ID	08/01/1988 - INDEFINITE	0.00%	$ -	N/A	N/A	N/A
JPA	CITY OF RIO RANCHO/ NEW MEXICO ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT, STATE FORESTRY DIVISION (EMNRD)	BOTH	USE OF INMATE CREWS FOR NATURAL RESOURCE IMPROVEMENTS TO CITY PROPERTY	12/1/2003 - UNTIL TERMINATED BY EITHER PARTY	0.00%	$ -	N/A	N/A	N/A
JPA	CITY OF RIO RANCHO/ COUNTY OF SANDOVAL, VILLAGE OF CORRALES, TOWN OF BERNALILLO, AND PUEBLO OF SANTA ANA	SANDOVAL COUNTY REGIONAL EMERGENCY COMMUNICATIONS CENTER BOARD	OPERATING, ADMINISTERING, AND MAINTAINING A JOINT ENHANCED 911 REGIONAL COMMUNICATIONS CENTER	08/25/2008- INDEFINITE	50.89%	$1,044,854	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%	$1,376,400	NMSIF	NMSIF	NMSIF
JPA	CITY OF RIO RANCHO/ NEW MEXICO ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT, STATE FORESTRY DIVISION (EMNRD)	BOTH	SUPPRESSION OF WILDFIRES ON STATE AND NON-MUNICIPAL PRIVATE LANDS AND PROVIDE ASSISTANCE TO EQUIP LOCAL FIREFIGHTING FORCES TO SUPPRESS FIRES IN RURAL AREAS	03/25/1998- UNTIL TERMINATED BY EITHER PARTY	0.00%	$ -	N/A	N/A	N/A

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CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF MEMORANDUMS OF UNDERSTANDINGS (MOU)
FISCAL YEAR ENDED
JUNE 30. 2012

TYPE	*PARTICIPANTS*	*RESPONSIBLE PARTY*	*DESCRIPTION*	*BEGINNING/ENDING DATES OF AGREEMENT*	*TOTAL AMOUNT CITY SHARE*	*FY12 AMOUNT*	*AUDIT RESPONSIBILITY*	*FISCAL AGENT*	*GOVERNMENT AGENCY FOR REPORTED REVENUES AND EXPENDITURES ARE REPORTED*
MOU	CITY OF RIO RANCHO/ REGENTS OF THE UNIVERSITY OF NEW MEXICO (UNM)/SANDIA FOUNDATION/LOBO DEVELOPMENT CORPORATION	CITY	PROVIDE REVENUES COLLECTED FROM THE MUNICIPAL HIGHER EDUCATION FACILITIES GROSS RECEIPTS TAX	06/17/2009-06/17/2014	$ 7,565,000	$1,513,000	CITY	CITY	CITY
MOU	CITY OF RIO RANCHO/ UNIVERSITY OF NEW MEXICO (UNM)	BOTH	DESIGN, MAINTAIN, CONSTRUCT AND OWN A MARQUEE SIGN	03/12/2012-03/12/2013	$ 150,000	$ -	CITY	BOTH	CITY
MOU	CITY OF RIO RANCHO/ CENTRAL NEW MEXICO COMMUNITY COLLEGE (CNM)	BOTH	DESIGN, MAINTAIN, CONSTRUCT AND OWN A MARQUEE SIGN	03/12/2012-03/12/2013	$ 125,000	$ -	CITY	BOTH	CITY
MOU	CITY OF RIO RANCHO/ MID-REGION COUNCIL OF GOVERNMENTS	BOTH	PARTICIPATION IN THE MID-REGION COUNCIL OF GOVERNMENTS 2014 DIGITAL ORTHOPHOTOGRAPHY PROJECT	12/21/2011-12/21/2013	$ 15,000	$ 7,500	CITY	BOTH	BOTH
MOU	CITY OF RIO RANCHO/ NEW MEXICO INTERSTATE STREAM COMMISSION (NMISC)	NMISC	INTEGRATED MANAGEMENT PLAN OF THE BOSQUE OPEN SPACE AND PLANNING AND DESIGN FOR PROPOSED HABITAT RESTORATION	09/12/2011-06/30/2014	$ 456,872	$ -	NMISC	NMISC	NMISC
MOU	CITY OF RIO RANCHO/ TOWN OF BERNALILLO	BOTH	EMERGENCY INTERCONNECTION AND EMERGENCY WATER SERVICE BETWEEN TOWN'S WATER SYSTEM AND CITY'S WATER SYSTEM	06/27/2011-06/27/2016	CURRENT RATE PER 1,000 GAL OF WATER	$ -	TOWN	TOWN	TOWN

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OTHER SUPPLEMENTAL INFORMATION REQUIRED FOR CONTINUING DISCLOSURE FILING/SUBMISSION

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

Net Debt

2012 Assessed Valuation	$2,056,634,824
2012 Estimated Actual Valuation	$6,675,666,498
Bonded Debt	$25,875,000
NET DEBT	$25,875,000
Ratio of Estimated Net Debt to 2011 Assessed Valuation	1.26%
Ratio of Estimated Net Debt to 2011 Estimated Actual Valuation	0.39%
Per Capita Net Bonded Debt:	$295.64
Est. Population:	87,521

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

Outstanding Debt

Series	Original Amount Issued	Final Maturity	Principal Outstanding
2002	$5,000,000	8/1/2012	$450,000
2004	5,500,000	8/1/2016	2,550,000
2006	7,000,000	8/1/2018	4,550,000
2009	25,000,000	8/1/2021	18,325,000
	$42,500,000		$25,875,000

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

Debt Service Requirements

		Present Requirements	
Year	Principal	Interest	Total
2013	$2,650,000	$861,463	$3,511,463
2014	2,550,000	780,488	3,330,488
2015	2,925,000	693,081	3,618,081
2016	3,100,000	591,713	3,691,713
2017	3,275,000	481,000	3,756,000
2018	2,800,000	374,750	3,174,750
2019	2,750,000	279,875	3,029,875
2020	2,000,000	193,000	2,193,000
2021	2,000,000	113,000	2,113,000
2022	1,825,000	36,500	1,861,500
Total	$25,875,000	$4,404,870	$30,279,870

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

Direct & Overlapping Debt

	2012 Assessed Valuation	G/O Debt Outstanding	Percent Applicable	Amount
State of New Mexico	$52,846,098,498	$296,890,000	3.91%	$11,596,432
Sandoval County	3,222,126,760	19,160,000	64.06%	12,274,241
Central New Mexico Community College	16,446,237,946	66,935,000	12.55%	8,400,951
Southern Sandoval County				
Arroyo Flood Control Authority	2,511,738,593	25,875,000	82.18%	21,264,133
Rio Rancho Public Schools	2,151,232,455	129,580,000	95.95%	124,334,713
City of Rio Rancho	2,064,152,408	25,875,000	100.00%	25,875,000
			Total	$203,745,470

Ratio of Estimated Direct & Overlapping Debt to 2011 Assessed Valuation:	9.87%
Ratio of Estimated Direct & Overlapping Debt to 2011 Estimated Actual Valuation:	3.04%
Per Capita Direct & Overlaping Debt:	$2,327.96

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

Analysis of Assessed Valuation

	2012	2011	2010	2009	2008	2007
Assessments						
Value of Land	$630,359,028	$662,680,712	$756,404,245	$770,739,675	$754,457,807	$714,207,921
Improvements	1,504,360,329	1,500,443,478	1,554,832,138	1,529,748,532	1,408,122,406	1,223,244,526
Personal Property	24,671,737	23,121,215	27,122,150	28,429,905	25,091,693	26,790,880
Mobile Homes	703,712	737,737	736,505	676,706	619,595	650,377
Livestock	25,125	21,119	12,533	12,988	18,188	36,577
Assessors Taxable Value	$2,160,119,931	$2,187,004,261	$2,339,107,571	$2,329,607,806	$2,188,309,689	$1,964,930,281
Less Exemptions						
Head of Family	$27,229,679	$26,443,615	$25,661,321	$24,054,756	$23,129,106	$21,875,392
Veterans	45,161,477	42,745,989	40,930,214	36,998,964	33,230,535	30,763,829
Other	127,860,621	99,397,738	89,379,803	71,416,493	70,191,832	63,145,629
Total	$200,251,777	$168,587,342	$155,971,338	$132,470,213	$126,551,473	$115,784,850
Assessors Net Taxable Value	$1,959,868,154	$2,018,416,919	$2,183,136,233	$2,197,137,593	$2,061,758,216	$1,849,145,431
Centrally Assessed	49,689,872	45,705,489	43,231,184	32,931,716	41,374,810	36,345,349
Total Assessed Valuation	$2,009,558,026	$2,064,122,408	$2,226,367,417	$2,230,069,309	$2,103,133,026	$1,885,490,780
Residential	$1,548,183,201	$1,580,178,432	$1,640,657,521	$1,637,485,527	$1,502,047,415	$1,313,532,372
Non-Residential	461,349,700	483,973,976	585,709,896	592,583,782	601,085,611	571,958,408
	$2,009,532,901	$2,064,152,408	$2,226,367,417	$2,230,069,309	$2,103,133,026	$1,885,490,780

Source: Sandoval County Assessor's Office.

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

History of Assessed Valuation

Tax Year	City of Rio Rancho	Sandoval County
2003	856,756,132	1,506,824,794
2004	920,932,352	1,589,098,941
2005	1,045,767,950	1,798,051,781
2006	1,254,458,716	2,094,517,714
2007	1,885,490,780	2,935,400,557
2008	2,103,133,026	3,259,727,705
2009	2,230,069,309	3,432,805,105
2010	2,226,367,417	3,433,909,053
2011	2,049,032,995	3,196,038,224
2012	2,064,152,408	3,222,126,760

Source: Sandoval County Assessor's Office

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

Major Taxpayers

Taxpayer	Business	2012 Assessed Valuation	% of Total
Public Service Company of NM	Electric Utility	$29,731,803	1.44%
Presbyterian Health Care Services	Medical	14,277,209	0.69%
Gas Company of New Mexico	Gas Utility	7,622,859	0.37%
Wal-Mart Stores	Retail	5,121,699	0.25%
Sandia View LLC	Assisted Living	4,682,814	0.23%
Pulte Homes of New Mexico	Home Builders	4,603,359	0.22%
Broadstone High Resort LLC	Real Estate	4,623,141	0.22%
Lowe's Home Centers	Home Improvement	4,283,867	0.21%
Tri-State Generation & Transmission Assoc Inc	Communication Services	3,702,139	0.18%
Qwest Corporation	Telephone	3,672,092	0.18%
Rio Rancho Community Inc	Community Affairs	3,738,535	0.18%
Total		$86,059,517	4.17%

Source: Sandoval County Assessor's Office.

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

Tax Rates

Within 20 Mill Limit for General Purposes (Per $1,000 Assessed Valuation)						
	2012	2011	2010	2009	2008	1997
State of New Mexico	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000
Sandoval County	5.621	5.621	5.253	5.136	5.056	5.308
City of Rio Rancho	6.518	6.518	6.113	5.944	5.847	6.094
Rio Rancho Schools	0.230	0.230	0.216	0.210	0.207	0.216
Total	$12.369	$12.369	$11.582	$11.290	$11.110	$11.618
Over 20 Mill Limit - Interest, Principal, Judgement, etc.						
State of New Mexico	$1.362	$1.362	$1.530	$1.150	$1.250	$1.347
Sandoval County	1.038	1.038	0.699	0.673	0.312	0.241
City of Rio Rancho	1.645	1.645	2.060	2.067	2.060	1.000
Rio Rancho Schools	10.542	10.542	10.478	10.425	10.692	10.913
SSCAFCA Debt Service	0.873	0.844	0.870	0.870	0.870	0.870
SSCAFCA Operating	1.023	1.023	0.784	0.753	0.612	0.839
Contracting Hospitals	4.250	4.250	4.250	4.250	0.000	0.000
Central NM Community College	3.237	3.237	3.158	3.046	2.990	2.799
Total	$23.970	$23.941	$23.829	$23.234	$18.786	$18.009
TOTAL LEVY						
State of New Mexico	$1.362	$1.362	$1.530	$1.150	$1.250	$1.347
Sandoval County	6.659	6.659	5.952	5.809	5.368	5.549
City of Rio Rancho	8.163	8.163	8.173	8.011	7.907	7.094
Rio Rancho Schools	10.772	10.772	10.694	10.635	10.899	11.129
SSCAFCA	1.896	1.867	1.654	1.623	1.482	1.709
Contracting Hospitals	4.250	4.250	4.250	4.250		
Central NM Community College	3.237	3.237	3.158	3.046	2.990	2.799
Total Residential	***$36.339***	***$36.310***	***$35.411***	***$34.524***	***$29.896***	***$29.627***
Total Non-Residential	***$37.840***	***$35.633***	***$32.840***	***$31.176***	***$26.888***	***$33.139***

Source: New Mexico Department of Finance & Administration.

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

Tax Collections

Tax Year	Fiscal Year	Net Taxes Charged to Treasurer	Current Tax Collections [1]	Current Collections as a % of Net Levied	Current/Delinquent Tax Collections [2]	Current/Delinquent Collections as a % of Net Levied
2011	11/12	$112,891,085	$107,182,149	94.94%	$107,182,149	94.94%
2010	10/11	114,454,472	107,439,020	93.87%	111,694,029	97.59%
2009	09/10	111,961,675	104,094,225	92.97%	109,994,850	98.24%
2008	08/09	87,869,415	82,603,762	94.01%	87,340,056	99.40%
2007	07/08	74,506,949	70,795,219	95.02%	74,299,001	99.72%
2006	06/07	58,892,705	56,076,117	95.22%	58,792,289	99.83%
2005	05/06	50,688,630	48,414,225	95.51%	50,589,963	99.81%
2004	04/05	45,043,069	43,062,828	95.60%	44,986,343	99.87%
2003	03/04	41,166,636	39,142,022	95.08%	41,120,635	99.89%
2002	02/03	37,677,873	36,988,760	98.17%	37,642,848	99.91%
2001	01/02	35,606,931	35,310,165	99.17%	35,602,038	99.99%

(1) Current collections through June 30 of each year
(2) As of June 30. 2012

Source: Sandoval County Treasurer's Office

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

State Gross Receipts Tax Report

Fiscal Year Ended 6/30	State Gross Receipts Tax Rate	% Distributed to City	State Shared GRT Revenues (1)	% Increase or Decrease
2005	5.000%	1.2250%	$9,410,102	22.98%
2006	5.000%	1.2250%	11,393,057	21.07%
2007	5.000%	1.2250%	14,366,733	26.10%
2008	5.000%	1.2250%	11,614,873	-19.15%
2009	5.000%	1.2250%	9,309,051	-19.85%
2010	5.000%	1.2250%	12,404,196	33.25%
2011	5.125%	1.2250%	13,997,138	12.84%
2012	5.125%	1.2250%	13,635,853	-2.58%

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

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

	CALENDAR YEAR				
Customer Connections:	2007 (2)	2008	2009	2010	2011
Residential	29,328	29,569	30,609	30,804	30,145
Commercial	868	938	904	1,122	1,114
Industrial	11	11	11	11	11
City (1)	87	98	85	29	29
Total	30,294	30,616	31,609	31,966	31,299
Meter Water Sales (000s of Gallons)					
Residential	2,430,534	2,468,412	2,432,743	2,383,026	2,374,113
Commercial	925,022	857,744	774,565	966,920	1,014,150
Industrial	130,091	200,569	247,648	467,607	490,342
City	144,327	172,740	140,991	12,450	18,506
Total	3,629,974	3,699,465	3,595,947	3,830,003	3,897,111

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

(2) Calendar Year 2007 restated.

Source: City of Rio Rancho

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

	CALENDAR YEAR				
Customer Connections:	**2007**	**2008**	**2009**	**2010**	**2011**
Residential	25,249	25,429	26,025	24,643	24,116
Commercial	727	797	527	520	677
Industrial	-	-	-	-	-
City	28	34	25	23	23
Total	26,004	26,260	26,577	25,186	24,816
Total Wastewater Treated (000s of Gallons)	1,610,531	956,174,000	1,599,998	1,619,382	1,938,319

Source: City of Rio Rancho

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

	2007	2008	2009	2010	2011
Operating Revenue:					
Water Operations Revenues	13,003,211	15,723,722	13,493,479	17,780,191	17,878,063
Other Water Revenues	532,698	1,004,152	773,669	976,350	1,048,637
Wastewater Operations Revenues	10,971,517	11,795,309	12,481,078	13,034,461	13,633,495
Other Wastewater Revenues	95,096	148,625	147,754	107,376	126,964
Total Operating Revenues	24,602,522	28,671,808	26,895,980	31,898,378	32,687,159
Operating Expenses:					
Water: Production Costs	2,128,318	1,516,695	1,030,071	2,424,259	3,810,296
Transmission & Distribution	651,936	791,065	947,931	1,688,511	2,407,768
Wastewater: Treatment costs	1,768,874	1,710,875	1,968,609	1,890,370	3,012,072
Collection Costs	-	-	-		
Customer Service	929,742	900,961	1,210,309	1,287,700	1,209,076
Contractor General & Administrative	4,549,176	4,322,363	5,325,514	5,230,905	5,384,608
Utilities Department/General & Administrative	2,367,443	2,023,417	2,064,738	2,532,171	2,227,443
Uncollectible Accounts	-	-	-	-	-
Hookup Fees Due (Refund)	-	-	-	-	-
Total Operating Expenses	12,395,489	11,265,376	12,547,172	15,053,916	18,051,263
Net Operating Revenue	12,207,033	17,406,432	14,348,808	16,844,462	14,635,896
Non-operating Revenue(Expenses)					
Investment Income	2,753,301	2,551,532	1,155,263	70,687	34,672
Other Revenue	572,544	9,722,854	54,640	840,208	323,934
Interest Expense	5,087,604	7,283,143	6,097,757	6,012,630	5,548,035
Other Expense	174,310	56,709	199,746	208,076	-
Payment-in-lieu of taxes	557,183	524,960	564,125	546,926	616,229
Net Income (loss) before Depreciation & Amortization	9,713,781	21,816,006	8,697,083	10,987,725	8,830,238
Depreciation & Amortization	3,598,204	4,105,272	4,662,829	4,476,731	5,131,838
Net Income (Loss)	6,115,577	17,710,734	4,034,254	6,510,994	3,698,400
Add Back: Depreciation and Amortization	3,598,204	4,105,272	4,662,829	4,476,731	5,131,838
Interest Expense	5,087,604	7,283,143	6,097,757	6,012,630	5,548,035
Payment-In-Lieu-Of Taxes	557,183	524,960	564,125	546,926	616,229
Net Revenue Available for Debt Service	15,358,568	29,624,109	15,358,965	17,547,281	14,994,502
Annual Debt Service	8,415,576	10,493,253	10,892,377	10,610,881	10,587,027
Debt Service Coverage Ratio (Parity Bonds)	183%	282%	141%	165%	142%

Source: City of Rio Rancho

Note: Data is prepared on a calendar year basis. 2012 data not available.

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

FYE	Combined Parity	Subordinate Lien Debt		Combined Total	Total Debt
30-Jun	Debt Service	NMED Loan	NMFA Loans	Debt Service	Service Coverage
2011	$10,587,026	$704,866	$20,008	$11,311,900	1.33
2012	10,587,338	704,866	78,852	11,371,056	1.32
2013	10,584,558	704,866	78,854	11,368,278	1.32
2014	10,588,908	704,866	78,857	11,372,631	1.32
2015	10,624,158	704,866	78,858	11,407,882	1.31
2016	10,607,603	704,866	78,860	11,391,329	1.32
2017	10,595,847	704,866	78,862	11,379,575	1.32
2018	10,610,659	704,866	78,864	11,394,389	1.32
2019	10,588,441	704,866	78,866	11,372,173	1.32
2020	10,591,728	704,866	78,868	11,375,462	1.32
2021	10,612,508	704,866	78,871	11,396,245	1.32
2022	10,602,940	704,866	78,873	11,386,679	1.32
2023	6,229,287		78,874	6,308,161	2.38
2024	6,219,782		78,877	6,298,659	2.38
2025	4,248,732		78,878	4,327,610	3.46
2026	4,247,351		78,880	4,326,231	3.47
2027	4,247,613		78,881	4,326,494	3.47
2028	4,248,612		78,884	4,327,496	3.46
2029	4,246,512		78,886	4,325,398	3.47
2030	4,242,587		75,297	4,317,884	3.47
2031	4,246,612		75,298	4,321,910	3.47
2032	4,247,900			4,247,900	3.53
2033	868,125			868,125	17.27
2034	867,350			867,350	17.29

Source: City of Rio Rancho

STATISTICAL SECTION

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STATISTICAL SECTION

This part of the City of Rio Rancho's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

TABLE OF CONTENTS **Page**

FINANCIAL TRENDS 215

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

REVENUE CAPACITY 222

These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.

DEBT CAPACITY 227

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

DEMOGRAPHIC AND ECONOMIC INFORMATION 232

These schedules offer demographic and economic indicators to help the reader understand the environment within with the City's financial activities take place and to help make comparisons over time and with other governments.

OPERATING INFORMATION 236

These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented Statement 34 in fiscal year 2003; schedules presenting government-wide information include information beginning in that year.

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

Schedule 1

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental activities										
Invested in capital assets, net of related debt	$ 20,680,510	$ 27,306,972	$ 98,222,797	$ 159,084,358	$ 184,408,573	$ 197,267,351	$ 206,205,225	$ 233,285,141	$ 233,918,334	$ 245,203,138
Restricted	4,839,243	5,203,879	30,233,533	36,157,574	19,344,282	8,797,171	8,006,271	9,465,808	10,158,631	7,128,889
Unrestricted	12,483,992	15,762,666	(1,967,967)	653,855	18,443,967	22,168,709	17,829,165	15,843,998	20,205,632	18,389,010
Total governmental activities net assets	$ 38,003,745	$ 48,273,517	$ 126,488,363	$ 195,895,787	$ 222,196,822	$ 228,233,231	$ 232,040,661	$ 258,594,947	$ 264,282,597	$ 270,721,037
Business-type activities										
Invested in capital assets, net of related debt	$ (3,234,236)	$ 317,688	$ 18,092,619	$ 45,520,647	$ 57,733,951	$ 72,484,053	$ 108,895,574	$ 122,367,287	$ 137,363,850	$ 123,725,543
Restricted	2,675,000	2,985,858	3,615,705	8,378,213	11,581,655	11,284,077	8,813,942	9,111,523	9,623,009	10,276,537
Unrestricted	17,738,726	19,425,371	22,040,446	20,805,858	19,686,293	26,649,899	21,069,336	21,579,698	25,110,463	43,127,249
Total business-type activities net assets	$ 17,179,490	$ 22,728,917	$ 43,748,770	$ 74,704,718	$ 89,001,899	$ 110,418,029	$ 138,778,852	$ 153,058,508	$ 172,097,322	$ 177,129,329
Primary government										
Invested in capital assets, net of related debt	$ 17,446,274	$ 27,624,660	$ 116,315,416	$ 204,605,005	$ 242,142,524	$ 269,751,404	$ 315,100,799	$ 355,652,428	$ 371,282,184	$ 368,928,681
Restricted	7,514,243	8,189,737	33,849,238	44,535,787	30,925,937	20,081,248	16,820,213	18,577,331	19,781,640	17,405,426
Unrestricted	30,222,718	35,188,037	20,072,479	21,459,713	38,130,260	48,818,608	38,898,501	37,423,696	45,316,095	61,516,259
Total primary government net assets	$ 55,183,235	$ 71,002,434	$ 170,237,133	$ 270,600,505	$ 311,198,721	$ 338,651,260	$ 370,819,513	$ 411,653,455	$ 436,379,919	$ 447,850,366

Source: The City's Financial Records, Financial Services Department
Notes: The significant increase in net assets in fiscal year 2005 is due to the addition of infrastructure assets.

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

Schedule 2

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Expenses										
Governmental activities:										
General government	$ 6,115,635	$ 4,195,285	$ 4,274,259	$ 4,749,168	$ 9,446,698	$ 10,106,998	$ 8,726,702	$ 8,667,435	$ 13,287,694	$ 10,366,776
Public safety	12,485,446	14,207,384	15,528,740	18,308,571	22,755,627	30,453,273	28,644,454	36,265,064	35,822,606	29,556,691
Public works	8,159,140	4,309,312	9,488,494	12,893,315	15,388,104	18,078,174	16,119,562	14,926,671	25,118,971	17,987,939
Culture and recreation	5,525,730	5,810,516	6,216,143	7,383,200	8,877,320	9,478,686	10,277,960	9,497,987	9,882,400	9,600,763
Economic development	1,227,959	1,440,044	2,029,354	2,626,428	2,944,345	3,507,872	3,477,853	2,672,473	2,296,117	2,631,288
Interest on long-term debt	744,561	660,836	659,268	1,323,496	1,943,996	1,583,622	1,918,399	2,588,532	2,484,088	2,265,490
Total government activities expenses	34,258,471	30,623,377	38,196,258	47,284,178	61,356,090	73,208,625	69,164,930	74,618,162	88,891,876	72,408,947
Business-type activities:										
Water	8,925,793	8,690,738	9,752,369	11,898,363	10,763,072	12,326,747	11,894,252	11,261,251	11,384,029	17,761,031
Wastewater	6,852,884	6,828,437	7,062,060	7,562,599	8,739,795	11,406,457	12,831,006	16,041,994	17,624,272	17,867,174
Event Center	-	-	292	1,663,068	2,682,495	2,116,636	1,430,731	130,200	2,639,138	2,574,952
Total business-type activities expenses	15,778,677	15,519,175	16,814,721	21,124,030	22,185,362	25,849,840	26,155,989	27,433,445	31,647,439	38,203,157
Total primary government expenses	$ 50,037,148	$ 46,142,552	$ 55,010,979	$ 68,408,208	$ 83,541,452	$ 99,058,465	$ 95,320,919	$ 102,051,607	$ 120,539,315	$ 110,612,104
Program revenues										
Governmental activities:										
Charge for services										
General government	$ 553,585	$ 891,490	$ 1,127,678	$ 1,321,470	$ 1,234,218	$ 1,304,678	$ 1,324,081	$ 1,464,466	$ 2,291,335	$ 2,418,576
Public safety	1,925,482	2,933,717	3,965,278	4,934,508	4,408,392	4,388,583	4,630,047	5,024,002	5,440,125	5,737,263
Public works	544,453	746,455	1,163,229	1,426,493	1,163,828	1,097,003	1,014,410	1,282,527	1,421,236	1,346,006
Culture and recreation	875,709	1,272,197	1,632,863	1,998,717	1,661,845	1,610,322	1,756,449	1,689,523	1,801,170	1,801,534
Economic development	143,258	219,479	436,865	622,809	490,463	495,912	515,304	466,756	372,553	530,137
Operating grants and contributions	1,205,804	2,369,464	1,620,825	1,424,185	2,564,015	3,660,574	3,308,384	10,780,000	10,059,893	2,699,763
Capital grants and contributions	2,837,716	1,009,062	1,789,291	28,864,918	25,160,023	15,336,888	12,616,188	32,356,726	22,786,582	9,614,534
Total governmental activities program revenues	8,086,007	9,441,864	11,736,029	40,593,100	36,682,784	27,893,960	25,164,863	53,064,000	44,172,894	24,147,813
Business-type activities:										
Charge for services:										
Water	9,448,793	10,213,127	12,148,637	15,458,413	13,535,909	17,048,390	14,267,148	18,756,541	18,926,700	21,748,781
Wastewater	7,108,219	7,932,644	8,737,224	9,825,367	11,066,613	11,623,418	12,628,832	13,141,837	13,760,459	14,122,874
Event Center			14,600	159,074	1,161,574	864,634	1,249,508	581,776	463,616	447,954
Operating grants and contributions	-	-	-	-	150,000	1,650,000	-	-	-	-
Capital grants and contributions	146,378	352,127	4,617,957	18,313,509	7,130,740	13,320,728	9,952,147	8,316,845	12,546,387	988,436
Total business-type activities program revenues	16,703,390	18,497,898	25,518,418	43,756,363	33,044,836	44,507,170	38,097,635	40,796,999	45,697,162	37,308,045
Total primary government program revenues	$ 24,789,397	$ 27,939,762	$ 37,254,447	$ 84,349,463	$ 69,727,620	$ 72,401,130	$ 63,262,498	$ 93,860,999	$ 89,870,056	$ 61,455,858

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

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

Schedule 2
(Concl'd)

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Net (Expense)/Revenue										
Governmental activities	$ (26,172,464)	$ (21,181,513)	$ (26,460,229)	$ (6,691,078)	$ (24,673,306)	$ (45,314,665)	$ (44,000,067)	$ (21,554,162)	$ (44,718,982)	$ (48,261,134)
Business-type activities	924,713	2,978,723	8,703,697	22,632,333	10,859,474	18,657,330	11,941,646	13,363,554	14,049,723	(895,112)
Total primary government net assets	$ (25,247,751)	$ (18,202,790)	$ (17,756,532)	$ 15,941,255	$ (13,813,832)	$ (26,657,335)	$ (32,058,421)	$ (8,190,608)	$ (30,669,259)	$ (49,156,246)
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Taxes:										
Property taxes	$ 6,689,973	$ 6,804,458	$ 7,447,467	$ 8,394,598	$ 9,759,949	$ 12,857,673	$ 14,484,127	$ 15,969,391	$ 16,349,117	$ 15,650,672
Gross receipts taxes	9,786,994	9,920,581	13,120,239	19,526,233	18,858,973	18,148,103	15,720,986	15,434,222	17,201,811	19,132,261
Franchise taxes	2,108,304	2,232,546	2,301,133	2,692,885	2,800,615	2,898,700	2,988,269	2,995,701	3,219,655	3,552,461
Unrestricted grants, aid and state shared revenues	8,876,352	9,848,581	11,218,874	13,034,242	15,969,522	14,268,918	13,425,817	12,772,147	13,534,932	12,691,071
Investment income	261,638	241,122	485,905	2,004,373	2,881,181	1,167,530	284,896	53,817	23,408	(2,913)
Miscellaneous	105,043	73,290	70,498	15,590	704,101	2,010,150	903,402	764,358	77,709	306,977
Impact fees **(A)**	1,377,679	2,330,707	3,527,405	-	-	-	-	-	-	-
Total governmental activities	29,205,983	31,451,285	38,171,521	45,667,921	50,974,341	51,351,074	47,807,497	47,989,636	50,406,632	51,330,529
Business-type activities										
Unrestricted grants, aid and state shared revenues	-	-	-	-	-	-	-	-	4,972,974	2,671,184
Investment income	293,196	301,144	418,277	2,611,880	3,437,707	2,711,197	1,191,571	75,894	42,183	37,164
Miscellaneous	-	-	-	-	-	47,603	531,454	840,208	323,934	272,951
Impact fees **(A)**	1,165,174	2,269,560	3,629,855	-	-	-	-	-	-	-
Total business-type activities	1,458,370	2,570,704	4,048,132	2,611,880	3,437,707	2,758,800	1,723,025	916,102	5,339,091	2,981,299
Total primary government	$ 30,664,353	$ 34,021,989	$ 42,219,653	$ 48,279,801	$ 54,412,048	$ 54,109,874	$ 49,530,522	$ 48,905,738	$ 55,745,723	$ 54,311,828
Change in Net Assets										
Governmental activities	$ 3,033,519	$ 10,269,772	$ 11,711,292	$ 38,976,843	$ 26,301,035	$ 6,036,409	$ 3,807,430	$ 26,435,474	$ 5,687,650	$ 3,069,395
Business-type activities	2,383,083	5,549,427	12,751,829	25,244,213	14,297,181	21,416,130	13,664,671	14,279,656	19,388,814	2,086,187
Total primary government	$ 5,416,602	$ 15,819,199	$ 24,463,121	$ 64,221,056	$ 40,598,216	$ 27,452,539	$ 17,472,101	$ 40,715,130	$ 25,076,464	$ 5,155,582

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

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

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

Schedule 3

	2003	2004	2005	2006	2007	2008	2009	2010	2011 (A)	2012
General fund										
Nonspendable										
Restricted									282,630	58,279
Committed										
Assigned									18,424	2
Unassigned									13,013,702	14,611,124
Unreserved	9,499,506	11,670,614	15,456,118	20,969,824	19,180,448	13,787,854	9,600,869	10,925,800		
Total general fund	$ 9,499,506	$ 11,670,614	$ 15,456,118	$ 20,969,824	$ 19,180,448	$ 13,787,854	$ 9,600,869	$ 10,925,800	$ 13,314,756	$ 14,669,405
All other Governmental Funds										
General fund										
Nonspendable										
Restricted									25,791,554	20,486,621
Committed									122,462	87,381
Assigned										
Unassigned										(409,895)
Unreserved, reported in:									(2,609,260)	
Special revenue funds	2,116,294	3,705,958	4,167,797	5,649,848	6,602,598	5,754,154	7,222,212	9,592,523		
Capital project funds	3,984,257	5,718,637	32,834,006	39,254,295	24,834,816	11,381,019	39,219,423	20,129,681		
Debt service funds	2,268,155	1,399,764	1,441,050	1,885,213	1,609,098	3,848,464	4,276,390	4,191,966		
Total all other governmental funds	$ 8,368,706	$ 10,824,359	$ 38,442,853	$ 46,789,356	$ 33,046,512	$ 20,983,637	$ 50,718,025	$ 33,914,170	$ 23,304,756	$ 20,164,107

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

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

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

Schedule 4

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues:										
Taxes	$ 24,742,640	$ 26,582,465	$ 31,794,472	$ 40,938,066	$ 44,497,571	$ 44,647,539	$ 43,369,647	$ 44,037,406	$ 46,975,454	$ 47,720,554
Licenses and permits	311,528	365,929	388,605	379,136	375,559	362,924	309,310	335,490	595,520	470,789
Intergovernmental	4,013,780	3,336,576	3,102,857	6,843,550	14,967,100	7,160,889	8,302,542	23,581,048	22,738,572	8,524,385
Impact fees	1,377,679	2,330,707	3,527,405	3,656,952	3,346,000	1,969,502	1,312,729	2,251,932	1,262,121	447,021
Charges for services	2,552,937	3,855,894	5,902,794	7,650,816	6,266,634	5,798,568	5,383,534	5,487,067	5,555,463	6,116,083
Fines and forfeits	767,544	965,513	1,051,048	1,076,497	1,158,149	1,176,750	1,222,371	1,269,327	1,168,292	1,417,946
Franchise fees	2,108,304	2,232,546	2,301,133	2,692,885	2,800,615	2,898,700	2,988,269	2,995,701	3,219,655	3,552,461
Contributions and donations	192,282	50,559	168,816	2,129,098	1,707,453	35,554	81,493	65,298	71,202	182,263
Investment income	261,638	241,246	485,905	2,004,373	2,881,181	1,574,356	284,896	53,817	23,408	(2,913)
Other revenues	573,205	1,029,552	1,272,014	2,458,128	1,859,006	3,089,261	3,228,478	3,397,058	5,576,243	4,115,342
Total revenues	$ 36,901,537	$ 40,990,987	$ 49,995,049	$ 69,829,501	$ 79,859,268	$ 68,714,043	$ 66,483,269	$ 83,474,144	$ 87,185,930	$ 72,543,931
Expenditures:										
Current -										
General government	$ 3,234,328	$ 4,132,923	$ 4,118,240	$ 4,620,073	$ 9,116,075	$ 8,741,072	$ 8,176,267	$ 8,364,557	$ 12,184,946	$ 11,016,390
Public safety	11,514,788	13,322,440	14,309,389	17,415,423	21,579,173	26,644,563	26,989,915	34,893,280	34,260,842	28,048,592
Public works	3,769,896	3,908,421	4,787,679	5,917,153	8,836,988	10,584,274	8,885,685	7,378,256	17,248,448	9,166,030
Cultural and recreation	4,846,580	5,410,416	5,776,812	7,001,339	8,286,106	8,716,377	9,290,738	8,377,039	8,377,638	8,630,207
Economic development	1,234,514	1,404,916	1,961,868	2,557,163	2,864,539	3,467,383	3,428,467	2,652,601	2,261,268	2,397,408
Other expenses	-	-	-	-	-	-	11,500	3,000	43,874	-
Capital outlay	11,751,245	5,833,961	8,734,020	20,793,304	42,447,948	23,399,838	12,878,264	30,832,461	18,438,538	9,112,802
Debt service -										
Payment to bond escrow agent	-	660,060	-	-	-	-	-	-	-	-
Principal	3,338,249	2,270,869	2,452,119	2,827,984	3,128,174	2,097,825	4,790,762	4,464,510	5,285,055	5,087,639
Interest and fiscal charges	744,561	648,944	640,372	1,338,273	1,958,773	1,601,563	1,839,743	2,595,876	2,485,545	2,344,979
Bond issuance costs		113,371	386,061	135,027	-	-	85,097	50,249		-
Total expenditures	40,434,161	37,706,321	43,166,560	62,605,739	98,217,776	85,252,895	76,376,438	99,611,829	100,586,154	75,804,047
Excess of revenues over (under) expenditures	$ (3,532,624)	$ 3,284,666	$ 6,828,489	$ 7,223,762	$ (18,358,508)	$ (16,538,852)	$ (9,893,169)	$ (16,137,685)	$ (13,400,224)	$ (3,260,116)

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

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

Schedule 4
(Concl'd)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Other Financing Sources (Uses):										
Issuance of general obligation bonds	$ -	$ -	$ 5,500,000	$ 7,000,000	$ -	$ -	$ 25,554,472	$ -	$ -	$ -
Issuance of revenue bonds	-	4,465,000	18,130,000	-	-	-	-	-	-	-
Loan proceeds	1,371,188	-	215,556	-	2,696,286	231,639	9,886,100	337,259	5,179,765	-
Premium on sale of bonds	-	105,708	1,014,543	310,182	-	-	-	-	-	-
Sale of land proceeds	-	-	-	-	-	-	-	202,690	-	-
Transfer in	1,468,764	1,500,814	4,151,710	7,058,925	12,410,603	7,204,181	2,987,569	4,740,124	1,485,408	922,012
Payment to bond escrow agent	-	(3,347,215)	-	-	-	-	-	-	-	-
Transfer out	(1,468,764)	(1,500,814)	(4,151,710)	(7,058,925)	(12,410,603)	(7,204,181)	(2,987,569)	(4,740,124)	(1,485,408)	(922,012)
Total other financing sources (uses)	1,371,188	1,223,493	24,860,099	7,310,182	2,696,286	231,639	35,440,572	539,949	5,179,765	-
Net Change in fund balances	$ (2,161,436)	$ 4,508,159	$ 31,688,588	$ 14,533,944	$(15,662,222)	$(16,307,213)	$ 25,547,403	$(15,597,736)	$ (8,220,459)	$ (3,260,116)
Debt service as a percentage of noncapital expenditures	14.23%	9.16%	8.98%	9.96%	9.12%	5.98%	10.44%	10.27%	9.46%	11.14%

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

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

Schedule 5

	Sandoval County									
	Residential property		Commercial Property			Total				Rio Rancho Share in Sandoval County Net Taxable Value
Fiscal Year	Taxable Value	Full Value	Taxable Value	Full Value	Less: Tax-exempt Property	Net Taxable Value	Full Value	Total Direct Tax Rate	Net Value Rio Rancho	
2003	1,181,396,970	3,544,190,910	386,437,811	1,159,313,433	139,285,763	1,428,549,018	4,564,218,580	8.30	378,875,784	27%
2004	N/A	N/A	N/A	N/A	N/A	N/A	N/A	8.36	N/A	N/A
2005	1,441,214,926	1,921,619,853	435,359,989	580,479,971	164,240,183	1,712,334,732	2,283,112,919	8.35	190,708,422	11%
2006	1,702,012,677	2,269,350,179	467,597,877	623,463,820	175,879,345	1,993,731,209	2,658,308,212	7.96	211,601,334	11%
2007	2,076,419,611	2,768,559,412	972,070,958	1,296,094,578	221,336,819	2,827,153,750	3,769,538,239	7.97	300,582,979	11%
2008	2,352,908,682	3,137,211,498	1,015,360,974	1,353,814,598	241,137,494	3,127,132,162	4,169,509,445	7.91	329,683,112	11%
2009	2,554,628,852	3,406,171,718	861,081,854	1,148,109,110	249,476,650	3,166,234,056	4,221,645,302	8.01	338,153,789	11%
2010	2,579,985,543	3,439,980,638	1,010,359,661	1,347,146,181	277,937,023	3,312,408,181	4,416,544,131	8.17	360,964,152	11%
2011	2,488,635,092	3,318,180,040	899,975,115	1,199,966,790	293,490,264	3,095,119,943	4,126,826,487	8.16	336,872,846	11%
2012	2,479,553,645	3,306,071,444	896,586,605	1,195,448,777	327,461,819	3,048,678,431	4,064,904,473	8.61	349,866,328	11%

Source: Sandoval County Assessor's Office Valuation Summary 2003, Sandoval County Assessor's Office Abstract 2005 through 2012.
Notes: No information is available for 2004.

City of Rio Rancho, New Mexico **Schedule 6**
Property Tax Rates - Direct and Overlapping Governments
Last Ten Fiscal Years
(rate per $1,000 of assessed value)

	City of Rio Rancho			Overlapping Rates					
Fiscal Year	General Fund	Debt Service Fund	Total	State	County	School District	Central NM Comm. College	Pres. Hospital (A)	Total
2003	6.227	2.074	8.301	1.520	5.759	10.758	3.011		29.349
2004	6.300	2.067	8.367	1.028	6.940	10.760	3.019		30.114
2005	6.286	2.067	8.353	1.234	6.384	10.756	3.038		29.765
2006	6.138	1.826	7.964	1.291	6.271	10.704	3.027		29.257
2007	5.914	2.060	7.974	1.221	5.800	10.624	2.992		28.611
2008	5.847	2.060	7.907	1.250	5.368	10.899	2.989		28.413
2009	5.944	2.067	8.011	1.150	5.809	10.635	3.046	4.250	32.901
2010	6.113	2.060	8.173	1.530	5.952	10.694	3.158	4.250	33.757
2011	6.518	1.645	8.163	1.362	6.659	10.773	3.237	4.250	34.444
2012	6.990	1.617	8.607	1.360	6.995	10.785	3.344	4.250	35.341

Source: State of New Mexico Department of Finance and Administration

(A) - 2009 and 2010 are restated to separate out Presbyterian Hospital Rates

City of Rio Rancho, New Mexico
Principal Property Tax Payers
Current Year and Five Years Ago

Schedule 7

	2011		2005 (A)	
Tax Payer	**Taxable Assessed Value**	**Percent of Total Taxable Valuation**	**Taxable Assessed Value**	**Percent of Total Taxable Valuation**
PNM	$ 29,731,803	1.49%	$ 19,672,866	1.57%
Presbyterian Healthcare	14,277,309	0.72%	6,123,432	0.49%
New Mexico Gas Company	7,622,859	0.38%	-	0.00%
Wal-Mart	5,121,699	0.26%	-	0.00%
Sandia View LLC	4,682,814	0.24%	-	0.00%
Pulte Homes of New Mexico	4,603,359	0.23%	-	0.00%
Broadstone High Resort LLC	4,623,141	0.23%	-	0.00%
Lowe's Home Centers	4,283,867	0.22%	-	0.00%
Tri-State Generation & Transmission	3,702,139	0.19%	-	0.00%
Qwest Corp.	3,672,092	0.18%	5,040,773	0.40%
G & I III Pinnacle High Resort	-	0.00%	5,950,897	0.48%
Leisure Care, Inc.	-	0.00%	3,098,353	0.25%
U.S. Cotton	-	0.00%	2,826,114	0.23%
Meadowlark Apartments	-	0.00%	2,536,400	0.20%
Fulcrum Building, Inc.	-	0.00%	2,259,561	0.18%
Target	-	0.00%	2,043,463	0.16%
Total	$ 82,321,082	4.13%	$ 49,551,859	3.97%

Source: Sandoval County Assessor's Office
Note: The fiscal year for collection is November through October. This schedule uses the 2012 collection year valuation.

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

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

Schedule 8

Fiscal Year	Taxes Levied for the Fiscal Year (A)	Collected within the Fiscal Year of the Levy		Delinquent Tax Collection (A)	Total Tax Collection	Ratio of Total Tax Collections to Total Tax	Outstanding Delinquent Taxes	Ratio of Outstanding Delinquent
		Amount (A)	Percentage					
2002	6,274,889	6,253,030	100%	12,696	6,265,726	100%	9,163	0%
2003	6,935,320	6,868,363	99%	46,857	6,915,220	100%	20,101	0%
2004	7,558,650	7,299,238	97%	191,081	7,490,319	99%	68,330	1%
2005	8,454,578	8,135,231	96%	231,028	8,366,259	99%	319,348	4%
2006	9,679,603	9,297,367	96%	289,712	9,587,079	99%	382,236	4%
2007	12,896,884	12,231,289	95%	422,973	12,654,262	98%	665,595	5%
2008	14,649,411	13,833,470	94%	519,749	14,353,219	98%	858,820	6%
2009	16,281,975	15,231,543	94%	462,192	15,693,735	96%	908,534	6%
2010	16,316,144	15,498,538	95%	540,128	16,038,666	98%	817,606	5%
2011	15,825,033	15,206,260	96%	-	15,206,260	96%	618,773	4%

Source: Sandoval County Treasurer's Office

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

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

Schedule 9

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Construction	$132,253,800	$165,091,463	$256,139,117	$393,313,384	$ 490,940,456	$ 375,570,976	$ 266,089,467	$160,792,616	$ 249,844,125	$ 176,706,959
Manufacturing	11,248,498	9,832,558	8,021,933	8,226,714	14,124,152	10,518,506	12,671,847	5,160,066	7,616,958	8,932,464
Transportation, Communication and Utility	75,561,870	85,778,516	97,765,401	109,619,203	110,037,820	98,640,371	107,587,644	97,909,454	102,451,897	122,637,955
Wholesale	9,861,828	12,215,397	11,836,622	13,745,588	11,293,040	11,301,564	9,110,123	9,326,176	8,763,818	10,740,203
Retail	196,833,445	216,675,986	226,347,806	280,255,799	402,411,448	455,834,662	380,784,663	396,763,790	399,295,852	418,644,640
Finance, Insurance and Real Estate	10,546,012	10,239,936	14,928,802	32,469,846	32,486,743	29,108,506	20,584,655	25,015,494	24,603,362	25,000,526
Services	121,770,994	158,635,704	174,467,008	161,736,299	172,096,364	199,175,032	193,070,878	226,829,005	255,388,681	278,055,736
Other (A)	32,594,983	25,648,098	21,834,798	(9,632,397)	(22,743,369)	(102,518,633)	(20,924,025)	-	1,213,942	2,650,447
Total Taxable Gross Receipts	$590,671,430	$684,117,658	$811,341,487	$989,734,436	$ 1,210,646,654	$ 1,077,630,984	$ 968,975,252	$921,796,601	$ 1,049,178,635	$ 1,043,368,930
City direct sales tax rate	6.1875%	6.1875%	6.6875%	6.6875%	6.6875%	6.6875%	6.9375%	7.0625%	7.4375%	7.4375%
Sandoval County direct sales tax rate	5.7500%	5.7500%	6.0000%	6.0000%	6.0000%	6.0000%	6.0000%	6.1250%	6.2500%	6.2500%

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

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

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

Schedule 10

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

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

(A) - This information uses Sandoval County Personal Income through 2010, this information is not available for 2011 and 2012.
(B) - No population information is available for Rio Rancho for 2011, therefore, the 2010 Census information is used for the 2011 per capita calculation.

City of Rio Rancho, New Mexico **Schedule 11**

Ratios of General Bonded Debt Outstanding

Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property	Per Capita (A)
2003	8,740,000	1,406,030	7,333,970	0.85%	130.79
2004	7,350,000	1,383,965	5,966,035	0.64%	101.39
2005	11,270,000	1,296,944	9,973,056	0.95%	159.72
2006	16,765,000	1,469,470	15,295,530	1.22%	230.33
2007	15,075,000	1,506,930	13,568,070	0.74%	189.48
2008	14,325,000	3,584,693	10,740,307	0.51%	141.36
2009	36,075,000	3,893,758	32,181,242	1.48%	404.01
2010	32,875,000	4,039,681	28,835,319	1.33%	349.21
2011	30,124,384	4,180,471	25,943,913	1.27%	296.43
2012	26,374,440	3,045,519	23,328,921	1.17%	261.18

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

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

City of Rio Rancho, New Mexico **Schedule 12**

Computation of Direct and Overlapping Debt

As of June 30, 2011

Governmental Unit	Debt Outstanding	Estimated Applicable Percentage (A)	Estimated Share Applicable to City
Debt repaid with property taxes			
State of New Mexico	$ 296,890,000	3.91%	$ 11,608,399
Sandoval County	19,160,000	64.06%	12,273,895
Central NM Community College	66,935,000	12.52%	8,380,262
SSCAFCA	29,630,000	82.18%	24,349,934
Rio Rancho School District	129,580,000	95.95%	124,332,010
Subtotal, overlapping debt			180,944,500
City direct debt			58,197,130
Total direct & overlapping debt			$ 239,141,630

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 boundaties 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

Legal Debt Margin Calculation for Fiscal Year 2011	
Assessed value	$1,992,140,934
Debt limit (4% of assessed value)	79,685,637
Debt applicable to limit:	
General obligation bonds	26,374,440
Less: Amount set aside for repayment of general obligation debt	3,045,519
Total net debt applicable to limit	23,328,921
Legal debt margin	$56,356,716

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Debt limit	$ 34,478,085	$ 37,001,873	$ 41,810,547	$ 49,987,941	$ 73,611,213	$ 83,765,112	$ 86,731,396	$ 86,824,311	$ 81,961,320	$ 79,685,637
Total net debt applicable to limit	7,333,970	5,966,035	9,973,056	15,295,530	13,568,070	10,740,307	32,181,242	28,835,319	25,943,913	23,328,921
Total net debt applicable to the limit as a percentage of debt limit	21.27%	16.12%	23.85%	30.60%	18.43%	12.82%	37.10%	33.21%	31.65%	29.28%

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

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

Schedule 14

	Gross Receipts Tax Bonds					Business-Type Bonds						
		Debt Service Requirements							Debt Service Requirements			
Fiscal Year	Gross Receipts Tax Increment	Principal	Interest	Total	Coverage	Gross Revenues	Expenditures (A)	Net Revenue Available for Debt Service	Principal	Interest	Total	Coverage
2003	3,664,165	*2,450,000	264,056	2,714,056	1.35	16,557,012	21,758,570	(5,201,558)	2,050,000	4,195,938	6,245,938	-0.83
2004	1,608,954	683,000	179,113	862,113	1.87	18,145,771	11,286,038	6,859,733	2,410,000	4,042,563	6,452,563	1.06
2005	762,300	515,000	137,581	652,581	1.17	20,900,461	19,513,838	1,386,623	2,730,000	4,047,077	6,777,077	0.20
2006	1,892,470	860,000	837,724	1,697,724	1.11	32,117,610	21,875,800	10,241,810	3,785,000	6,550,574	10,335,574	0.99
2007	1,704,815	755,000	938,480	1,693,480	1.01	31,911,403	24,744,962	7,166,441	3,830,000	6,342,361	10,172,361	0.70
2008	1,605,009	780,000	917,193	1,697,193	0.95	44,854,329	25,849,840	19,004,489	5,455,000	7,915,038	13,370,038	1.42
2009	1,753,444	800,000	904,774	1,704,774	1.03	38,515,780	27,985,218	10,530,562	5,950,000	7,817,123	13,767,123	0.76
2010	1,479,217	825,000	868,496	1,693,496	0.87	39,397,283	30,617,272	8,780,011	6,635,000	6,850,531	13,485,531	0.65
2011	1,266,581	1,160,000	823,860	1,983,860	0.64	40,179,767	33,338,420	6,841,347	6,620,000	6,843,524	13,463,524	0.51
2012	1,566,834	585,000	812,034	1,397,034	1.12	41,281,733	43,298,260	(2,016,527)	6,835,000	6,627,954	13,462,954	-0.15

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

(*) - The 2003 refunding bonds did not require a reserve, therefore, the City used the 1995 reserve requirement to make additional payments on the 1995 bonds.

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

City of Rio Rancho, New Mexico **Schedule 15**

Demographics and Economic Statistics

Last Ten Fiscal Years

Year	City Population	County Population	Personal Income	Per Capita Personal Income			Unemployment Rate		
				U.S.	New Mexico	Sandoval County	U.S.	New Mexico	Sandoval County
2003	56,074	95,632	2,454,258	31,530	24,975	24,958	6.00%	5.90%	5.90%
2004	58,845	98,335	2,661,046	33,157	26,366	26,293	5.50%	5.80%	5.50%
2005	62,440	101,206	2,991,129	35,424	28,876	28,293	5.10%	5.20%	5.10%
2006	66,407	105,625	3,319,055	37,698	30,513	29,620	4.60%	4.20%	4.40%
2007	71,607	111,855	3,632,911	39,392	32,018	30,833	4.60%	3.50%	4.00%
2008	75,978	117,583	3,907,458	40,166	33,609	31,907	5.80%	4.20%	4.90%
2009	79,655	122,298	4,053,341	39,635	33,267	32,172	9.30%	7.20%	8.20%
2010	87,521	131,561	4,239,111	39,945	33,368	32,021	9.60%	8.40%	9.30%
2011	89,320	134,259	N/A	N/A	34,575	N/A	8.90%	7.10%	7.80%
2012	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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

Notes: Personal income, per capita income and unemployment rates are only available for the county, not for the city.
No information except city and county population, NM per capita personal income and unemployment rates is available for 2011.
No information is available for 2012.

City of Rio Rancho, New Mexico **Schedule 16**
Principal Employers
Current Year and Ten Years Ago

	2012 (A)			2001		
Employer (B)	**Employees**	**Rank**	**Percentage of Total County Employment**	**Employees**	**Rank**	**Percentage of Total County Employment**
Intel Corporation	3,171	1	6%	5,800	1	21%
Rio Rancho Public Schools	2,382	2	5%	1,042	4	4%
Intel Subcontractors		3	0%	2,000	2	7%
Hewlett-Packard	998	4	2%	-		0%
Sprint PCS	820	5	2%	1,200	3	4%
Bank of America Banking Services		6	0%	400	8	1%
City of Rio Rancho	685	7	1%	470	6	2%
E Telecare Global Solution		8	0%	-		0%
Brycon Construction	500	9	1%	-		0%
Sandoval County	451	10	1%	-		0%
Victoria's Secret Catalogue			0%	681	5	3%
JC Penney Company				-		0%
Don Chalmers Ford				170	10	1%
Spartan Technology				-		0%
Gateway Computers				455	7	2%
U.S. National Guard Hawk Facility				300	9	1%
Total Major Employers-Sandoval County *	9,007			12,518		
Total Sandoval County Employment **	51,685			27,116		

Sources: (*) Rio Rancho Chamber of Commerce April 2009
(**) New Mexico Department of Labor, Economic Research and Analysis, 2009

(A) -Most current data available is from the 2009 Rio Rancho Economic Development Corporation Annual Survey.
(B)-Companies, within the top ten ranking, that do not have an employee count listed were not available.

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City of Rio Rancho, New Mexico **Schedule 17**

Full-time-Equivalent City Government Employees by Function/Program

Last Ten Fiscal Years

Function/Program	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Government										
City Administration	11	11	12	3	4	5	6	5	5	5
Human Resources	11	13	13	11	10	10	9	8	6	6
City Clerk	4	4	4	4	4	4	4	4	4	3
City Attorney	5	5	5	5	6	7	7	6	6	6
Municipal Court	12	12	12	12	13	13	13	12	12	11
Finance/IT	18	18	19	30	30	35	29	34	34	34
Public Safety										
Police	101	101	106	118	123	124	127	127	127	129
Firefighters	49	46	50	56	99	100	101	100	99	100
Civilians	58	70	66	72	90	88	86	87	88	90
Public Works										
Engineering	8	8	9	13	21	25	27	25	21	17
Others	50	50	53	65	77	75	74	71	68	68
Parks and Recreation	69	75	75	78	110	132	139	115	92	91
Senior Services	15	15	15	18	17	17	8	15	8	8
Library and Information Services	19	22	25	30	36	36	38	35	36	36
City Development	22	20	20	32	40	42	36	32	29	30
Special Funds	10	8	8	11	14	14	20	5	15	18
Water and Wastewater	25	29	32	36	41	42	38	35	35	33
Total	487	507	524	594	735	769	762	716	685	685

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 Seven Fiscal Years

Schedule 18

	Fiscal Year						
	2006	2007	2008	2009	2010	2011	2012
Function/Program							
Police							
Total Violent Crimes (A)	776	927	886	920	946	935	615
Total Property Crimes (B)	1,399	1,775	1,961	1,709	1,686	1,426	1,485
Total Warnings & Citations (C)	24,305	23,840	27,250	21,082	19,898	15,777	8,805
Total Arrests (D)	3,008	3,337	3,620	3,613	3,477	3,269	2,904
Total Traffic Crashes	1,791	2,008	1,856	1,576	1,593	1,844	1,591
Total Incident Reports (E)	3,586	8,881	9,045	9,485	8,716	8,099	7,605
Total Calls for Service	39,165	36,271	49,842	44,651	43,618	45,928	45,598
Fire							
Total Structural Fires	25	29	46	54	59	62	51
Total Fire Inspections	999	901	1,049	736	1,087	1,148	1,650
Total Calls for Service	1,582	1,372	1,693	1,508	9,505	10,261	8,116
EMS							
Total EMS Patients	4,345	5,141	-	-	-	-	-
Total Patient Transports	3,056	3,407	4,129	4,122	4,089	-	-
Total Calls for Service	4,764	5,243	6,330	7,481	5,896	5,956	5,971
Animal Control (F)							
Total Impounds	2,330	2,417	2,543	2,584	2,308	2,201	1,612
Total Claims	617	754	830	914	856	736	569
Total Adoptions	851	724	988	854	830	781	604
Total Euthanasia	674	732	663	758	574	684	433
Total Complaints	4,755	4,740	5,193	5,821	5,666	5,658	4,580
Code Enforcement (G)							
Total Inspections	8,043	10,010	7,055	6,989	9,430	8,884	8,259
Total Citations	280	260	479	369	489	511	524
Public Works							
Total Utility Cuts	390	-	-	-	-	-	-
Total Potholes Repaired	971	423	1,385	592	590	1,041	1,926
Parks & Recreation (H)							
Total Program Participation-Youth	20,961	19,632	22,620	9,149	8,311	13,221	-
Total Program Participation-Adult	18,638	6,556	6,621	3,969	8,581	1,672	-
Total Program Participation-Aquatics	7,050	2,897	2,935	4,321	3,966	3,865	-

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

Schedule 18
(Cont'd)

	Fiscal Year						
Function/Program	2006	2007	2008	2009	2010	2011	2012
Parks & Recreation (cont)							
Total Summer Camp Participants	-	-	-	-	-	-	2,370
Total KidsZone Participants	-	-	-	-	-	-	93
Total Youth Sports League Participants	-	-	-	-	-	-	748
Total Adult Sports League Participants	-	-	-	-	-	-	280
Total Indoor/Outdoor Aquatics Particpants	-	-	-	-	-	-	3,397
Total Free Summer Meals Served	-	-	-	-	-	-	42,901
Total Student Attendance of Keep Rio Rancho Beautiful Program	-	-	-	-	-	-	4,227
Meadowlark Senior Center							
Average # of Daily Participants per Employee	-	-	-	-	-	-	126
Total Volunteer Hours	-	-	-	-	-	-	23,439
Library							
Total Collection	146,626	154,258	166,857	174,388	183,554	188,065	195,688
New Items Added	23,233	17,288	23,501	23,800	24,351	23,490	26,453
Items Withdrawn	7,252	9,656	10,902	16,269	15,185	18,979	18,830
Collection Growth	15,981	7,632	12,599	7,531	9,166	4,511	7,623
Circulation Stats:							
Visitors	224,977	216,106	256,734	354,985	354,411	340,070	336,647
Circulation	171,156	296,142	426,653	543,528	605,737	654,031	674,227
Computer Usage	31,711	32,931	61,358	85,938	95,998	84,480	81,089
Program Attendance	5,578	15,597	24,074	26,016	25,489	25,297	30,403
Transit (I)							
Total Clients Registered	3,172	3,356	3,665	3,955	4,229	-	-
New Clients Registered	184	309	290	274	88	-	-
Total Fare Cards Sold (J)	1,905	1,809	1,999	2,052	929	1,764	1,760
Total Trips in Rio Rancho	26,804	25,262	13,633	16,037	7,609	-	-
Total Trips to Albuquerque	6,212	6,115	2,983	2,310	692	-	-
Purpose of Trips:							
Medical	9,906	7,220	4,538	4,442	2,060	-	-
Personal Errands	3,307	5,645	2,830	4,936	2,118	-	-
Work	13,153	9,624	6,067	6,359	3,199	-	-
City Facilities	2,846	4,252	1,725	1,769	843	-	-
Education	4,004	4,636	1,456	944	76	-	-
Total Miles Traveled	133,672	142,273	127,576	132,971	N/A	-	-

Note: The City chose to use the prospective method of reporting for this schedule as the data was not tracked prior to GASB 44 implementation.
(A) Data was restated to include March through June information for 2011. Data not available for May through June 2012.
(B) Data was restated to include March through June information for 2011. Data not available for May through June 2012.
(C) Data was restated to include March through June information for 2011. Data not available for February through June 2012.
(D) Data was restated to include March through June information for 2011. Data not available for April through June 2012.
(E) Data was restated to include March through June information for 2011. Data not available for May through June 2012.
(F) Data not available for April through June 2012 on animal control categories.
(G) Data not available for November 2011 on both code enforcement categories.
(H) Parks & Recreation changed all operating indicators beginning fiscal year 2012.
(I) Beginning in January 2010, the transit system is no longer run by the City of Rio Rancho.
(J) Selling fare cards for the Rio Metro Transit system is the only function that the City currently continues to do with regards to transit.

Sources: Various City Departments

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City of Rio Rancho, New Mexico
Capital Asset Statistics by Function/Program
Last Four Fiscal Years

Schedule 19

	Fiscal Year						
	2006	2007	2008	2009	2010 [1]	2011	2012
Function/Program							
Police							
Main Stations	1	1	1	1	1	1	1
Substations (E)	4	4					
Law Enforcement Units (H)	152	178	181	180	126	139	160
Fire							
Main Stations	2	5	6	5	5	5	6
Substations	4	1	1	1	1	1	1
Firetrucks	11	15	15	15	17	19	17
EMS							
Ambulances	7	8	9	9	11	11	11
Animal Control							
Patrol Units	7	7	7	7	7	7	7
Public Works							
Streets (centerline miles) (I)	831	831	837	846	428	449	454
Streetlights	1,156	2,544	2,604	2,710	2,770	2,859	2,930
Traffic Signals (Signalized Intersections)	35	42	45	45	49	49	53
Sidewalks & Paths (J)	121	121	123	134			
Parks & Recreation							
New/Renovated Park Facilities	2	3	2	1	10	1	5
Developed Parkland (acres) (R)	242	285	304	311	298	300	300
Constructed Trailways (linear feet) (A)	53,873	57,516	64,380	64,380	64,380	65,150	65,150
Transit							
Mini buses (K)	7	7	8	8	0	0	0
Water							
Water mains (miles)	385	388	395	403	552	563	565
Fire hydrants	24,950	25,822	25,866	25,939	3,768	3,870	3,871
New Connections (F)		1,381	1,040	668	472	348	375
Water main breaks (G)		32	39	37	43	49	32
Storage capacity (thousands of gallons) (B)	31.0	31.0			34,500	34,500	34,500
Average daily consumption (thousands of gallons) (C)		10,409	11,745	11,814	10,616	11,621	12,610
Booster Stations (L)					8	8	9
Wells (in production) (M)					19	17	17
Storage Tanks (N)					18	18	18
Arsenic Treatment Facilities (O)					8	10	10
Wastewater							
Sanitary sewers (miles)	335	337	343	351	355	368	371
Average daily treatment (thousands of gallons) (D)	4,176	4,565	4,954	4,863	4,875	4,324	4,626
Wastewater Treatment Plants (P)					6	5	5
Lift Stations (Q)					28	28	28

Sources: Various City Departments

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.

1. The City established a baseline for restatement of capital asset statistics for fiscal year ending June 30, 2010. Baseline figures were primarily obtained from the City's Geographic Information System (GIS). Amended the number of developed parkland, water line, sewer line, and street for fiscal year years 2010 to present in fiscal year 2012 CAFR for previous incorrect figures.

(A) Amended the linear feet of constructed trailways for fiscal year 2006 to correctly state the starting point.

(B) The City chose to no longer track the water storage capacity beginning in fiscal year 2008, however began tracking again in fiscal year 2010.

(C) The City chose to begin tracking the average daily water consumption beginning in fiscal year 2007.

(D) Amended the wastewater treatment capacity beginning with fiscal year 2006 to be an average daily treatment capacity in thousands of gallons.

(E) Police and Fire no longer under the same department. Substation numbers for police reported to Finance in error. Restatement of substations for police for fiscal year 2008.

(F) Utility department began tracking new connections. Addition of data for fiscal year 2007 and 2008.

(G) Utility department began tracking water main breaks. Addition of data for fiscal year 2007 and 2008.

(H) Amended the number of patrol units to correctly state the baseline point beginning FY2010. Law Enforcement Units include Marked, Unmarked, Administrative, Pool, and Special Use vehicles.

(I) Amended the centerline miles of paved roadway for fiscal year 2010 to correctly state the baseline point. Previous year's reporting was presumably based on a lane mile unit of measure.

(J) Public Works department discontinued tracking sidewalks beginning in fiscal year 2010. Sidewalks are considered part of the roadway/street infrastructure.

(K) On Dec. 16, 2009, the Rio Rancho City Council adopted a Resolution No. 134, ENACT 09-134 to transfer the city's Rio Transit Program to the Mid-Region Council of Governments and their Rio Metro Regional Transit District, effective Jan. 1, 2010.

(L) Public Works department began tracking number of booster stations beginning in fiscal year 2010.

(M) Public Works department began tracking number of wells beginning in fiscal year 2010.

(N) Public Works department began tracking number of water storage tanks beginning in fiscal year 2010.

(O) Public Works department began tracking number of arsenic treatment facilities beginning in fiscal year 2010.

(P) Public Works department began tracking number of wastwater treatment plants beginning in fiscal year 2010.

(Q) Public Works department began tracking number of lift stations beginning in fiscal year 2010.

(R) Amended the number of developed parkland for fiscal year 2010 to correctly state the baseline point. Amended the number of developed parkland for fiscal year years 2010 to present in fiscal year 2012 CAFR for previous incorrect figures.

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SINGLE AUDIT SECTION

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CliftonLarsonAllen

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

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

Honorable Mayor and Members of the City Council
and Citizens of the City of Rio Rancho
City of Rio Rancho, New Mexico

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, the budgetary comparisons of the general fund, the combining and individual funds, fiduciary funds and related budgetary comparisons presented as supplementary information of the City of Rio Rancho (the City) as of and for the year ended June 30, 2012, and have issued our report thereon dated November 28, 2012. 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.

Internal Control over Financial Reporting

Management of the City is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses and, therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs and responses as findings 2012-01 and 2012-02 to be material weaknesses in internal control over financial reporting.

A *significant deficiency* is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs and responses as findings 2012-03 and 2012-04 to be significant deficiencies.

Compliance and Other Matters

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

We noted no other matters that are required to be reported pursuant to *Government Auditing Standards* paragraphs 5.14 and 5.16, and pursuant to Section 12-6-5.

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the City's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of management, others within the City, the City Council, the Office of the State Auditor, the New Mexico Legislature and other federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

CliftonLarsonAllen LLP

Albuquerque, New Mexico
November 28, 2012

CliftonLarsonAllen

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

Independent Auditor's Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133

Honorable Mayor and Members of the City Council
and Citizens of the City of Rio Rancho
City of Rio Rancho, New Mexico

Compliance

We have audited the compliance of the City of Rio Rancho (the City) with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the 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, 2012. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2012-02, 2012-03, and 2012-04.

Internal Control over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine our auditing procedures for the purpose of

expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in the City's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified a certain deficiency in internal control over compliance that we consider to be a material weakness and other deficiencies that we consider to be significant deficiencies.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2012-02 to be a material weakness.

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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2012-03 and 2012-04 to be significant deficiencies.

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the City's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of management, others within the City, the City Council, the Office of the State Auditor, the New Mexico Legislature, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Clifton Larson Allen LLP

Albuquerque, New Mexico
November 28, 2012

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CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2012

Federal Grantor/Pass-Through Grantor/ Program Title	CFDA Number	Grantor or Pass-Through Number	Expenditures
U.S. Department of Labor Employment Training Adminstration			
Passed through New Mexico Department of Workforce Solutions:			
WIA Adult Program	17.258	CT-11-070	38,000
Total U.S. Department of Labor			38,000
U.S. Department of Homeland Security			
Direct Program:			
Immigration Enforcement	97.XXX	MOU 05/19/11	1,440
Passed through New Mexico Department of Homeland Security:			
Emergency Management Performance Grants	97.042	2010-EP-EO-0022	30,280
Emergency Management Performance Grants	97.042	EMW-2011-EP-00051	20,661
Homeland Security Grant Program	97.067	EMW-2011-SS-00094-S01	18,968
Homeland Security Grant Program	97.067	EMW-2011-00094-S01	7,334
Homeland Security Grant Program	97.067	2010-SS-T0-0011RR	13,881
Homeland Security Grant Program	97.067	2009-SS-T9-000030	927
Homeland Security Grant Program	97.067	EMW-2011-00094-S01	4,392
Total U.S. Department of Homeland Security			97,883
U.S. Department of Justice			
Direct Program:			
Crime Victims Assistance	16.575	2012-VA-709	43,690
Federal Surplus Property Transfer Program	16.578	N/A	36,730
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2009-DJ-BX-0948	6
Edward Byrne Memorial Justice Assistance Grant Program	16.738	MOU DTD 03/04/2010	19,263
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2011-DJ-BX-2314	37,130
Edward Byrne Memorial Justice Assistance Grant Program	16.738	MOU 01/11/12	1,212
Edward Byrne Memorial Justice Assistance Grant Program	16.738	LTR DTD 12/14/11	8,856
Bulletproof Vest Partnership Program	16.607	BA-2000S-FC01	3,225
Passed through New Mexico Department of Public Safety Grant Management Bureau:			
Project Safe Neighborhoods	16.609	10-JAG-NMGTF-SFY11	35,226
Project Safe Neighborhoods	16.609	10-PSN-NMGTF-SFY11	14,459
Project Safe Neighborhoods	16.609	11-PSN-NMGTF-SFY12	18,980
Edward Byrne Memorial Justice Assistance Grant Program	16.738	3900003800	822
Edward Byrne Memorial Justice Assistance Grant Program	16.738	11-JAG-NMGTF-SFY12	144,482
Edward Byrne Memorial Justice Assistance Grant Program	16.738	09-JAG-NMGTF-SFY10	24,286
Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program / Grants To Units Of Local Government	16.804	09-RA-JAG-RR-NMGTF-SFY10	1,811
Total U.S. Department of Justice			390,178
U.S. Department of Agriculture Food and Nutrition Service			
Passed through New Mexico Department of Children Youth and Family:			
National School Lunch Program	10.555	3185	114,798
Total U.S. Department of Agriculture Food and Nutrition Service			114,798
U.S. Department of Energy			
Direct Program:			
Energy Efficiency and Conservation Block Grant Program (EECBG)	81.128	09SC004700	54,380
Total U.S. Department of Energy			54,380
U.S. Department of Housing and Urban Development			
Direct Program:			
Community Development Block Grant/Entitlement Grants	14.218	B-09-MC-35-0004	95,901
Community Development Block Grant/Entitlement Grants	14.218	B-10-MC-35-0004	110,631
Community Development Block Grant/Entitlement Grants	14.218	B-11-MC-35-0004	202,049
Total U.S. Department of Housing and Urban Development			408,581

See accompanying notes to schedule.

CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2012

Federal Grantor/Pass-Through Grantor/ Program Title	CFDA Number	Grantor or Pass-Through Number	Expenditures
U.S. Environmental Protection Agency Office of the Chief Financial Officer			
Direct Program:			
Congressionally Mandated Projects	66.202	00F30601	237,536
Total U.S. Environmental Protection Agency			237,536
U.S. Department of Interior Bureau of Reclamation			
Direct Program:			
Water Conservation Field Services Program (WCFSP)	15.530	R10AP40016	16,747
Total U.S. Department of Interior Bureau of Recomation			16,747
U.S. Department of Education			
Passed through New Mexico Department of Finance and Administration:			
State Fiscal Stabilization Fund (SFSF) Government Services, Recovery Act	84.397A	GSF-DFA-03-RRFS	6,825
			6,825
U.S. Department of Transportation Federal Highway Administration (FHWA)			
Passed through New Mexico Department of Transportation:			
Highway Planning and Construction	20.205	CN#L3111	2,120,812
Highway Planning and Construction	20.205	CN#A300471	25,861
Highway Planning and Construction	20.205	CN#L3020	219,803
Highway Planning and Construction	20.205	HPP-4007(1)03	447,581
Highway Planning and Construction	20.205	CN#2954	2,244,146
Total U.S. Department of Transportation FHWA			5,058,203
U.S. Department of Transportation National Highway Traffic Safety Administration (NHTSA)			
Passed through New Mexico Department of Transportation:			
State and Community Highway Safety	20.600	12-PT-02-P01	67,500
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	11-AL-64-081	17,960
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	11-PT-02-P03	22,727
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	11-AL-64-P23	92,500
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	12-AL-64-081	113,052
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	12-AL-64-P25	202,500
Total U.S. Department of Transportation NHTSA			516,239
Executive Office of the President			
Passed through City of Albuquerque, New Mexico:			
High Intensity Drug Trafficking Areas Program	95.001	MOU dated 07/15/11	7,914
Total Executive Office of the President			7,914
Total expenditures of federal awards			6,947,284

See accompanying notes to schedule.

CITY OF RIO RANCHO, NEW MEXICO
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2012

NOTE 1 – BASIS OF PRESENTATION

The Schedule of Expenditures of Federal Awards includes the federal grant activity of City of Rio Rancho, New Mexico and is presented on the modified accrual basis of accounting for governmental funds and on the accrual basis of accounting for proprietary funds. The information is this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations.*

NOTE 2 – CATALOG OF FEDERAL DOMESTIC ASSISTANCE (CFDA) NUMBERS

The program titles and CFDA numbers were obtained from the federal or pass-through grantor or the 2011 *Catalog of Federal Domestic Assistance*.

NOTE 3 – NON-CASH ASSISTANCE, LOANS, AND LOAN GUARANTEES

In accordance with OMB Circular A-133, the City had no non-cash assistance, loans, and loan agreements outstanding at year-end.

NOTE 4 – SUBRECIPIENTS OF GRANT AWARDS

Grantor Agency / Grant Title and Subrecipients	Grant Number-Federal or State	Federal CFDA Number	Pass-through Grant Amount
U.S. Department of Housing and Urban Development			
Community Development Block Grant/Entitlement Grants			
2009 calendar year grant			
Rebuilding Together Sandoval Co.	B-09-MC-35-0004	14.218	$ 79,022
Total			79,022
2010 calendar year grant			
Big Brothers Big Sisters	B-10-MC-35-0004	14.218	1,667
Community Outreach Program	B-10-MC-35-0004	14.218	10,000
Total			11,667
2011 calendar year grant			
Big Brothers Big Sisters	B-11-MC-35-0004	14.218	11,111
Haven House Inc.	B-11-MC-35-0004	14.218	11,441
La Buena Vida Inc.	B-11-MC-35-0004	14.218	6,868
People Helping People	B-11-MC-35-0004	14.218	15,000
St Felix Pantry Inc.	B-11-MC-35-0004	14.218	18,785
Youth Development Inc.	B-11-MC-35-0004	14.218	4,303
Total			67,507

NOTE 5 – PRIOR YEAR EXPENDITURES

During the current year, the City identified $1,474,116 of expenditures incurred in prior years that were available in the current year to be funded by federal resources. These expenditures were previously unreimbursed and allowed to be submitted for federal reimbursement in the current year under the Highway Planning and Construction grant (CFDA number 20.205). The U.S. Department of Transportation Federal Highway Administration is the grantor of these funds and the resources passed through the State of New Mexico Department of Transportation to the City. Since these expenditures occurred in prior years they have not been included in the current Schedule of Expenditures of Federal Awards.

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CITY OF RIO RANCHO, NEW MEXICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2012

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? X yes ____ no
- Significant deficiencies identified that are not considered to be a material weakness(es)? ____ yes X no

Noncompliance material to financial statements noted? ____ yes X no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? X yes ____ no
- Significant deficiency identified that are not considered to be a material weakness(es)? X yes ____ no

Type of auditors' report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133? X yes ____ no

Identification of major programs:

CFDA Numbers	Name of Federal Program
20.205	Highway Planning and Construction
20.608	Minimum Penalties for Repeat Offenders for Driving While Intoxicated
14.218	Community Development Block Grant/Entitlement Grants

Dollar threshold used to distinguish between Type A and Type B programs: $300,000

Auditee qualified as low-risk auditee? ____ yes X no

SECTION II - FINANCIAL STATEMENT FINDINGS

2012-01 DEVELOPER CONTRIBUTIONS (MATERIAL WEAK-GOVERNMENTAL AUDITING STANDARDS)

STATEMENT OF CONDITION

During testwork over capital assets, there were a number of instances where insufficient information was provided by the responsible internal department to the City's Finance department in order for an accurate value to be reported for developer contributions in the year under audit. Also, in two instances, project close-out information was not provided by the responsible internal department to the City's Finance department in a timely manner, leading to a necessary restatement of the City's fiscal year 2011 Comprehensive Annual Financial Report.

CRITERIA

Internal controls for capital assets should require developer contributions recorded in the City's system to be properly valued and supported in the correct reporting period.

CAUSE

The City does not have a clear and comprehensive set of written policies and procedures in place that would aid in the identification and accurate recognition and valuation of developer contributions, nor does it have specific written policies in place that require the timely gathering and reporting of this financial information.

EFFECT

In fiscal year 2011, the City's revenue and capital assets were understated by approximately $5 million and in fiscal year 2012, revenue and capital assets were understated by approximately $620,000, requiring an audit adjustment to properly reflect this amount.

RECOMMENDATION

We recommend the City develop and implement internal written policies & procedures relating to developer contributions to ensure timely and accurate financial reporting.

AGENCY RESPONSE

The City does have a Fixed Asset Policy setting out the requirements for developers contributing assets to the City. However, in order to more clearly set out the inter-departmental requirements, the City has developed a standard form for reporting the quantities and values of developer contributions and is in the process of writing accompanying instructions for internal departments responsible for gathering and reporting of this financial information. The instructions will include the requirement of

SECTION II - FINANCIAL STATEMENT FINDINGS (Cont'd)

AGENCY RESPONSE (Concl'd)

timely reporting within a reasonable time after acceptance of contributions. Also, the Capital Asset Policy will be amended to include the above referenced requirements. The employees responsible for implementing the said changes are Donald Martinez, Senior Financial Analyst, Marta Ortiz, Accounting Division Manager, Olivia Padilla-Jackson, Director of Financial Services, Debbie Cook, Engineering Supervisor, and John Castillo, Director of Development Services.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

2012-02 FEDERAL REVENUE RESTATEMENT – (MATERIAL WEAKNESS – GOVERNMENT AUDITING STANDARDS AND OMB FINDING)

NO QUESTIONED COSTS RELATED TO ANY FEDERAL PROGRAMS

CFDA 20.205

STATEMENT OF CONDITION

During our review of federal revenues and expenditures, we noted the City had identified errors in the amount of federal expenditures reported in prior years. In prior years, the City had been lacking an adequate process to reconcile federal revenue received and federal expenditures, impacting 4 out of the last 5 years of the federal program.

Due to the fact that the City put a review process into place, the City identified errors in the amounts that had previously been reported on the Schedule of Expenditures of Federal Awards, resulting in the need to restate beginning fund balance in the fund-level financial statements and beginning net assets in the government-wide financial statements. The amount of the restatement was approximately $1.5 million.

CRITERIA

In accordance with Generally Accepted Accounting Principles, the matching principle should be applied to properly match revenues with expenses each fiscal year. Also, Section 2.2.2.8 J of the New Mexico State Audit Rules requires sound accounting practices be followed, which includes maintaining adequate financial records to support the financial statements.

CAUSE

The lack of a review process over the federal revenue schedule in prior years was the root cause of this condition. Also, a previous lack of adequate internal communication between those departments responsible for compiling the supporting documentation for Federal revenues and expenditures and those in the finance department contributed to this condition.

EFFECT

Federal revenues and expenditures were misstated in the fiscal years ended June 30, 2008; June 30, 2009; June 30, 2010; and June 30, 2011. These misstatements resulted in the need to restate the beginning fund balance in the fund-level financial statements and beginning net assets in the government-wide financial statements at June 30, 2012.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Cont'd)

RECOMMENDATIONS

We recommend the City continue to carry out the process it implemented whereby the Federal revenue schedule is reconciled to the general ledger on a monthly basis to ensure revenues and expenditures are being matched in the proper period. Further, we recommend that sufficient, appropriate communication continues to take place among all parties responsible for the gathering and reporting of information as it relates to federal revenues and expenditures.

AGENCY RESPONSE

As noted above, the City put into place a process last year to address previous year findings related to the Federal revenue schedule being reconciled to the general ledger on a monthly basis to ensure revenues and expenditures are being matched in the proper period. As such, the new process helped the City self-identify prior year discrepancies in the beginning fund balance.

The City will continue following these written processes developed to ensure federal revenues and expenditures are being reported in the proper period on a monthly basis. Additionally, the City requests that the auditor review and comment on the adequacy of these procedures.

The employees responsible for implementing the said processes are Kathy Fox, Grants Administrator, Marta Ortiz, Accounting Division Manager, Shonna Ybarra, Purchasing Specialist, Jon Daniels, Purchasing Manager and all Public Works Department project managers that are assigned to monitor Public Works grant related projects.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Cont'd)

2012-03 NON-COMPLIANCE WITH FEDERAL GRANT REQUIREMENTS – SUBRECIPIENT MONITORING (SIGNIFICANT DEFICIENCY – OMB FINDING)

CFDA 14.218

STATEMENT OF CONDITION

During Single Audit testing over subrecipient monitoring of the City's Community Development Block Grants, it was discovered that the City's internal controls over compliance with the grant provisions were not operating effectively during the year. The City has a checklist of required documents that all subrecipients are required to provide before the City processes the subrecipient's first pay request. Specifically, seven of these required documents were not provided before the City made its first payment to the subrecipient.

CRITERIA

It is essential for a pass-through entity to maintain strong internal controls over compliance with all Federal grant provisions to mitigate the risk of non-compliance. Specifically, OMB Circular A-133 § ___.300(b) requires auditees to maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.

CAUSE

A lack of secondary review of required documentation prior to awarding grants to subrecipients is the underlying cause of the said condition.

EFFECT

This condition could potentially lead to non-compliance with Federal grant requirements.

RECOMMENDATIONS

We recommend the City develop and implement a review process whereby, prior to awarding subrecipient grants, a separate individual reviews the required documentation that is submitted by the potential subrecipient and determine whether all the required documentation has been received and whether the potential subrecipient is eligible for Federal funds.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Cont'd)

AGENCY RESPONSE

The City has a checklist of required documents that all subrecipients are required to provide before the City processes the subrecipient's first pay request. Diale Fomukong, CDBG Grant Specialist and Marta Ortiz, Accounting Division Manager will ensure that the checklist of required documents is met prior to processing subrecipient's first pay request.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Cont'd)

2012-04 NON-COMPLIANCE WITH FEDERAL GRANT REQUIREMENTS – LEVEL OF EFFORT (SIGNIFICANT DEFICIENCY– OMB FINDING)

CFDA: 20.608

STATEMENT OF CONDITION

During single audit compliance testwork, we noted that the City was out of compliance with the level of effort requirements of this grant. This pass-through grant, grant number 12-AL-64-081, which related to Operation DWI initiatives, required the recipient to meet specific level of effort requirements. The grant stipulated that the recipient must carry out a certain number of DWI checkpoints and saturation patrols during the grant year. We noted that only 41 saturation patrols were carried out during FY12, whereas the grant agreement required that 43 be carried out.

CRITERIA

In order for the receipient to be in compliance with the requirements of these grant agreements, it must comply with level of effort specifications delineated by the grantor. Specifically, OMB Circular A-133 §___.300(c) requires auditees to comply with laws, regulations, and the provisions of contracts or grant agreements related to each of its Federal programs.

CAUSE

A lack of adequate monitoring of the required compliance measures pertaining to level of effort was the underlying cause of the said condition.

EFFECT

This condition led to non-compliance with level of effort Federal grant requirements.

RECOMMENDATIONS

We recommend the City carefully review all the compliance requirements of the grants which it receives and ensure that those who are responsible for administering the programs funded by the grant are aware of any and all of the grants' compliance requirements.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Concl'd)

AGENCY RESPONSE

The City was unable to schedule one hundred percent of the required events within the "Super-Blitz, Mini-Blitz" time periods because the City did not receive the grant agreement from the State until January 2012 even though the period of the grant was to be October 1, 2011 through September 30, 2012. All funding was utilized on 9 check points and 41 saturation patrol activities. The City will continue to make every effort to fulfill grant agreement requirements and amend the requirements when they cannot be achieved for reasons within and out of the City's control.

Employees responsible for ensuring that all requirements of the grant are met will include Rich Misbach, Captain of the Police Department, Kathy Fox, Grants Administrator, Marta Ortiz, Accounting Division Manager and other Department staff, depending on the grant.

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CITY OF RIO RANCHO, NEW MEXICO
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2012

STATUS OF FINANICAL STATEMENT FINDINGS

Finding No. 2011-01 COMPLIANCE REQUIREMENTS
Status: Resolved

Finding No. 2009-05 RECONCILATION OF FEDERAL AWARDS AND EXPENDITURES – REPEATED AND MODIFIED
Status: Resolved

CITY OF RIO RANCHO, NEW MEXICO
EXIT CONFERENCE
JUNE 30, 2012

An exit conference was held at a closed meeting on November 16, 2012, to discuss the preceding findings. Attending were the following persons.

For the City of Rio Rancho:

Mark Scott, Councilor, District 4
James C. Babin, Acting City Manager
Olivia Padilla-Jackson, Finance Director
Marta Ortiz, Accounting Division Manager
Kathy Fox, Grants Administrator

For the Independent Auditor:

Georgie Ortiz, CPA, CGFM, Assurance Principal
Raul Anaya, CPA
Robert Korman, CPA