

**State of New Mexico
City of Alamogordo**

**Financial Statements and
Supplementary Information**

For the Year Ended June 30, 2021

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Introductory Section

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City of Alamogordo
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June 30, 2021

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**State of New Mexico
City of Alamogordo
Official Roster
June 30, 2021**

<u>Name</u>	<u>Title</u>
<u>City Commission</u>	
Richard Boss	Mayor-At-Large
Nadia Sikes	Mayor Pro-Tem/Commissioner
Jason Baldwin	Commissioner
Dusty Wright	Commissioner
Josh Rardin	Commissioner
Susan Payne	Commissioner
Sharon McDonald	Commissioner
<u>Administration</u>	
Brian Cesar	City Manager
Stephanie Hernandez	Assistant City Manager
Petria Bengoechea	City Attorney
Evelyn Huff	Finance Director
Rachel Hughs	City Clerk
Sue Ashe	Accounting Manager

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Financial Section

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INDEPENDENT AUDITORS' REPORT

Brian S. Colón, Esq.
New Mexico State Auditor and
The Office of Management and Budget
To the City Commission
City of Alamogordo
Alamogordo, New Mexico

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue fund with a legally adopted annual budget of the City of Alamogordo (the "City"), as of and for the year ended June 30, 2021, and the related notes to the financial statements which collectively comprise the City's basic financial statements as listed in the table of contents. We have also audited the financial statements of the City's discretely presented component unit presented as supplementary information, as defined by the Government Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2021, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue fund with a legally adopted annual budget of the City, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flow thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the discretely presented component unit of the City, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flow, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *Management's Discussion and Analysis* on pages 14 through 22 and the GASB required pension schedules, OPEB schedules, and notes to the required supplementary information on pages 106 through 114 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, the combining and individual nonmajor fund financial statements, the schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and supporting schedules, as identified in the table of contents, and other disclosures are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Financial Data Schedule is presented for purposes of additional analysis as required by the U.S Department of Housing and Urban Development and is not a required part of the financial statements.

The combining and individual nonmajor fund financial statements, the schedule of expenditures of federal awards, and supporting schedules as identified in the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, the schedule of expenditures of federal awards and supporting schedules as identified in the table of contents are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2021, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Carr, Riggs & Ingram, L.L.C.

Carr, Riggs & Ingram, LLC
Albuquerque, New Mexico
December 15, 2021

**State of New Mexico
City of Alamogordo
Management's Discussion and Analysis
June 30, 2021**

As management of the City of Alamogordo (the "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, 2021. We encourage readers to consider the information presented here in conjunction with the financial statements of the City and additional information provided.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$180,840,845 (net position). The City's net position that is restricted for capital projects and other purposes is \$39,166,005. The City's net investment in capital assets is \$151,698,806. The City has an overall deficit of unrestricted net position as of June 30, 2021 of (\$10,023,966).
- Change in net position for the year ended June 30, 2021 was an increase of \$12,434,469 as a result of operations. The increase is primarily due to a reduction in expenses of 11.1%.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$16,924,374 or 154.3% of total general fund expenditures.
- The City's total debt outstanding at June 30, 2021 is \$47,615,419.

Overview of the 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 themselves.

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

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

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

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City of Alamogordo
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Both of the government-wide financial statements display functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) and those functions that are provided by user fees (business-type activities). The governmental activities of the City include general government, public safety, public works, culture and recreation, and health and welfare. The business-type activities of the City include the joint utility fund, which provides water and sewer; the solid waste fund; the bonito lake fund; the golf course fund; the airport fund; the low rent public housing fund; and the home ownership fund.

The government-wide financial statements can be found on pages 24 through 27 of this report.

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, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary 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 and outflows of spendable resources*, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government'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 government'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 City has five governmental fund types: the general fund, the special revenue funds, capital projects funds, the debt service funds, and permanent funds. Information is presented separately in the governmental fund balance sheet and statement of revenues, expenditures, and changes in fund balances for the general fund, and the leisure services special revenue fund, which are considered to be major funds. Data from the other nonmajor governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for all of its funds. A budgetary comparison schedule has been provided for the general fund and the leisure services special revenue fund to demonstrate compliance with these budgets.

The basic governmental fund financial statements can be found on pages 28 through 37 of this report.

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City of Alamogordo
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Proprietary Funds. Proprietary Funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. The accounting objectives are determinations of net income, financial position and cash flow. All assets, deferred outflows of resources, liabilities, and deferred inflows of resources are included on the Statement of Net Position. The City has presented one major proprietary fund, the joint utility fund, presented within the financial statements. Data from the other nonmajor proprietary funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor proprietary funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 38 through 47 of this report.

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 on pages 50 through 104 of this report.

Other information. The combining statements referred to earlier in connection with nonmajor governmental funds, nonmajor proprietary funds, internal service funds, component unit, and fiduciary funds are presented immediately following the Required Supplementary Information. The combining nonmajor fund financial statements can be found on pages 120 through 165 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$180,840,845 at the close of the most recent fiscal year. The City had revenues that exceeded expenditures during the year in the amount of \$12,434,469 which increased net position in the current year as a result of operations.

The City net position reflects its investment in capital assets (e.g., land, buildings, other improvements, and furniture and equipment) less any related debt used to acquire those assets that is still outstanding. This net position category of \$151,696,806 reflects that the City has more net cost value than debt related to its capital assets. The City uses these capital assets to provide services to 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.

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City of Alamogordo's Net Position

Governmental Activities	June 30, 2021			June 30, 2020			Percent Change
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total	
Current and other assets	\$ 59,723,201	\$ 14,241,519	\$ 73,964,720	\$ 54,939,798	\$ 16,356,156	\$ 71,295,954	3.74%
Net capital assets	75,711,783	122,931,569	198,643,352	77,245,784	119,696,257	196,942,041	0.86%
Total assets	135,434,984	137,173,088	272,608,072	132,185,582	136,052,413	268,237,995	1.63%
Deferred outflows of resources	10,116,124	2,195,658	12,311,782	5,820,589	1,276,786	7,097,375	73.47%
Total assets and deferred outflows of resources	\$ 145,551,108	\$ 139,368,746	\$ 284,919,854	\$ 138,006,171	\$ 137,329,199	\$ 275,335,370	3.48%
Current liabilities	\$ 5,537,680	\$ 6,153,313	\$ 11,690,993	\$ 6,059,369	\$ 7,564,560	\$ 13,623,929	-14.19%
Long-term liabilities	60,717,049	24,446,044	85,163,093	60,330,480	25,847,114	86,177,594	-1.18%
Total liabilities	66,254,729	30,599,357	96,854,086	66,389,849	33,411,674	99,801,523	-2.95%
Deferred inflows of resources	6,014,886	1,210,037	7,224,923	5,916,129	1,211,342	7,127,471	1.37%
Net investment in capital assets	48,795,198	102,903,608	151,698,806	48,290,511	97,880,808	146,171,319	3.78%
Restricted for							
Capital projects	26,758,353	-	26,758,353	26,297,264	-	26,297,264	0.00%
Other purposes	12,407,652	-	12,407,652	11,571,572	-	11,571,572	0.00%
Unrestricted	(14,679,710)	4,655,744	(10,023,966)	(20,459,154)	4,825,375	(15,633,779)	-35.88%
Total net position	73,281,493	107,559,352	180,840,845	65,700,193	102,706,183	168,406,376	7.38%
Total liabilities, deferred inflows of resources, and net position	\$ 145,551,108	\$ 139,368,746	\$ 284,919,854	\$ 138,006,171	\$ 137,329,199	\$ 275,335,370	3.48%

Changes in Net Position

The City's total revenues of \$56,138,063 and expenses of \$43,703,594 resulted in a change in net position of \$12,434,469 as a result of City operations. Comparative information for changes in net position is shown on the next page.

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Management's Discussion and Analysis
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City of Alamogordo's Change in Net Position

	June 30, 2021			June 30, 2020			Percent Change
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total	
Revenues							
Program revenues							
Charges for services	\$ 2,798,175	\$ 15,320,703	\$ 18,118,878	\$ 3,325,143	\$ 14,017,521	\$ 17,342,664	4%
Operating grants and contributions	1,845,292	884,355	2,729,647	2,191,298	746,656	2,937,954	-7%
Capital grants and contributions	656,966	802,738	1,459,704	1,166,940	5,174,739	6,341,679	-77%
General revenues							
Property taxes	4,452,954	-	4,452,954	4,440,523	-	4,440,523	0%
Other taxes	28,696,183	-	28,696,183	27,695,303	-	27,695,303	4%
Interest income	258,111	39,872	297,983	1,134,196	365,692	1,499,888	-80%
Transfers in (out)	(3,680,137)	3,685,541	5,404	(524,091)	526,737	2,646	0%
Miscellaneous income	358,404	7,631	366,035	510,805	224,343	735,148	100%
Gain from sale of assets	11,275	-	11,275	11,488	-	11,488	-2%
Total revenues	35,397,223	20,740,840	56,138,063	39,951,605	21,055,688	61,007,293	-8%
Expenses							
General government	9,030,459	-	9,030,459	10,046,397	-	10,046,397	-10%
Public safety	8,161,872	-	8,161,872	10,103,095	-	10,103,095	-19%
Public works	4,840,483	-	4,840,483	5,023,880	-	5,023,880	-4%
Health and welfare	4,526,395	-	4,526,395	5,722,068	-	5,722,068	-21%
Culture and recreation	214,907	-	214,907	216,278	-	216,278	-1%
Interest and other charges	1,041,807	-	1,041,807	1,192,976	-	1,192,976	-13%
Water and sewer	-	10,086,482	10,086,482	-	11,132,449	11,132,449	-9%
Solid waste collection	-	2,174,234	2,174,234	-	2,106,171	2,106,171	3%
Bonito Lake	-	5,926	5,926	-	5,266	5,266	13%
Desert Lakes golf course	-	1,654,022	1,654,022	-	1,717,050	1,717,050	-4%
White Sands regional airport	-	565,173	565,173	-	580,773	580,773	-3%
Public housing - rental program	-	1,388,053	1,388,053	-	1,274,633	1,274,633	9%
Public housing - home ownership	-	13,781	13,781	-	21,947	21,947	-37%
Total expenses	27,815,923	15,887,671	43,703,594	32,304,694	16,838,289	49,142,983	-11%
Increase in net position	7,581,300	4,853,169	12,434,469	7,646,911	4,217,399	11,864,310	5%
Net position - beginning	65,700,193	102,706,183	168,406,376	58,053,282	98,488,784	156,542,066	8%
Net position - ending	\$ 73,281,493	\$ 107,559,352	\$ 180,840,845	\$ 65,700,193	\$ 102,706,183	\$ 168,406,376	7%

Financial Analysis of the Government's Funds

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

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, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

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Management's Discussion and Analysis
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As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$55,886,662, an increase of \$4,965,037 in comparison with the prior year. Approximately 29.26 percent of this total amount, \$16,352,431, constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is *restricted* for other purposes to indicate that it is not available for new spending.

The general fund is the chief operating fund of the County. The unassigned fund balance represents 154.3% of the total general fund expenditures or approximately 18 months of operating equity.

Budgetary Highlights

The final budget for the general fund's revenue increased by \$3,621,191 from the original budget. Budget amendments to expenditures decreased the budget (\$43,809) during the year within the general fund departments. The actual expenditures were \$3,079,650 less than the final budgeted amounts, and actual revenues were \$837,892 more than the final budgeted amounts. This resulted in a favorable budget variance of \$3,917,542.

The final budget for the leisure services special revenue fund's revenue decreased by (\$161,617) from the original budget. Budget amendments to expenditures decreased the budget (\$134,446) during the year within the leisure services departments. The actual expenditures were \$474,487 less than the final budgeted amounts, and actual revenues were \$38,284 more than the final budgeted amounts. This resulted in a favorable budget variance of \$512,771.

Capital Asset and Debt Administration

Capital Assets

The City's investment in capital assets for its governmental activities as of June 30, 2021, amounts to \$75,711,783 for governmental activities and \$122,931,569 for business-type activities (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings and improvements, mechanized equipment, unscheduled property, and infrastructure within the governmental activities and the same categories within the business-type activities. The tables below shows the summarized capital assets of the City as of June 30, 2021.

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Governmental Activities Asset Description	Carrying Amount	Accumulated Depreciation	Net Position Balance
Capital assets not being depreciated			
Land	\$ 10,800,834	\$ -	\$ 10,800,834
Construction in progress	8,840,046	-	8,840,046
Total capital assets not being depreciated	19,640,880	-	19,640,880
Capital assets being depreciated			
Buildings and improvements	32,192,819	20,465,229	11,727,590
Mechanized equipment	14,360,846	9,549,718	4,811,128
Unscheduled property	5,039,593	3,875,852	1,163,741
Infrastructure	195,597,327	157,228,883	38,368,444
Total capital assets being depreciated	247,190,585	191,119,682	56,070,903
Total capital assets	\$ 266,831,465	\$ 191,119,682	\$ 75,711,783

Business-type Activities Asset Description	Carrying Amount	Accumulated Depreciation	Net Position Balance
Capital assets not being depreciated			
Land	\$ 7,003,434	\$ -	\$ 7,003,434
Construction in progress	26,340,526	-	26,340,526
Total capital assets not being depreciated	33,343,960	-	33,343,960
Capital assets being depreciated			
Buildings and improvements	37,141,363	21,245,840	15,895,523
Mechanized equipment	11,209,482	7,682,317	3,527,165
Unscheduled property	4,562,868	1,984,012	2,578,856
Infrastructure	105,891,676	38,305,611	67,586,065
Total capital assets being depreciated	158,805,389	69,217,780	89,587,609
Total capital assets	\$ 192,149,349	\$ 69,217,780	\$ 122,931,569

Additional information on the City's capital assets can be found in Note 6 on page 77 through 80 of this report.

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Management's Discussion and Analysis
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Long-Term Debt

At the end of the current fiscal year, the City had the following long-term debt outstanding.

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
General obligation bonds	\$ 9,670,000	\$ 9,978,800	\$ 5,125,000	\$ 5,370,000	\$ 14,795,000	\$ 15,348,800
Revenue bonds/loans	-	-	5,591,632	6,065,399	5,591,632	6,065,399
Other loans/notes payable	17,683,000	19,892,662	9,351,279	10,400,787	27,034,279	30,293,449
Bond discounts	(151,135)	(164,731)	-	-	(151,135)	(164,731)
Bond premiums	183,912	197,964	161,731	180,944	345,643	378,908
Compensated absences	1,123,824	1,060,189	273,240	276,677	1,397,064	1,336,866
Total long-term debt	\$ 28,509,601	\$ 30,964,884	\$ 20,502,882	\$ 22,293,807	\$ 49,012,483	\$ 53,258,691

Additional information on the City's debt can be found in Note 7 on page 80 through 85 of this report.

Economic Factors and Next Year's Budget and Rates

The City of Alamogordo was founded in 1898 as a terminal for the railroad. It is the county seat, and commercial and governmental center of Otero County, New Mexico. Located in the Tularosa Basin, the City of Alamogordo is surrounded by the Organ, San Andres, and Sacramento mountain ranges, and has a population of approximately 35,000 citizens, many of which are military or retirees. The City of Alamogordo is closely linked to both Holloman Air Force Base and White Sands Missile Range. Tourism and the New Mexico Film Industry also contribute to the local economy with White Sands National Monument and the NM Museum of Space History being popular attractions.

The following economic factors currently affect the City of Alamogordo and were considered in developing the 2020-2021 fiscal year budget.

- Gross Receipts Tax - During FY2022 the City of Alamogordo was extremely cautious in projecting the GRT proceeds. The City used an adjusted three year average to project the FY2022 GRT proceeds and assumed no growth. This allowed the City to develop a balanced budget at the beginning of the year and not to have to make deep cuts later in the year.
- Salary and Benefits – In order to avoid salary compression caused by state mandated increases in the minimum wage, all City employees received a \$0.50 an hour increase on July 1, 2021. Another \$0.50 increase is scheduled for January 1, 2022 along with any positions that need to be increased to the new minimum wage of \$11.50 per hour.
- Workers Compensation - New Mexico Self Insurer's Fund approved a 50% rate reduction for the FY2022 Worker's Compensation premiums.
- Spending Control – The City of Alamogordo has been very diligent in FY2021 and FY2022 in implementing spending controls especially in funds that had declining cash balances. The City has been using a "flat budgeting" model for two years, allowing funds to balance their budgets while increasing their reserves.

**State of New Mexico
City of Alamogordo
Management's Discussion and Analysis
June 30, 2021**

COVID-19 Impact

The City of Alamogordo has faced a significant impact from the COVID-19 pandemic.

The City was careful projecting revenues for FY2022. Both the GRT and Lodger's Tax performed well despite the pandemic, but there were still concerns for a downturn. A flat budgeting model was already being used and more capital was approved. However, most capital projects have been postponed as the inflation experienced in building materials has caused major cost overruns. The City is hoping this delay will allow prices to stabilize.

Several departments were able to reinstate positions lost or frozen during the initial stay at home period. Per the City Manager's direction, City employees who were sent home to help mitigate the spread of COVID-19 have been paid through the administrative leave policy. The City was able to offset some of that amount with funding received from the CARES Act through New Mexico DFA. While all current employees have returned full time, the City is experiencing a large number of vacant positions, especially in the Police Department and Public Works.

Several City departments have experienced a significant amount of revenue loss due to COVID-19. The Alamogordo Family Recreation Center, Sgt. Willie Estrada Memorial Civic Center, Alamogordo Public Library and Alamogordo Senior Center were closed for long periods. Other departments including the Alameda Park Zoo and Desert Lakes Golf Course saw decreased revenues due to attendance restrictions. Most of these departments have been able to resume normal operations, except for the Alamogordo Senior Center. They are hoping to resume normal operations by the summer of 2022.

Modifications have been made to several City facilities to accommodate the COVID safe practices mandated by the state. The City has procured as much personal protective equipment as possible and continues to compete for these limited resources. The City received FEMA funding to help offset some PPE related expenses.

All of these factors were considered in preparing the City's budget for the 2022 fiscal year.

Request for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, 1376 East Ninth Street, City of Alamogordo, NM 88310.

Basic Financial Statements

State of New Mexico
City of Alamogordo
Statement of Net Position

June 30, 2021	Primary Government			Component Unit
	Governmental Activities		Business-type Activities	Otero-Greentree Regional Landfill
Assets				
Current assets				
Cash and cash equivalents	\$ 6,548,979	\$ 3,316,915	\$ 9,865,894	\$ 816,073
Investments	46,406,111	7,379,766	53,785,877	3,051,584
Receivables				
Taxes	5,129,731	-	5,129,731	-
Intergovernmental	97,937	12,979	110,916	-
Customer, net	-	2,662,585	2,662,585	74,494
Other, net	224,584	-	224,584	4,487
Inventory	178,003	600,860	778,863	-
Prepaid expenses	79,227	37,545	116,772	-
Internal balances	5	(5)	-	-
Total current assets	58,664,577	14,010,645	72,675,222	3,946,638
Noncurrent assets				
Restricted cash and cash equivalents	1,058,624	67,985	1,126,609	-
Restricted investments	-	74,551	74,551	1,042,171
Assets held for sale	-	88,338	88,338	-
Capital assets, not being depreciated	19,640,880	33,343,960	52,984,840	1,572,395
Capital assets, being depreciated	247,190,585	158,805,389	405,995,974	7,048,032
Less accumulated depreciation	(191,119,682)	(69,217,780)	(260,337,462)	(4,476,529)
Total noncurrent assets	76,770,407	123,162,443	199,932,850	5,186,069
Total assets	135,434,984	137,173,088	272,608,072	9,132,707
Deferred outflows of resources				
Deferred outflows - pension	7,429,840	1,450,089	8,879,929	118,670
Deferred outflows - OPEB	2,217,092	543,888	2,760,980	43,812
Deferred outflows - extinguishment of debt	469,192	201,681	670,873	-
Total deferred outflows of resources	10,116,124	2,195,658	12,311,782	162,482
Total assets and deferred outflows of resources	\$ 145,551,108	\$ 139,368,746	\$ 284,919,854	\$ 9,295,189

The accompanying notes are an integral part of these financial statements.

June 30, 2021	Primary Government			Component Unit
	Governmental Activities		Business-type Activities	Otero-Greentree Regional Landfill
Liabilities				
Current liabilities				
Accounts payable	\$ 713,590	\$ 1,177,326	\$ 1,890,916	\$ 43,231
Accrued payroll	955,718	174,322	1,130,040	20,996
Deposits held in trust for others	22,901	590,666	613,567	4,187
Unearned revenue	27,048	1,858,373	1,885,421	6,002
Accrued interest	279,599	93,400	372,999	-
Long-term liabilities, current	3,538,824	2,259,226	5,798,050	10,476
Total current liabilities	5,537,680	6,153,313	11,690,993	84,892
Noncurrent liabilities				
Long-term liabilities, net of current portion	24,970,777	18,243,656	43,214,433	1,975,440
Net pension liability	26,461,925	4,653,041	31,114,966	396,915
Net OPEB liability	9,284,347	1,549,347	10,833,694	131,334
Total noncurrent liabilities	60,717,049	24,446,044	85,163,093	2,503,689
Total liabilities	66,254,729	30,599,357	96,854,086	2,588,581
Deferred inflows of resources				
Deferred inflows - pension	1,771,396	331,753	2,103,149	27,893
Deferred inflows - OPEB	4,243,490	878,284	5,121,774	75,181
Total deferred inflows of resources	6,014,886	1,210,037	7,224,923	103,074
Net position				
Net investment in capital assets	48,795,198	102,903,608	151,698,806	4,143,898
Restricted for				
Debt service	4,026,327	-	4,026,327	-
Capital projects	26,758,353	-	26,758,353	-
Special revenue	7,564,845	-	7,564,845	-
Permanent fund	816,480	-	816,480	-
Unrestricted (deficit)	(14,679,710)	4,655,744	(10,023,966)	2,459,636
Total net position	73,281,493	107,559,352	180,840,845	6,603,534
Total liabilities, deferred inflows of resources, and net position	\$ 145,551,108	\$ 139,368,746	\$ 284,919,854	\$ 9,295,189

The accompanying notes are an integral part of these financial statements.

**State of New Mexico
City of Alamogordo
Statement of Activities**

For the Year Ended June 30, 2021

Program Revenues

Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental activities				
General government	\$ 9,030,459	\$ 2,074,984	\$ 167,026	645,116
Public safety	8,161,872	271,738	760,990	-
Public works	4,840,483	24,601	34,890	11,850
Culture and recreation	4,526,395	426,852	699,984	-
Health and welfare	214,907	-	182,402	-
Interest and other charges	1,041,807	-	-	-
Total governmental activities	27,815,923	2,798,175	1,845,292	656,966
Business-type activities				
Water and sewer	10,086,482	11,033,901	-	125,866
Solid waste	2,174,234	2,316,373	1,687	-
Bonito lake	5,926	-	-	-
Golf course	1,654,022	1,544,411	16,902	-
Airport	565,173	153,695	12,979	173,524
Low rent public housing	1,388,053	272,323	852,787	503,348
Home ownership	13,781	-	-	-
Total business-type activities	15,887,671	15,320,703	884,355	802,738
Total primary government	\$ 43,703,594	\$ 18,118,878	\$ 2,729,647	\$ 1,459,704
Component unit				
Otero - Greentree Regional Landfill	\$ 1,436,945	\$ 1,709,292	\$ 3,174	\$ -
General revenues and transfers				
Taxes				
Property				
Gross receipts				
Gasoline and motor vehicle				
Other				
Investment income				
Miscellaneous				
Gain from sale of assets				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position - beginning of year				
Net position - end of year				

The accompanying notes are an integral part of these financial statements.

Net (Expense) Revenue and Changes in Net Position

Primary Government		Component Unit	
Governmental Activities	Business-type Activities	Total	Otero - Greentree Regional Landfill
\$ (6,143,333)	\$ -	\$ (6,143,333)	\$ -
(7,129,144)	-	(7,129,144)	-
(4,769,142)	-	(4,769,142)	-
(3,399,559)	-	(3,399,559)	-
(32,505)	-	(32,505)	-
(1,041,807)	-	(1,041,807)	-
(22,515,490)	-	(22,515,490)	-
- 1,073,285		1,073,285	-
- 143,826		143,826	-
- (5,926)		(5,926)	-
- (92,709)		(92,709)	-
- (224,975)		(224,975)	-
- 240,405		240,405	-
- (13,781)		(13,781)	-
- 1,120,125		1,120,125	-
(22,515,490)	1,120,125	(21,395,365)	-
-	-	-	275,521
4,452,954	-	4,452,954	-
27,466,013	-	27,466,013	-
663,658	-	663,658	-
566,512	-	566,512	-
258,111	39,872	297,983	5,532
358,404	7,631	366,035	20,191
11,275	-	11,275	-
(3,680,137)	3,685,541	5,404	(5,404)
30,096,790	3,733,044	33,829,834	20,319
7,581,300	4,853,169	12,434,469	295,840
65,700,193	102,706,183	168,406,376	6,307,694
\$ 73,281,493	\$ 107,559,352	\$ 180,840,845	\$ 6,603,534

The accompanying notes are an integral part of these financial statements.

**State of New Mexico
City of Alamogordo
Balance Sheet - Governmental Funds**

June 30, 2021			Leisure Services	2004 Capital	
		General Fund	Fund	Outlay	GRT Fund
Assets					
Cash and cash equivalents	\$ 861,694	\$ 438,488		\$ 251,855	
Investments	13,634,632		-	15,217,774	
Receivables					
Taxes	2,773,899		-	696,411	
Intergovernmental	-		-	-	
Other, net	209,482		56	-	
Prepaid expense	10,003		-	-	
Due from other funds	420,922		-	-	
Total assets	\$ 17,910,632	\$ 438,544		\$ 16,166,040	
Liabilities, deferred inflows of resources, and fund balances					
Liabilities					
Accounts payable	\$ 165,398	\$ 47,972		\$ 14,396	
Accrued payroll	680,455	106,619		-	
Deposits held in trust for others	4,016	17,503		-	
Unearned revenue	7,010	7,574		-	
Due to other funds	-	-		-	
Total liabilities	856,879	179,668		14,396	
Deferred inflows of resources					
Unearned revenue - property taxes	119,376		-	-	
Total deferred inflows of resources	119,376		-	-	
Fund balances					
Nonspendable	10,003		-	-	
Spendable					
Restricted	-	258,876		16,151,644	
Unassigned (deficit)	16,924,374		-	-	
Total fund balances	16,934,377	258,876		16,151,644	
Total liabilities, deferred inflows of resources, and fund balances	\$ 17,910,632	\$ 438,544		\$ 16,166,040	

The accompanying notes are an integral part of these financial statements.

Nonmajor Governmental Funds	Total Governmental Funds
\$ 5,357,633	\$ 6,909,670
16,433,590	45,285,996
1,659,421	5,129,731
97,937	97,937
408	209,946
-	10,003
-	420,922
\$ 23,548,989	\$ 58,064,205
\$ 436,325	\$ 664,091
99,021	886,095
1,382	22,901
12,464	27,048
420,917	420,917
970,109	2,021,052
37,115	156,491
37,115	156,491
-	10,003
23,113,708	39,524,228
(571,943)	16,352,431
22,541,765	55,886,662
\$ 23,548,989	\$ 58,064,205

The accompanying notes are an integral part of these financial statements.

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State of New Mexico
City of Alamogordo
Reconciliation of the Governmental Funds Balance Sheet to the
Statement of Net Position

June 30, 2021

Amounts reported for governmental activities in the statement of net position are different because

Fund balances - total governmental funds	\$ 55,886,662
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported in the funds	75,711,783
Internal service funds are used by management to charge the costs of activities, such as insurance, to individual funds. The assets, deferred outflows of resources, liabilities, and deferred inflows of resources are included in governmental activities in the statement of net position	(1,001,568)
Delinquent property taxes not collected within sixty days after year end are not considered "available" revenues and are considered to be unavailable revenue in the fund financial statements, but are considered revenue in the statement of activities	156,491
Deferred outflows of resources related to long term debt are applicable to future periods and therefore, are not reported in funds	
Deferred outflows of resources related to the advanced extinguishment of debt	469,192
Deferred outflows and inflows of resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in funds	
Deferred outflows - pension	6,852,746
Deferred inflows - pension	(1,633,607)
Deferred outflows - OPEB	1,996,402
Deferred inflows - OPEB	(3,813,123)
Liabilities, including accrued interest, accrued compensated absences, bonds payable, loans payable, net pension liability, and net OPEB liability are not due and payable in the current period and, therefore, are not reported in the funds	
Accrued interest	(279,599)
Accrued compensated absences	(940,326)
Bond discounts, net of accumulated amortization	151,135
Bond premiums, net of accumulated amortization	(183,912)
Current portion of long term debt payable	(2,415,000)
Long-term debt payable	(24,938,000)
Net pension liability	(24,390,335)
Net OPEB Liability	(8,347,448)
Net position - governmental activities	\$ 73,281,493

The accompanying notes are an integral part of these financial statements.

State of New Mexico
City of Alamogordo
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Governmental Funds

For the year ended June 30, 2021	General Fund	Leisure Services	2004 Capital
		Fund	Outlay GRT
			Fund
Revenues			
Taxes			
Property	\$ 3,408,930	\$ -	\$ -
Gross receipts	14,889,999	-	4,024,324
Gasoline and motor vehicle	-	-	-
Other	-	-	-
Intergovernmental			
Federal operating grants	69,558	118,594	-
Federal capital grants	-	-	-
State operating grants	-	58,403	-
State capital grants	-	-	-
Charges for services	1,986,950	261,024	-
Investment income	194,842	-	23,034
Miscellaneous	118,240	27,786	-
Total revenues	20,668,519	465,807	4,047,358
Expenditures			
Current			
General government	2,904,276	1,150,603	-
Public safety	7,887,391	1,569	-
Public works	3,528	12,255	56,707
Culture and recreation	-	2,006,355	-
Health and welfare	-	-	-
Capital outlay	174,822	1,797	718,438
Debt service			
Principal	-	-	-
Interest and other charges	-	-	-
Total expenditures	10,970,017	3,172,579	775,145
Excess (deficiency) of revenues over expenditures	9,698,502	(2,706,772)	3,272,213
Other financing sources (uses)			
Proceeds from sale of assets	-	-	-
Transfers in	57,169	3,590,852	-
Transfers (out)	(5,909,230)	(510,931)	(1,369,493)
Total other financing sources (uses)	(5,852,061)	3,079,921	(1,369,493)
Net change in fund balances	3,846,441	373,149	1,902,720
Fund balances - beginning of year	13,087,936	(114,273)	14,248,924
Fund balances - end of year	\$ 16,934,377	\$ 258,876	\$ 16,151,644

The accompanying notes are an integral part of these financial statements.

Nonmajor Governmental Funds	Total Governmental Funds
\$ 1,034,573	\$ 4,443,503
8,551,690	27,466,013
663,658	663,658
566,512	566,512
188,831	376,983
52,157	52,157
1,359,226	1,417,629
604,809	604,809
298,101	2,546,075
38,721	256,597
93,135	239,161
13,451,413	38,633,097

970,699	5,025,578
1,091,007	8,979,967
1,370,634	1,443,124
1,736,400	3,742,755
258,027	258,027
3,672,051	4,567,108
2,518,462	2,518,462
992,370	992,370
12,609,650	27,527,391
841,763	11,105,706

11,275	11,275
6,689,650	10,337,671
(8,699,961)	(16,489,615)
(1,999,036)	(6,140,669)
(1,157,273)	4,965,037
23,699,038	50,921,625
\$ 22,541,765	\$ 55,886,662

The accompanying notes are an integral part of these financial statements.

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**State of New Mexico
City of Alamogordo**

**Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances - Governmental Funds to the Statement of Activities**

For the Year Ended June 30, 2021

Amounts reported for governmental activities in the statement of activities are different because

Net change in fund balances - total governmental funds	\$ 4,965,037
Change in net position of the internal service funds, which are presented in the statement of activities as governmental activities but are not presented with the governmental fund financial statements	373,061
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 and reported as depreciation expense	
Capital expenditures	4,567,108
Book value of disposed/deleted assets	(9,450)
Depreciation expense	(6,091,659)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds	
Change in unavailable revenue related to property taxes receivable	(9,451)
Governmental funds report city pension and OPEB contributions as expenditures. However, in the statement of activities, the cost of pension and OPEB benefits earned net of employee contributions is reported as pension and OPEB expense	
Contributions subsequent to the measurement date - pension	1,127,393
Pension expense	(447,202)
Contributions subsequent to the measurement date - OPEB	194,590
OPEB benefit	473,536
The issuance of long-term debt (e.g. bonds, notes, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities	
Decrease in accrued interest	13,122
Increase in accrued compensated absences	(31,144)
Principal payments on debt payable	2,518,462
Amortization of bond discounts	(13,596)
Amortization of deferred loss on extinguishment of debt	(62,559)
Amortization of bond premiums	14,052
Change in net position of governmental activities	<hr/> <hr/> \$ 7,581,300

The accompanying notes are an integral part of these financial statements.

State of New Mexico
City of Alamogordo
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
General Fund

For the Year Ended June 30, 2021	Budgeted Amounts		Variances	
	Original	Final	Favorable (Unfavorable)	
			Actual	Final to Actual
Revenues				
Taxes				
Property	\$ 3,230,117	\$ 3,376,728	\$ 3,408,930	\$ 32,202
Gross receipts	10,712,639	14,262,835	14,889,999	627,164
Intergovernmental				
Federal operating grants	-	69,558	69,558	-
Charges for services	2,142,617	2,010,153	1,986,950	(23,203)
Investment income	84,694	51,344	247,381	196,037
Miscellaneous	91,908	112,548	118,240	5,692
Total revenues	16,261,975	19,883,166	20,721,058	837,892
Expenditures				
Current				
General government	3,422,036	3,452,184	3,008,263	443,921
Public safety	10,679,013	10,425,684	7,887,391	2,538,293
Public works	33,820	31,637	3,528	28,109
Capital outlay	62,594	244,149	174,822	69,327
Total expenditures	14,197,463	14,153,654	11,074,004	3,079,650
Excess (deficiency) of revenues over expenditures	2,064,512	5,729,512	9,647,054	3,917,542
Other financing sources (uses)				
Designated cash (budgeted cash increase)	4,919,840	1,389,840	-	(1,389,840)
Transfers in	250,000	310,000	57,169	(252,831)
Transfers (out)	(7,234,352)	(7,429,352)	(5,909,230)	1,520,122
Total other financing sources (uses)	(2,064,512)	(5,729,512)	(5,852,061)	(122,549)
Net change in fund balances	-	-	3,794,993	3,794,993
Fund balances - beginning of year	-	-	11,122,255	11,122,255
Fund balances - end of year	\$ -	\$ -	\$ 14,917,248	\$ 14,917,248
Net change in fund balance (non-GAAP budgetary basis)			\$ 3,794,993	
Adjustments to revenues for taxes, grants and charges for services			(52,539)	
Adjustments to expenditures for salaries and other expenses			103,987	
Net change in fund balance (GAAP)			\$ 3,846,441	

The accompanying notes are an integral part of these financial statements.

State of New Mexico
City of Alamogordo
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
Leisure Services Special Revenue Fund

For the Year Ended June 30, 2021	Budgeted Amounts		Actual	Variances Favorable (Unfavorable) Final to Actual
	Original	Final		
Revenues				
Intergovernmental				
Federal operating grants	\$ -	\$ 120,700	\$ 118,594	\$ (2,106)
State operating grants	87,000	62,892	58,403	(4,489)
Charges for services	474,540	216,407	261,024	44,617
Miscellaneous	27,600	27,524	27,786	262
Total revenues	589,140	427,523	465,807	38,284
Expenditures				
Current				
General government	1,315,694	1,312,918	1,094,476	218,442
Public safety	2,500	2,500	1,569	931
Public works	26,020	32,584	12,255	20,329
Culture and recreation	2,372,322	2,214,590	2,006,355	208,235
Capital outlay	8,849	28,347	1,797	26,550
Total expenditures	3,725,385	3,590,939	3,116,452	474,487
Excess (deficiency) of revenues over expenditures	(3,136,245)	(3,163,416)	(2,650,645)	512,771
Other financing sources (uses)				
Designated cash (budgeted cash increase)	(417,970)	(390,799)	-	390,799
Transfers in	4,170,500	4,170,500	3,590,852	(579,648)
Transfers (out)	(616,285)	(616,285)	(510,931)	105,354
Total other financing sources (uses)	3,136,245	3,163,416	3,079,921	(83,495)
Net change in fund balances	-	-	429,276	429,276
Fund balances - beginning of year	-	-	9,212	9,212
Fund balances - end of year	\$ -	\$ -	\$ 438,488	\$ 438,488
Net change in fund balance (non-GAAP budgetary basis)			\$ 429,276	
No adjustments to revenues			-	-
Adjustments to expenditures for salaries and other expenses			(56,127)	
Net change in fund balance (GAAP)	\$ -	\$ -	\$ 373,149	\$ -

The accompanying notes are an integral part of these financial statements.

**State of New Mexico
City of Alamogordo
Statement of Net Position - Proprietary Funds**

June 30, 2021	Business-type Activities - Enterprise Funds		
	Water and Sewer Fund	Nonmajor Enterprise Funds	Total Enterprise Funds
Assets			
Current assets			
Cash and cash equivalents	\$ 1,443,693	1,873,222	\$ 3,316,915
Investments	6,471,200	908,566	7,379,766
Receivables			
Intergovernmental	-	12,979	12,979
Customer, net	2,450,054	212,531	2,662,585
Other, net	-	-	-
Inventory	595,259	5,601	600,860
Prepaid expenses	4,994	32,551	37,545
Due from other funds	-	16	16
Total current assets	10,965,200	3,045,466	14,010,666
Noncurrent assets			
Restricted cash and cash equivalents	-	67,985	67,985
Restricted investments	-	74,551	74,551
Assets held for sale	-	88,338	88,338
Capital assets, not being depreciated	26,963,084	6,380,876	33,343,960
Capital assets, being depreciated	125,074,115	33,731,274	158,805,389
Less accumulated depreciation	(47,497,318)	(21,720,462)	(69,217,780)
Total noncurrent assets	104,539,881	18,622,562	123,162,443
Total assets	115,505,081	21,668,028	137,173,109
Deferred outflows of resources			
Deferred outflows - pension	992,810	457,279	1,450,089
Deferred outflows - OPEB	388,566	155,322	543,888
Deferred outflows - extinguishment of debt	201,681	-	201,681
Total deferred outflows of resources	1,583,057	612,601	2,195,658
Total assets and deferred outflows of resources	\$ 117,088,138	\$ 22,280,629	\$ 139,368,767

The accompanying notes are an integral part of these financial statements.

Governmental

Activities

**Internal Service
Funds**

\$ 697,933
1,120,115

-
-
14,638
178,003
69,224

2,079,913

-
-
-
-
-
-
2,079,913

577,094
220,690

797,784

\$ 2,877,697
(continued)

The accompanying notes are an integral part of these financial statements.

**State of New Mexico
City of Alamogordo
Statement of Net Position - Proprietary Funds**

June 30, 2021	Business-type Activities - Enterprise Funds		
	Water and Sewer Fund	Nonmajor Enterprise Funds	Total Enterprise Funds
Liabilities			
Current liabilities			
Accounts payable	\$ 999,236	\$ 178,090	\$ 1,177,326
Accrued payroll	124,458	49,864	174,322
Deposits held in trust for others	532,830	57,836	590,666
Unearned revenue	1,843,979	14,394	1,858,373
Accrued interest	93,400	-	93,400
Long-term liabilities, current	2,190,990	68,236	2,259,226
Due to other funds	-	21	21
Total current liabilities	5,784,893	368,441	6,153,334
Noncurrent liabilities			
Long-term liabilities, net of current portion	18,243,656	-	18,243,656
Net pension liability	3,340,518	1,312,523	4,653,041
Net OPEB liability	1,084,228	465,119	1,549,347
Total noncurrent liabilities	22,668,402	1,777,642	24,446,044
Total liabilities	28,453,295	2,146,083	30,599,378
Deferred inflows of resources			
Deferred inflows - pension	216,679	115,074	331,753
Deferred inflows - OPEB	624,088	254,196	878,284
Total deferred inflows of resources	840,767	369,270	1,210,037
Net position			
Net investment in capital assets	84,511,920	18,391,688	102,903,608
Unrestricted	3,282,156	1,373,588	4,655,744
Total net position	87,794,076	19,765,276	107,559,352
Total liabilities, deferred inflows of resources, and net position	\$ 117,088,138	\$ 22,280,629	\$ 139,368,767

The accompanying notes are an integral part of these financial statements.

Governmental

Activities

Internal Service

Funds

\$ 49,499
69,623

-

-

-

183,498

-

302,620

-
2,071,590
936,899

3,008,489

3,311,109

137,789
430,367

568,156

-
(1,001,568)

(1,001,568)

\$ 2,877,697

The accompanying notes are an integral part of these financial statements.

**State of New Mexico
City of Alamogordo**
**Statement of Revenues, Expenses, and Changes in Net Position -
Proprietary Funds**

For the Year Ended June 30, 2021	Business-type Activities - Enterprise Funds		
	Water and Sewer Fund	Nonmajor Enterprise Funds	Total Enterprise Funds
Operating revenues			
Charges for services	\$ 11,033,901	\$ 4,286,802	\$ 15,320,703
Operating grants	-	884,355	884,355
Total operating revenues	11,033,901	5,171,157	16,205,058
Operating expenses			
Personnel services	2,499,677	922,759	3,422,436
Utilities	887,348	63,942	951,290
Contractual services	495,311	3,067,859	3,563,170
Supplies and purchased power	841,187	242,949	1,084,136
Repairs and maintenance	435,558	252,174	687,732
Depreciation expense	3,871,244	966,700	4,837,944
Miscellaneous expense	689,108	284,806	973,914
Total operating expenses	9,719,433	5,801,189	15,520,622
Operating income (loss)	1,314,468	(630,032)	684,436
Non-operating revenues (expenses)			
Interest expense	(367,049)	-	(367,049)
Investment income	35,090	4,782	39,872
Miscellaneous	2,240	5,391	7,631
Total non-operating revenues (expenses)	(329,719)	10,173	(319,546)
Income (loss) before contributions and transfers	984,749	(619,859)	364,890
Government contributions			
Capital grants	125,866	676,872	802,738
Transfers in	4,348,862	79,961	4,428,823
Transfers (out)	(503,870)	(239,412)	(743,282)
Change in net position	4,955,607	(102,438)	4,853,169
Net position - beginning of year	82,838,469	19,867,714	102,706,183
Net position - end of year	\$ 87,794,076	\$ 19,765,276	\$ 107,559,352

The accompanying notes are an integral part of these financial statements.

**Governmental
Activities**

**Internal Service
Funds**

\$	252,100
	50,680
	<u>302,780</u>

1,342,197
33,721
348,330
335,203
362,859
-
<u>168,260</u>
<u>2,590,570</u>
<u>(2,287,790)</u>

-
1,514
<u>187,530</u>
<u>189,044</u>
<u>(2,098,746)</u>

-
2,513,335
<u>(41,528)</u>
373,061
<u>(1,374,629)</u>
<u>\$ (1,001,568)</u>

The accompanying notes are an integral part of these financial statements.

**State of New Mexico
City of Alamogordo
Statement of Cash Flows - Proprietary Funds**

For the year ended June 30, 2021	Business-type Activities - Enterprise Funds		
	Water and Sewer Fund	Nonmajor Enterprise Funds	Total Enterprise Funds
Cash flows from operating activities			
Cash received from user charges	\$ 10,454,799	\$ 4,240,039	\$ 14,694,838
Cash received from subsidy grants	-	884,355	884,355
Cash payments to employees for services	(2,730,617)	(1,004,400)	(3,735,017)
Cash payments to suppliers for goods and services	(4,938,311)	(4,010,975)	(8,949,286)
Net cash provided (used) by operating activities	2,785,871	109,019	2,894,890
Cash flows from noncapital financing activities			
Miscellaneous income	2,240	5,391	7,631
Transfers in (out)	3,844,992	(161,735)	3,683,257
Net cash provided (used) by noncapital financing ac	3,847,232	(156,344)	3,690,888
Cash flows from investing activities			
Sales (purchases) of investments	3,746,027	(207,654)	3,538,373
Interest on investments	35,090	4,782	39,872
Net cash provided by investing activities	3,781,117	(202,872)	3,578,245
Cash flows from capital and related financing activities			
Acquisition of capital assets	(7,571,871)	(614,307)	(8,186,178)
Capital grants	143,916	667,527	811,443
Interest paid	(279,121)	-	(279,121)
Principal payments on bonds, loans, and notes payable	(1,768,275)	-	(1,768,275)
Net cash (used) provided by capital and related financing activities	(9,475,351)	53,220	(9,422,131)
Net increase in cash and cash equivalents	938,869	(196,977)	741,892
Cash and cash equivalents - beginning of year	504,824	2,138,184	2,643,008
Cash and cash equivalents - end of year	\$ 1,443,693	\$ 1,941,207	\$ 3,384,900

The accompanying notes are an integral part of these financial statements.

**Governmental
Activities**

**Internal
Service Funds**

\$ 249,600
50,680
(1,426,628)

(1,283,483)
(2,409,831)

187,530
2,471,807
2,659,337

9
1,514
1,523

-
-
-

251,029
446,904
\$ 697,933

(Continued)

The accompanying notes are an integral part of these financial statements.

**State of New Mexico
City of Alamogordo
Statement of Cash Flows - Proprietary Funds**

For the year ended June 30, 2021	Business-type Activities - Enterprise Funds		
	Water and Sewer Fund	Nonmajor Enterprise Funds	Total Enterprise Funds
Reconciliation of operating (loss) to net cash provided (used) by operating activities			
Operating (loss)	\$ 1,314,468	\$ (630,032)	\$ 684,436
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities			
Depreciation	3,871,244	966,700	4,837,944
Noncash pension expense	(96,023)	(31,785)	(127,808)
Noncash OPEB benefit	(129,022)	(52,782)	(181,804)
Changes in assets, liabilities and deferred outflows of resources			
Receivables, net	(556,054)	(28,358)	(584,412)
Inventory	(90,218)	6,813	(83,405)
Prepaid expenses	642	(3,040)	(2,398)
Subsequent contributions-pension	(4,087)	(1,353)	(5,440)
Subsequent contributions-OPEB	(706)	(290)	(996)
Accounts payable	(1,500,223)	(103,018)	(1,603,241)
Accrued payroll expenses	2,947	3,947	6,894
Accrued compensated absences	(4,049)	622	(3,427)
Unearned revenue	-	(20,905)	(20,905)
Customer deposits	(23,048)	2,500	(20,548)
Net cash provided (used) by operating activities	\$ 2,785,871	\$ 109,019	\$ 2,894,890

The accompanying notes are an integral part of these financial statements.

**Governmental
Activities**

**Internal
Service Funds**

\$ (2,287,790)

-
(53,433)
(71,797)

(2,500)
(30,657)
9,978
(2,274)
(393)
(14,431)
10,975
32,491

-
-

\$ (2,409,831)

The accompanying notes are an integral part of these financial statements.

**State of New Mexico
City of Alamogordo
Statement of Fiduciary Net Position**

<u>June 30, 2021</u>	Custodial Funds
Assets	
Cash and cash equivalents	\$ 11,687
Total assets	\$ 11,687
Liabilities	
Accounts payable	\$ 3,136
Total liabilities	3,136
Net position	
Restricted	8,938
Unrestricted (deficit)	(387)
Total net position	8,551
Total liabilities and net position	\$ 11,687

The accompanying notes are an integral part of these financial statements.

**State of New Mexico
City of Alamogordo
Statement of Changes in Fiduciary Net Position**

<u>For the Year Ended June 30, 2021</u>	<u>Custodial Funds</u>
Additions	
Court fees	\$ 30,847
Total additions	<u>\$ 30,847</u>
Deductions	
Professional services	\$ 30,844
Total deductions	<u>30,844</u>
Net increase in fiduciary net position	3
Net position - beginning of year	8,548
Net position - end of year	<u>\$ 8,551</u>

The accompanying notes are an integral part of these financial statements.

**State of New Mexico
City of Alamogordo
Notes to Financial Statements**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Alamogordo (the "City") was incorporated in 1898. The City operates under a Commission-Manager form of government and provides the following services as authorized by its charter: public safety (police and fire), highways and streets, public utilities (water, wastewater, and solid waste), health and social services, culture-recreation, education, public improvements, planning and zoning, and general administrative services.

The City of Alamogordo is a body politic and corporate under the name and form of government selected by its qualified electors. The City may:

1. Sue or be sued;
2. Enter into contracts and leases;
3. Acquire and hold property, both real and personal;
4. Have common seal, which may be altered at pleasure;
5. Exercise such other privileges that are incident to corporations of like character or degree that are not inconsistent with the laws of New Mexico;
6. Protect generally the property of its municipality and its inhabitants;
7. Preserve peace and order within the municipality; and
8. Establish rates for services provided by municipal utilities and revenue-producing projects, including amounts which the governing body determines to be reasonable in the operation of similar facilities.

The City's financial statements are prepared in accordance with generally accepted accounting principles ("GAAP"). The Governmental Accounting Standards Board ("GASB") is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the City are discussed below.

This summary of significant accounting policies of the City is presented to assist in the understanding of City's financial statements. The financial statements and notes are the representation of City's management who is responsible for their integrity and objectivity.

Reporting Entity

The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

In evaluating how to define the City, for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statement No. 14, as amended by GASB Statement No. 39, GASB Statement No. 61, GASB Statement No. 80, and GASB Statement No. 90. Blended component units, although legally separate entities, are in substance part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

**State of New Mexico
City of Alamogordo
Notes to Financial Statements**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reporting Entity (Continued)

The basic-but not the only-criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters.

A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens.

A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity.

Discretely Presented Component Unit

Based upon the application of these criteria, the City has one component unit, the Otero-Greentree Regional Landfill which will be shown as a discretely presented component unit. The discretely presented component unit does not have separately issued financial statements. The Otero-Greentree Regional Landfill has been determined to be a component unit as a result of a joint powers agreement entered into during the fiscal year 1994, which should be presented as a discretely presented component unit. The purpose of the joint venture was to establish, finance and operate the landfill. The governmental entities involved in the Joint Powers Agreements ("JPA" are City of Alamogordo, Otero County, Village of Cloudcroft, Village of Tularosa, Village of Corona, Lincoln City, Town of Carrizozo, Village of Capitan, Village of Ruidoso and Village of Ruidoso Downs. Each of the governmental entity signers has pledged their respective environmental services gross receipts tax revenues as financial support for the purpose of funding the acquisition of capital assets necessary for the operation of the landfill. The Otero and Lincoln County authorities have also agreed to a 50-50 joint ownership and operation of this enterprise.

It was mutually agreed and covenanted between the entities that:

1. The facility shall be known as the Otero-Greentree Regional Landfill;
2. Title to the facility shall be held in undivided-joint tenancy between the Otero and Lincoln Solid Waste Authorities;
3. The entities, through their respective Otero or Lincoln County Authorities, shall be joint owners of a co-equal undivided one-half interest in the assets and also shall be equally responsible for the debt;
4. The entities each agree to maintain an irrevocable, first, but not exclusive, pledge of 100% of their environmental gross receipts tax revenues for the life of the bond issue used for permanent financing;

**State of New Mexico
City of Alamogordo
Notes to Financial Statements**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Discretely Presented Component Unit (Continued)

5. The entities agree that tipping fees collected shall be used to pay principal and interest on the bonds and that the fee established shall be adequate to meet operations, maintenance and financing requirements;
6. The entities agree that the City of Alamogordo shall annually prepare a budget that shall be approved by the Otero and Lincoln County Solid Waste Authorities. Thereafter, the City will operate the Landfill in accordance with good business practice;
7. The governmental entities authorize the exercise of the following joint powers by the City acting as agent on their behalf:
 - a. In accordance with the approved budget, to acquire, cause to be acquired, and maintain the necessary property, equipment and personnel for the landfill;
 - b. To approve the issuance of revenue bonds;
 - c. To enter into agreements for the services of managers, attorneys, appraisers consultants and employees; and
 - d. To implement adopted policies regarding fees, rates and charges.
8. The landfill shall be a joint venture of the entities acting in a proprietary capacity;
9. Annually, the City of Alamogordo will provide a complete financial report on the operation to each participating entity;
10. The terms of this agreement are perpetual;
11. The agreement was originally signed on September 30, 1993, and was amended on June 2, 1995.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from its legally separate component unit for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is 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 and other items not properly included among program revenues are reported instead as *general revenues*.

**State of New Mexico
City of Alamogordo
Notes to Financial Statements**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-wide and Fund Financial Statements (Continued)

Separate 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 major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the 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 and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes, net of estimated refunds, 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 provider have been met.

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 government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. 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. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, franchise taxes, licenses and interest 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, subject to the availability criterion. Gross receipts taxes are classified as derived tax revenues and are recognized as revenue when the underlying exchange takes place and the revenues are measurable and available. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met, subject to the availability criterion. All other revenue items are considered to be measurable and available only when cash is received by the government.

**State of New Mexico
City of Alamogordo
Notes to Financial Statements**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Government-wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds. The business-type activities column incorporates data from proprietary funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As discussed earlier, the City has one discretely presented component unit. While the Otero-Greentree Regional Landfill is considered to be a major component unit, it is nevertheless shown in separate column in the government-wide financial statements.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Fund Financial Statements

The fund financial statements provide information about the City's funds, including its fiduciary funds. Separate statements for each fund category—governmental, proprietary, and fiduciary—are presented. The emphasis of fund financial statements is on major governmental and major proprietary funds, each displayed in a separate column on their respective financial statements. All remaining governmental and proprietary funds are aggregated and reported as nonmajor funds in their respective financial statements. Major individual governmental and proprietary funds are reported as separate columns in the fund financial statements.

Under the requirements of GASB Statement No. 34, the City is required to present certain of its governmental and proprietary funds as major based upon certain criteria.

The City reports the following major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. This fund includes state shared gross receipts tax income fund and state shared gas tax income fund. The general fund also includes revenues and costs associated with community services, community development, and building codes.

The *Leisure Services Fund* is used to account for services and admission fee received by the various Community Services departments for administration, maintenance, and improvements of facilities. This fund was authorized by the City Commission.

**State of New Mexico
City of Alamogordo
Notes to Financial Statements**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

The *2004 Capital Outlay GRT Fund Capital Projects Fund Street Projects Improvement Loan Fund* is a capital project fund that is used to account for 1/4 of 1% gross receipts tax dedication adopted in 2004 to be used for construction, reconstruction or improvement of municipal streets, alleys, roads or bridges, including acquisition of rights of way. This fund was authorized by the City Commission.

The City reports the following proprietary fund as a major fund:

The *Water and Sewer Fund* is to provide funds for the operations and maintenance of water and sewer services. This fund is authorized by the City Commission.

Additionally, the government reports the following fund types:

Special revenue funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes other than capital projects.

Debt service funds are used to account for the accumulation of resources that are restricted, committed, or assigned for the payment of principal and interest on long-term obligations of governmental funds.

Capital projects funds account for the acquisition and construction of the City's major capital facilities, other than those financed by proprietary funds.

Internal service funds account for the central services for human resources, purchasing, fleet maintenance, management information systems, and facilities maintenance; self-insurance for liability, auto, and other insurances; and deductibles related to insurance.

The *Permanent Fund* is used to account for resources legally held in trust to finance maintenance for the City's municipal cemeteries.

Fiduciary funds are used to report assets held in a trustee or agency capacity for others that cannot be used to support the government's own programs. *Custodial funds* are purely custodial and do not involve measurement of results of operations.

The government reports the following fiduciary funds:

The *Custodial Funds* account for the collection, holding, and reimbursement of jail bonds, judicial revenues and expenditures, and amounts held for use for the Army Corps of Engineers.

**State of New Mexico
City of Alamogordo
Notes to Financial Statements**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

During the course of operations, the City has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Equity

Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the City to invest in Certificates of Deposit, obligations of the U.S. Government, and the State Treasurer's Local Government Investment Pool (LGIP).

Investments for the City are reported at fair value. The State Treasurer's Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

All cash and investments of the proprietary fund types are pooled with the City's pooled cash and investments.

Receivables and Payables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. In the government-wide and governmental fund financial statements, delinquent property taxes are recorded when levied. Property taxes are considered to be 100% collectible.

**State of New Mexico
City of Alamogordo
Notes to Financial Statements**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Equity (Continued)

Unbilled receivables – An amount for unbilled revenue is recorded in the Wastewater System, Sanitation Services and Stormwater Utility funds for services rendered, but not yet billed as of the end of the fiscal year. The receivable is derived from the cycle billings generated subsequent to fiscal year end and prorated for usage before year-end.

Property taxes are levied on November 1 based on the assessed value of property as listed on the previous January 1 and are due in two payments by November 10th and April 10th. Property taxes uncollected after November 10th and April 10th are considered delinquent and the City may assess penalties and interest. The taxes attach as an enforceable lien on property thirty (30) days thereafter, at which time they become delinquent. Property taxes are collected by Otero County and remitted monthly to the City.

Allowance for doubtful accounts – Accounts receivable have been reported net of the allowance for doubtful accounts. Accounts receivable in excess of 90 days are subject to being considered as uncollectible.

Interfund Activities and Transactions

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or between proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

Inventory

The City's method of accounting for inventory is the consumption method. Under the consumption approach, governments report inventories they purchase as an asset and defer recognition of the expenditures until the period in which the inventories actually are consumed. Inventory is valued at cost and consists of supplies and materials. The cost of purchased supplies and materials is recorded as expenditures at the time individual inventory items are consumed.

**State of New Mexico
City of Alamogordo
Notes to Financial Statements**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Equity (Continued)

Prepaid Expenses

Prepaid expenses include insurance and contract payments to vendors which reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide financial statements and fund financial statements.

Restricted Assets

Certain assets of the City are classified as restricted assets on the statement of net position because their use is limited by law through constitutional provisions or enabling legislation; or by restrictions imposed externally by creditors, grantors, contributors or laws or regulations of other governments. Special restricted asset accounts have been established to account for the sources and uses of these limited use assets as follows:

Customer and developer deposit accounts – Deposited in non-interest bearing accounts and refunded upon termination of service with the City and satisfaction of all obligations due.

Bond and loan debt service accounts – Includes certain proceeds from issuance of revenue bonds, as well as certain resources set aside for the repayment of bonds or capital lease obligations.

Capital Assets

Capital assets, which include property, plant, equipment, 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. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Pursuant to the implementation of GASB Statement No. 34, as a Phase 2 government, the historical cost of infrastructure assets, (retroactive to June 30, 1980) are included as part of the governmental capital assets reported in the government wide statements. Information Technology Equipment including software is being capitalized and included in furniture, fixtures and equipment in accordance with NMAC 2.20.1.9 C (5). Donated capital assets are recorded at acquisition value at the date of donation, of which none were received for the year ended June 30, 2021.

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 City is expensed as it is incurred.

**State of New Mexico
City of Alamogordo
Notes to Financial Statements**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Equity (Continued)

Property, plant, and equipment of the primary government are depreciated using the straight line method over the following estimated useful lives:

Assets	Years
Buildings and improvements	20-50
Mechanized equipment	3-10
Unscheduled property	10-50
Infrastructure	20-65

Deferred Outflows of Resources

In addition to assets, the balance sheet reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a use of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditure) until that time. The City has one type of item related to long term liabilities that appears on the statement of net position, which is the loss on extinguishment of debt in the amount of \$670,873.

The City, including the component unit, has five types of items that qualify for reporting in this category related to reporting under GASB 68 and four types that qualify for reporting under GASB 75, which total \$8,998,599 and \$2,804,792, respectively, in the statement of net position. The amounts are further detailed in Note 10 and Note 11. These amounts are deferred and recognized as outflows of resources in future periods and will reduce the net pension liability and other post-employment benefit liability, respectively, in future periods.

Deferred Inflows of Resources

In addition to liabilities, the balance sheet reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Revenue must be susceptible to accrual (measurable and available to finance expenditures of the current fiscal period) to be recognized. If assets are recognized in connection with a transaction, but those assets are not yet available to finance expenditures of the current fiscal period, then the assets must be offset by a corresponding liability for deferred inflows of resources. The City has one item which arises under the modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue - property taxes is reported only in the governmental funds balance sheet. The City has recorded \$156,491 related to property taxes considered "unavailable". In addition, the City, including the component unit, has one type of item present on the statement of net position that qualifies for reporting in this category related to reporting under GASB 68 and three types that qualify related to reporting under GASB 75. The deferred inflows of resources total \$2,131,042 and \$5,196,955, respectively, in the statement of net position, and are further detailed in Note 10 and Note 11. These amounts are deferred and recognized as inflows of resources in the period that the amounts become available.

**State of New Mexico
City of Alamogordo
Notes to Financial Statements**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Equity (Continued)

Accrued Payroll

Accrued expenses are comprised of the payroll expenditures based on amounts earned by the employees through June 30, 2021, along with applicable FICA, Medicare, PERA, retiree health care, and other benefits expenses.

Compensated Absences

City employees are entitled to certain compensated absences based on their employment classification and length of employment.

Vacation Pay – Each employee of the City may accumulate a total of thirteen to twenty-six days of vacation per year. Employees may accumulate up to 240 hours of vacation and carry leave forward from calendar year to calendar year. Upon termination, employees will be paid up to 240 hours of accrued vacation pay leave. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability is reported in the governmental funds only if they have matured.

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental or proprietary fund that will pay it. In prior years, substantially all of the related expenditures have been liquidated by the general fund. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the government-wide statement of net position.

Sick Leave – Each employee of the City may accumulate a total of thirteen days of sick leave per year. Sick leave can be carried forward from calendar year to calendar year. Upon separation of employment, an employee with five or more continuous years of service will be compensated for one third of the first 480 accrued sick leave hours for a total of 160 hours. Employees with less than five years of continuous service forfeit all accrued sick leave at separation of employment. Employees cannot donate sick leave at time of separation.

Unearned Revenues

Unearned revenues are comprised of payments made in advance by customers for various services (i.e. prepaid rent, golf pro shop gift cards, etc.) provided by the city as of June 30, 2021.

**State of New Mexico
City of Alamogordo
Notes to Financial Statements**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Equity (Continued)

Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. For fund financial reporting, bond premiums and discounts, as well as issuance costs are recognized in the period the bonds are issued. Bond proceeds are reported as another financing source net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

Pensions

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

Postemployment Benefits Other Than Pensions (“OPEB”)

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

Fund Balance Classification Policies and Procedures

Fund Balances

The City has implemented GASB No. 54 and has defined the various categories reported in fund balance. For committed fund balance, the City’s highest level of decision-making authority is the City Commission. The formal action that is required to be taken to establish a fund balance commitment is the City Commission.

**State of New Mexico
City of Alamogordo
Notes to Financial Statements**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Equity (Continued)

For assigned fund balance, the City Commission or an official or body to which the City Commission delegates the authority is authorized to assign amounts to a specific purpose. The authorization policy is in governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.

For the classification of fund balances, the City considers restricted or unrestricted amounts to have been spent when an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available. Also for the classification of fund balances, the City considers committed, assigned, or unassigned amounts to have been spent when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Nonspendable Fund Balance – At June 30, 2021, the City had nonspendable fund balance categorized in the governmental funds balance sheet in the amount of \$10,003 as detailed on in Note 16.

Restricted and Committed Fund Balance – At June 30, 2021, the restricted fund balance on the governmental funds balance sheet totals \$39,524,228 for various City operations as restricted by enabling legislation. The City presented no committed fund balance on the governmental funds balance sheet at June 30, 2021. The details of these fund balance items are located on the governmental funds balance sheet as detailed in Note 16.

Minimum Fund Balance Policy – The City's policy for maintaining a minimum amount of fund balance for operations is to minimize any sudden and unplanned discontinuity to programs and operations and for unforeseen contingencies. At a minimum, the budget shall ensure that the City holds cash reserves (as approved in the subsequent year's preliminary budget) of 1/12th of the General Fund budgetary basis expenditures of \$922,834 and the City's self-imposed reserve of \$211,286 for the year ended June 30, 2021. As these amounts are an accumulation of resources and not a true restriction or commitment of expenditures, they are reflected within the unassigned fund balance of the general fund.

Net Position

Equity is classified as net position and displayed in three components:

Net investment in capital assets – Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. The City included no unspent debt proceeds in the calculation of net investment in capital assets in the governmental activities

**State of New Mexico
City of Alamogordo
Notes to Financial Statements**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Equity (Continued)

Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulation of other governments; or (2) law through constitutional provisions or enabling legislation. Descriptions for the related restrictions for net position restricted for “special revenue, debt service, and capital projects” are described on pages 54-55 and 116-119.

Unrestricted net position – All other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

Revenues and Expenditures/Expenses

Program revenues included in the statement of activities are derived directly from the program itself or from parties outside the City’s taxpayer or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the City’s general revenues.

Program revenues are categorized as (a) charges for services, which include revenues collected for fees and use of City facilities, etc., (b) program-specific operating grants, which includes revenues received from state and federal sources such as small cities assistance to be used as specified within each program grant agreement, and (c) program-specific capital grants and contributions, which include revenues from state sources to be used for capital projects. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

The City reports all direct expenses by function in the statement of activities. Direct expenses are those that are clearly identifiable with a function. The City does not currently employ indirect cost allocation systems. Depreciation expense is specifically identified by function and is included in the direct expense of each function. Interest on general long-term debt is considered an indirect expense and is reported separately on the statement of activities.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the fund’s principal ongoing operations. The principal operating revenue of the City’s major proprietary fund is charges for services for the City’s utilities. Operating expenses for enterprise funds include the cost of services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City’s policy to use restricted resources first, then unrestricted resources as they are needed.

**State of New Mexico
City of Alamogordo
Notes to Financial Statements**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant estimates in the City's financial statements include the fair value of investments, allowance for uncollectible accounts, expected useful lives of capital assets, current portion of accrued compensated absences, the estimate for landfill closure and postclosure costs, and actuarial estimates included in the calculation of the net pension liability and net OPEB liability.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, December 15, 2021 and determined there were no events that occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Recently Issued and Implemented Accounting Pronouncements

The City implemented GASB Statement No. 90, *Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. The implementation of this Statement had no impact on the City's reporting in the current fiscal year.

The County further implemented GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, an amendment of GASB Statements No. 14 and 84, and a supersession of GASB Statement No. 32. The requirements of this Statement will exempt primary governments that perform the duties that a governing board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are financially accountable for defined contribution pension plans, defined contribution OPEB plans, or other employee benefit plans and limit the applicability of the financial burden criterion in paragraph 7 of Statement 84 to defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement 67 or paragraph 3 of Statement 74, respectively, are effective immediately. The implementation of this Statement had no impact on the City's reporting in the current fiscal year.

**State of New Mexico
City of Alamogordo
Notes to Financial Statements**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements (Continued)

The Governmental Accounting Standards Board has issued statements that will become effective in future years. These statements are as follows:

In June 2017, the GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. (This new effective date reflects the immediate implementation of GASB Statement No. 95.)

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021. (This new effective date reflects the immediate implementation of GASB Statement No. 95.)

**State of New Mexico
City of Alamogordo
Notes to Financial Statements**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements (Continued)

In January 2020, GASB Statement No. 92, *Omnibus 2020*, was issued. The requirements of this Statement will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature. More comparable reporting will improve the usefulness of information for users of state and local government financial statements. The requirements of this statement are effective periods beginning after June 15, 2021. Earlier application is encouraged and is permitted by topic. (This new effective date reflects the immediate implementation of GASB Statement No. 95.)

In March 2020, GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. The exceptions to the existing provisions for hedge accounting termination and lease modifications in this Statement will reduce the cost of the accounting and financial reporting ramifications of replacing IBORs with other reference rates. The reliability and relevance of reported information will be maintained by requiring that agreements that effectively maintain an existing hedging arrangement continue to be accounted for in the same manner as before the replacement of a reference rate. As a result, this Statement will preserve the consistency and comparability of reporting hedging derivative instruments and leases after governments amend or replace agreements to replace an IBOR. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. (This new effective date reflects the immediate implementation of GASB Statement No. 95.)

In March of 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The requirements of this Statement will improve financial reporting by establishing the definitions of PPPs and APAs and providing uniform guidance on accounting and financial reporting for transactions that meet those definitions. That uniform guidance will provide more relevant and reliable information for financial statement users and create greater consistency in practice. This Statement will enhance the decision usefulness of a government's financial statements by requiring governments to report assets and liabilities related to PPPs consistently and disclose important information about PPP transactions. The required disclosures will allow users to understand the scale and important aspects of a government's PPPs and evaluate a government's future obligations and assets resulting from PPPs. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022.

In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. The requirements of this Statement will provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). The requirements of this Statement are effective for reporting periods beginning after June 14, 2022. Earlier application is encouraged.

**State of New Mexico
City of Alamogordo
Notes to Financial Statements**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements (Continued)

In October 2021, GASB issued Statement No. 98, *The Annual Comprehensive Financial Report*. This Statement establishes the term annual comprehensive financial report and its acronym ACFR. This new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021. Earlier application is encouraged.

The City is evaluating the requirements of the above statements and the impact on reporting.

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

The City uses the following procedures in establishing the budgetary data reflected in the accompanying financial statements:

1. Prior to June 1, the City Manager submits to the City Commission a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Prior to July 20, the budget is legally enacted through passage of a resolution.
3. The State of New Mexico Department of Finance and Administration must approve the budget and any revision to the budget.
4. The City Manager is authorized to transfer budgeted amounts between departments within any fund; however, the City Commission and the Department of Finance and Administration must approve any revisions that alter the total expenditures of any fund.

Formal budgetary integration is employed as a management control device during the year for all funds. A separate budget is prepared, and adopted by the City Commission, for each fund. Line items within each budget may be over-expended; however, it is not legally permissible to over-expend any budget in total by fund.

The budgets for all funds are prepared on the Non-GAAP cash basis, excluding encumbrances, and secure appropriation of funds for only one year. Carryover funds must be re-appropriated in the budget of the subsequent fiscal year.

**State of New Mexico
City of Alamogordo
Notes to Financial Statements**

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

The budgetary information presented in these financial statements has been properly amended by City Commissioners in accordance with the above procedures. These amendments resulted in the following changes:

	Excess (deficiency) of revenues over expenditures	
	Original Budget	Final Budget
Budgeted governmental funds		
General Fund	\$ 2,064,512	\$ 5,729,512
Leisure Services	(3,136,245)	(3,163,416)
2004 Capital Outlay GRT Fund Capital Projects Fund	(4,895,374)	(4,841,371)
Other governmental funds	(5,991,369)	(5,862,952)
Budgeted proprietary funds		
Water and Sewer Fund	(7,789,322)	(11,300,496)
Nonmajor proprietary funds	974,081	1,753,849
Internal Service Fund	(3,312,857)	(3,261,908)
Component unit		
Otero - Greentree Regional Landfill	(1,254,055)	(1,634,721)

The accompanying Statements of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual and Statements of Revenues, Expenses and Changes in Net Position – Budget (Non-GAAP Budgetary Basis) and Actual presents comparisons of the legally adopted budget with actual data on a budgetary basis.

Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP), a reconciliation of resultant basis, perspective, equity and timing differences in the excess (deficiency) of revenues and other sources of financial resources for the year ended June 30, 2020 is presented. Reconciliations between the Non-GAAP budgetary basis amounts and the financial statements on the GAAP basis by fund can be found on each individual budgetary statement.

NOTE 3: DEPOSITS AND INVESTMENTS

State statutes authorize the investment of City funds in a wide variety of instruments including certificates of deposit and other similar obligations, the state investment pool, money market accounts, and United States Government obligations. All invested funds of the City properly followed State investment requirements as of June 30, 2021.

**State of New Mexico
City of Alamogordo
Notes to Financial Statements**

NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

Deposits of funds may be made in interest bearing or non-interest bearing checking accounts in one or more banks or savings and loan associations within the geographical boundaries of the City. Deposits may be made to the extent that they are insured by an agency of the United States or by collateralized as required by statute. The financial institution must provide pledged collateral for 50% of the deposit amount in excess of the deposit insurance for accounts held by the City and pledged collateral for 100% of the deposit amount in excess of the deposit insurance for accounts held in the name of the City's Housing Authority.

The rate of interest in non-demand interest-bearing accounts shall be set by the State Board of Finance, but in no case shall the rate of interest be less than one hundred percent of the asked price on United States treasury bills of the same maturity on the day of deposit.

Excess funds may be temporarily invested in securities which are issued by the State or by the United States government, or by their departments or agencies, and which are either direct obligations of the State or the United States or are backed by the full faith and credit of those governments.

The City's accounts at an insured depository institution, including all noninterest-bearing transaction accounts, will be insured by the FDIC up to the standard maximum deposit insurance amount of \$250,000 for demand deposit accounts and \$250,000 for time and savings accounts.

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 to it. The City does not have a deposit policy for custodial credit risk, other than following state statutes as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978). At June 30, 2021, \$15,653,900 of the City's bank balance of \$19,912,249 was subject to custodial credit risk. Of this amount, \$12,292,016 was uninsured and collateralized by collateral held by the pledging bank's trust department, not in the City's name and \$3,361,884 of the City's deposits was uninsured and uncollateralized at June 30, 2021.

The City utilizes pooled accounts for their funds. Cash and investments of the General, Special Revenue, Capital Projects, Proprietary Funds, and Agency funds are pooled and held in multiple accounts.

**State of New Mexico
City of Alamogordo
Notes to Financial Statements**

NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

	Bank '34	West	First National Bank	First National Authority**	First National Bank Housing	First Savings
Amount of deposits	\$ 250,000	\$ 276,550	\$ 9,590,237	\$ 1,649,922	\$ 3,308,936	
FDIC/SIPC coverage	(250,000)	(250,000)	(250,000)	-	-	(250,000)
Total uninsured public funds	-	26,550	9,340,237	1,649,922		3,058,936
Collateralized by securities held by pledging institutions or by its trust department or agent in other than the City's name	-	26,550	7,338,596	1,649,922		1,698,693
Uninsured and uncollateralized	\$ -	\$ -	\$ 2,001,641	\$ -	\$ -	\$ 1,360,243
Collateral requirement (50%)	\$ -	\$ 13,275	\$ 4,670,119	\$ 1,649,922	\$ -	\$ 1,529,468
Pledged securities	-	69,930	7,338,596	2,960,512		1,698,693
Over (under) collateralized	\$ -	\$ 56,655	\$ 2,668,477	\$ 1,310,590	\$ -	\$ 169,225

	Moreton Capital Markets*	Pioneer Bank	Washington Federal Bank	Wells Fargo Bank	Total
Amount of deposits	\$ 2,508,349	\$ 277,364	\$ 1,427,245	\$ 623,646	\$ 19,912,249
FDIC/SIPC coverage	(2,508,349)	(250,000)	(250,000)	(250,000)	(4,258,349)
Total uninsured public funds	-	27,364	1,177,245	373,646	15,653,900
Collateralized by securities held by pledging institutions or by its trust department or agent in other than the City's name	-	27,364	1,177,245	373,646	12,292,016
Uninsured and uncollateralized	\$ -	\$ -	\$ -	\$ -	\$ 3,361,884
Collateral requirement (50%)	\$ -	\$ 13,682	\$ 588,623	\$ 186,823	\$ 8,651,912
Pledged securities	-	88,703	1,212,448	4,356,681	17,725,563
Over (under) collateralized	\$ -	\$ 75,021	\$ 623,825	\$ 4,169,858	\$ 9,073,651

*In addition to the regular FDIC coverage of \$250,000 for cash accounts, the money market account (cash equivalent) at Moreton Capital Markets also includes \$500,000 of insurance through the Securities Investor Protection Service (SIPC). The City's account at Moreton Capital is also insured by a supplemental policy which covers up to \$99.5 million per SIPC qualified account.

** These accounts require 100% collateralization of the amount over FDIC Coverage per depository agreements with the United States Department of Housing and Urban Development.

**State of New Mexico
City of Alamogordo
Notes to Financial Statements**

NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

The collateral pledged is listed on pages 169-171 of this report. The types of collateral allowed are limited to direct obligations of the United States Government, all bonds issued by any agency, city or political subdivision of the State of New Mexico, or revenue bonds that are underwritten by a member of the financial industry regulatory authority, known as FINRA, and are rated BAA or above by a nationally recognized bond rating service.

Reconciliation to the Statement of Net Position

Cash and cash equivalents per statement of net position	\$ 9,865,894
Investments per statement of net position	53,785,877
Restricted cash and cash equivalents per statement of net position	1,126,609
Restricted investments per statement of net position	74,551
Component unit cash and cash equivalents per statement of net position	816,073
Component unit investments per statement of net position	3,051,584
Component unit restricted investments per statement of net position	1,042,171
Cash and cash equivalents per statement of fiduciary net position	11,687
Total cash, cash equivalents and investments	69,774,446
Plus outstanding checks	182,300
Less outstanding deposits	(59,372)
Less investments at Moreton Capital Markets	(48,615,272)
Plus NMFA investment accounts	(1,077,195)
Plus NMFA cash accounts	(279,739)
Less New MexiGROW LGIP	(5,608)
Less petty cash	(7,311)
Bank balance of deposits	<u>\$ 19,912,249</u>

**State of New Mexico
City of Alamogordo
Notes to Financial Statements**

NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

Investments

The City's investments at June 30, 2021, include the following:

Investment Type	Weighted Average Maturities	Fair Value		Rating*
		\$	Rating	
New MexiGROW LGIP	25 day WAM (R) and 77 day WAM (F)	\$ 5,608	AAAm	
U.S. Treasury/Agency Bonds	1 to 10 years	10,774,149	A-1+	
Fixed Income Securities	0 to 10 years	38,918,318	Not Rated	
		\$ 49,698,075		

* Based off Standard & Poor's rating

The City has presented certificates of deposit in the amount of \$5,540,095 and \$2,716,013 in money market accounts as investments in the statement of net position; however, these are classified as deposits for disclosure purposes.

Interest Rate Risk – Investments. The City has multiple investments in which the maturity date is greater than one year. The fair value of the securities exposed to interest rate risk is \$49,698,075. These securities do not have call options. The City's policy related to interest rate risk with investments is to comply with the statute as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978).

Maturity rates consist of the following as of June 30, 2021:

Investment Type	Investment Maturities		Not subject to	Less than 1 Year		1-5 Years
	Fair Value	Interest Rate Risk		Interest	Less than 1 Year	
New MexiGROW LGIP	\$ 5,608	\$ -		\$ 5,608	\$ -	
U.S. Treasury/Agency Bonds	10,774,149	-		2,587,739	8,186,410	
Fixed Income Securities	38,918,318	-		6,524,702	32,393,616	
Total investments	\$ 49,698,075	\$ -		\$ 9,118,049	\$ 40,580,026	

Concentration of Credit Risk – Investments. For an investment, concentration of credit risk is when any one issuer is 5% or more of the investment portfolio of the City. The investment in the U.S. Treasury/Agency Bonds represent 21.68% of the investment portfolio and the Fixed Income Securities represents 78.31%. The City's policy related to concentration credit risk is to comply with the state statute as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978).

**State of New Mexico
City of Alamogordo
Notes to Financial Statements**

NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

Fair Value Measurement - The fair value framework uses a hierarchy that prioritizes the inputs to the valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability,
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. See above for discussion of valuation methodologies used to measure fair value of investments.

The City's investment of \$5,608 with the New MexiGROW LGIP is valued at amortized cost and is not subject to fair market valuation.

The valuation methodologies described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the City believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

**State of New Mexico
City of Alamogordo
Notes to Financial Statements**

NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

The City maintained a balance of \$49,692,467 in investments at June 30, 2021 which required fair value disclosure. The following table sets forth by level within the fair value hierarchy of the City's assets at fair value as of June 30, 2021:

	Level 1	Level 2	Level 3	Total
U.S. Treasury/Agency Bonds	\$ -	\$ 10,774,149	\$ -	\$ 10,774,149
Fixed Income Securities	\$ -	\$ 38,918,318	\$ -	\$ 38,918,318
Total investments	\$ -	\$ 49,692,467	\$ -	\$ 49,692,467

NOTE 4: RECEIVABLES

Receivables as of June 30, 2021, are as follows for the governmental activities:

	General Fund	Leisure Services Fund	2004 Capital Outlay GRT Fund	Nonmajor Governmental Funds	Total Governmental Funds
Taxes					
Property	\$ 193,542	\$ -	\$ -	\$ 59,035	\$ 252,577
Gross receipts	2,580,357	- -	696,411	1,473,871	4,750,639
Gasoline and oil taxes	- -	- -	- -	126,515	126,515
Intergovernmental					
Federal operating grants	- -	- -	- -	97,937	97,937
Other					
Charges for services	704,088	41,135	- -	- -	745,223
Allowance - uncollectable charges for services	(494,988)	(41,079)	- -	- -	(536,067)
Miscellaneous	908,349	- -	- -	170,411	1,078,760
Allowance - uncollectable miscellaneous	(907,967)	- -	- -	(170,003)	(1,077,970)
Totals	\$ 2,983,381	\$ 56	\$ 696,411	\$ 1,757,766	\$ 5,437,614

In accordance with GASB Statement No. 33, property tax revenues in the amount of \$156,491 that were not collected within the period of availability have been reclassified as deferred inflows of resources in the governmental fund financial statements.

**State of New Mexico
City of Alamogordo
Notes to Financial Statements**

NOTE 4: RECEIVABLES (Continued)

Receivables as of June 30, 2021, are as follows for the business-type activities:

	Water and Sewer Fund	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Fund
Intergovernmental				
Operating grants	\$ -	\$ 12,979	\$ 12,979	\$ -
Customer				
Charges for services	2,799,800	245,464	3,045,264	-
Allowance - uncollectable charges for services	(349,746)	(32,933)	(382,679)	-
Other				
Miscellaneous	-	-	-	41,342
Allowance - uncollectable miscellaneous	-	-	-	(26,704)
Totals	\$ 2,450,054	\$ 225,510	\$ 2,675,564	\$ 14,638

Receivables as of June 30, 2021, are as follows for the component unit:

	Component Unit
	Otero-Greentree
	Regional Landfill
Customer	
Charges for services	\$ 85,126
Allowance - uncollectable charges for services	(10,632)
Other	
Miscellaneous	4,487
Totals	\$ 78,981

**State of New Mexico
City of Alamogordo
Notes to Financial Statements**

NOTE 5: TRANSFERS AND INTERFUND BALANCES

Net operating transfers, made to close out funds and to supplement other funding sources, were as follows:

Fund	Transfers Out	Transfers In
General	\$ 5,909,230	\$ 57,169
Internal Service	41,528	2,213,335
Corrections	260	10,200
Lodger's Tax - Promotional	1,104	787
Court Automation	6,434	-
Lodger's Tax- City	54,064	-
Grant Capital Improvement	-	4,586
Court Administration	12,404	418,420
Leisure Services	510,931	3,590,852
1984 Gross Receipts Tax	676,093	-
Transportation Fund	137,106	492,337
1986 Gross Receipt Tax	3,147,079	-
ESGRT 0.0625%	1,079,521	-
Reverse Osmosis PRJ RSV	16,297	21,225
99 GRT Flood Control	-	2,140,702
1994 and 1996 GRT Principle and Interest Fund	-	2,675,767
Municipal Infrastructure	757,802	-
Community Development/Infrastructure Acquisition	29,509	311,066
1994 Gross Receipts Tax	2,522,544	-
Alamo Senior Center	1,081	545,060
Retired and Senior Volunteer Program	13,663	69,500
Water and Sewer	-	3,445,881
1977 JT W/S Principle and Interest	503,870	902,981
Solid Waste	127,674	-
Golf Course	71,040	79,961
Airport	40,648	-
Otero Greentree Regional Landfill	5,404	-
Liability/Deductible	-	300,000
2004 Capital Outlay GRT	1,369,493	-
Low Rent Public Housing	50	-
Total Transfers	\$ 17,279,829	\$ 17,279,829

**State of New Mexico
City of Alamogordo
Notes to Financial Statements**

NOTE 5: TRANSFERS AND INTERFUND BALANCES (Continued)

The City records temporary interfund receivables and payables to enable the funds to operate until monies are received. The composition of interfund balances during the year ended June 30, 2021 is as follows:

	Due from Other Funds	Due to Other Funds
General Fund	\$ 420,922	\$ -
H.I.D.T.A. Fund	-	2,713
Grant Capital Improvements Fund	-	418,204
Housing Home Ownership Fund	16	21
	\$ 420,938	\$ 420,938

NOTE 6: CAPITAL ASSETS

A summary of capital assets and changes occurring during the year ended June 30, 2021 follows. Land and construction in progress are not subject to depreciation.

Governmental activities	Balance					Balance June 30, 2021
	June 30, 2020	Additions	Transfers	Deletions		
Capital assets not being depreciated						
Land	\$ 10,399,278	\$ 401,556	\$ -	\$ -	\$ 10,800,834	
Construction in progress	7,770,131	3,994,816	-	(2,924,901)	8,840,046	
Total capital assets not being depreciated	18,169,409	4,396,372	-	(2,924,901)	19,640,880	
Capital assets being depreciated						
Buildings and improvements	32,007,571	185,248	-	-	32,192,819	
Mechanized equipment	14,252,069	279,356	(21,553)	(149,026)	14,360,846	
Unscheduled property	4,861,457	313,380	-	(135,244)	5,039,593	
Infrastructure	207,014,289	2,317,653	-	(13,734,615)	195,597,327	
Total capital assets being depreciated	258,135,386	3,095,637	(21,553)	(14,018,885)	247,190,585	
Total capital assets	276,304,795	7,492,009	(21,553)	(16,943,786)	266,831,465	
Accumulated depreciation						
Buildings and improvements	19,304,101	1,161,128	-	-	20,465,229	
Mechanized equipment	8,886,366	833,931	(21,553)	(149,026)	9,549,718	
Unscheduled property	3,628,260	373,386	-	(125,794)	3,875,852	
Infrastructure	167,240,284	3,723,214	-	(13,734,615)	157,228,883	
Total accumulated depreciation	199,059,011	6,091,659	(21,553)	(14,009,435)	191,119,682	
Net capital assets	\$ 77,245,784	\$ 1,400,350	\$ -	\$ (2,934,351)	\$ 75,711,783	

**State of New Mexico
City of Alamogordo
Notes to Financial Statements**

NOTE 6: CAPITAL ASSETS (Continued)

Depreciation expense for the year ended June 30, 2021 was charged to governmental activities as follows:

General government	\$ 1,595,635
Public safety	4,101
Public works	3,470,747
Culture and recreation	1,021,176
Total	\$ 6,091,659

During the year ended June 30, 2021 the governmental activities transferred a fully depreciated vehicle with a cost of \$21,553 to the business type activities. As the book value of all assets was \$0, these transfers were not recorded in financial statement transfers on the statement of activities.

Business-type activities	Balance				Balance
	June 30, 2020	Additions	Transfers	Deletions	
Capital assets not being depreciated					
Land	\$ 7,003,434	\$ -	\$ -	\$ -	\$ 7,003,434
Construction in progress	30,738,286	7,584,343	-	(11,982,103)	26,340,526
Total capital assets not being depreciated	37,741,720	7,584,343	-	(11,982,103)	33,343,960
Capital assets being depreciated					
Buildings and improvements	33,394,747	3,758,967	-	(12,351)	37,141,363
Mechanized equipment	10,302,902	989,721	21,553	(104,694)	11,209,482
Unscheduled property	2,216,726	2,346,142	-	-	4,562,868
Infrastructure	100,513,303	5,378,373	-	-	105,891,676
Total capital assets being depreciated	146,427,678	12,473,203	21,553	(117,045)	158,805,389
Total capital assets	184,169,398	20,057,546	21,553	(12,099,148)	192,149,349
Accumulated depreciation					
Buildings and improvements	20,312,358	943,646	-	(10,164)	21,245,840
Mechanized equipment	6,948,053	817,405	21,553	(104,694)	7,682,317
Unscheduled property	1,676,091	307,921	-	-	1,984,012
Infrastructure	35,536,639	2,768,972	-	-	38,305,611
Total accumulated depreciation	64,473,141	4,837,944	21,553	(114,858)	69,217,780
Net capital assets	\$119,696,257	\$ 15,219,602	\$ -	\$ (11,984,290)	\$ 122,931,569

**State of New Mexico
City of Alamogordo
Notes to Financial Statements**

NOTE 6: CAPITAL ASSETS (Continued)

Depreciation expense for the year ended June 30, 2021 was charged to business-type activities as follows:

Water and Sewer Fund	\$ 3,871,244
Solid Waste Fund	54,985
Bonito Lake Fund	4,476
Golf Course Fund	196,391
Airport Fund	389,417
Low Rent Public Housing Fund	321,431
Total	\$ 4,837,944

Component unit	Balance			Balance
	June 30, 2020	Additions	Deletions	June 30, 2021
Capital assets not being depreciated				
Land	\$ 1,526,005	\$ -	\$ -	\$ 1,526,005
Construction in progress	- -	46,390	- -	46,390
Total capital assets not being depreciated	1,526,005	46,390	- -	1,572,395
Capital assets being depreciated				
Buildings and improvements	280,004	- -	- -	280,004
Mechanized equipment	4,133,478	25,102	- -	4,158,580
Unscheduled property	123,285	- -	- -	123,285
Infrastructure	2,486,163	- -	- -	2,486,163
Total capital assets being depreciated	7,022,930	25,102	- -	7,048,032
Total capital assets	8,548,935	71,492	- -	8,620,427
Accumulated depreciation				
Buildings and improvements	150,121	5,907	- -	156,028
Mechanized equipment	2,795,154	385,018	- -	3,180,172
Unscheduled property	96,322	2,074	- -	98,396
Infrastructure	920,714	121,219	- -	1,041,933
Total accumulated depreciation	3,962,311	514,218	- -	4,476,529
Net capital assets	\$ 4,586,624	\$ (442,726)	\$ -	\$ 4,143,898

**State of New Mexico
City of Alamogordo
Notes to Financial Statements**

NOTE 6: CAPITAL ASSETS (Continued)

Depreciation expense for the year ended June 30, 2021 was charged to the component unit as follows:

Otero - Greentree Regional Landfill	\$ 514,218
Total	\$ 514,218

NOTE 7: LONG-TERM LIABILITIES

Governmental Activities

During the year ended June 30, 2021, the following changes occurred in the liabilities reported in the government-wide statement of net position:

	Balance			Balance		
	June 30, 2020	Additions	Deletions	June 30, 2021	Due Within One Year	
General obligation bonds	\$ 9,978,800	\$ -	\$ 308,800	\$ 9,670,000	\$ 165,000	
NMFA loans	19,892,662	-	2,209,662	17,683,000	2,250,000	
Bond discounts	(164,731)	-	(13,596)	(151,135)	-	
Bond premiums	197,964	-	14,052	183,912	-	
Compensated absences	1,060,189	1,197,242	1,133,607	1,123,824	1,123,824	
Total long-term liabilities	\$ 30,964,884	\$ 1,197,242	\$ 3,652,525	\$ 28,509,601	\$ 3,538,824	

General Obligation Bonds

At June 30, 2021, the City had three general revenue bond outstanding which have been approved by the voters and issued for various municipal improvements. These bonds are liquidated by property tax revenues and paid out of the debt service fund. The general obligation bonds are as follows:

Description	Date of Issue	Due Date	Interest Rate	Original Amount of Issue	Outstanding June 30, 2021
Series 2014A GO Bond	12/24/2014	8/1/2034	4.00-4.50%	\$ 6,000,000	\$ 5,515,000
Series 2014B GO Bond	12/24/2014	8/1/2034	2.00-4.00%	4,500,000	4,155,000

**State of New Mexico
City of Alamogordo
Notes to Financial Statements**

NOTE 7: LONG-TERM LIABILITIES (Continued)

Governmental Activities (Continued)

The annual requirements to amortize the general obligation bonds as of June 30, 2021, including interest payments are as follows:

Fiscal Year Ending June 30,				Total Debt	
	Principal	Interest	Service		
2022	\$ 165,000	\$ 374,494	\$ 539,494		
2023	185,000	369,144	554,144		
2024	215,000	362,744	577,744		
2025	245,000	355,194	600,194		
2026	270,000	346,444	616,444		
2027-2031	2,645,000	1,542,220	4,187,220		
2032-2035	5,945,000	524,455	6,469,455		
	\$ 9,670,000	\$ 3,874,695	\$ 13,544,695		

NMFA Loans

The City entered into seven loan agreements with the New Mexico Finance Authority, wherein the City pledged revenue derived from State-Shared Gross Receipts Tax to cover debt service, with the exception of the two loans for fire trucks/pumpers, which are paid out of the state fire allocation. This revenue is not subject to intercept agreements. The NMFA loans are as follows:

Description	Date of Issue	Due Date	Interest Rate	Original Amount of Issue	Outstanding June 30, 2021
NMFA Various Street Projects	6/1/2012	6/1/2031	0.27-3.96%	\$ 7,640,000	\$ 4,385,000
NMFA GRT Ref/Imp	6/1/2012	6/1/2027	0.200-3.520%	8,130,000	3,525,000
NMFA Ref/Flood/Nat	12/1/2016	6/1/2029	0.700-2.510%	6,870,000	4,253,000
NMFA Adv Ref & Defease	12/1/2016	6/1/2028	0.670-2.130%	5,150,000	3,495,000
NMFA Adv Ref & Defease	12/1/2016	6/1/2028	0.670-2.130%	2,770,000	2,025,000

**State of New Mexico
City of Alamogordo
Notes to Financial Statements**

NOTE 7: LONG-TERM LIABILITIES (Continued)

Governmental Activities (Continued)

The annual requirements to amortize the NMFA loan as of June 30, 2021, including interest payments, are as follows:

Fiscal Year Ending June 30,				Total Debt
	Principal	Interest	Service	
2022	\$ 2,250,000	\$ 425,741	\$ 2,675,741	
2023	2,110,000	385,648	2,495,648	
2024	2,100,000	343,517	2,443,517	
2025	2,145,000	297,835	2,442,835	
2026	2,180,000	248,064	2,428,064	
2027-2031	6,898,000	469,380	7,367,380	
	\$ 17,683,000	\$ 2,170,185	\$ 19,853,185	

Compensated Absences – Employees of the City are able to accrue a limited amount of vacation and other compensatory time during the year. During fiscal year June 30, 2021, compensated absences increased \$63,635 from the prior year accrual. Compensated absences are liquidated by the respective funds in which they are accrued.

Business-Type Activities

The proprietary funds have incurred various forms of debt which were used for the purposes of constructing, expanding, repairing and making improvements to its property, plant and equipment. The following schedule shows the changes to its various forms of debt during the fiscal year ended June 30, 2021:

	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021	Due Within One Year
General obligation bonds	\$ 5,370,000	\$ -	\$ 245,000	\$ 5,125,000	\$ 440,000
Revenue bonds	6,065,399	-	473,767	5,591,632	485,137
NMFA loans	10,400,787	-	1,049,508	9,351,279	1,060,849
Bond premiums	180,944	-	19,213	161,731	-
Compensated absences	276,667	281,078	284,505	273,240	273,240
Total long-term liabilities	\$ 22,293,797	\$ 281,078	\$ 2,071,993	\$ 20,502,882	\$ 2,259,226

**State of New Mexico
City of Alamogordo
Notes to Financial Statements**

NOTE 7: LONG-TERM LIABILITIES (Continued)

Business-Type Activities (Continued)

General Obligation Bonds

At June 30, 2021, the City had one general revenue bond outstanding which have been approved by the voters and issued for various municipal improvements. This bond is liquidated by property tax revenues and paid out of the debt service fund. The general obligation bond is as follows:

Description	Date of Issue	Due Date	Interest Rate	Original Amount of Issue	Outstanding June 30, 2021
Series 2017 GO Bond (2009 Escrow)	11/30/2017	8/1/2029	2.375-3.00%	\$ 5,455,000	\$ 5,125,000

The annual requirements to amortize the general obligation bond as of June 30, 2021, including interest payments, is as follows:

Fiscal Year Ending June 30,	Total Debt		
	Principal	Interest	Service
2022	\$ 440,000	\$ 133,700	\$ 573,700
2023	470,000	120,050	590,050
2024	500,000	105,500	605,500
2025	530,000	90,050	620,050
2026	565,000	73,625	638,625
2027-2030	2,620,000	129,631	2,749,631
	\$ 5,125,000	\$ 652,556	\$ 5,777,556

Revenue Bonds

At June 30, 2021, the City had one revenue bond outstanding. For the NMFA Refund Bond 1998 Bond, the City pledged gross receipt tax revenues in order to service the bonds. The revenue bonds are as follows:

Description	Date of Issue	Due Date	Interest Rate	Original Amount of Issue	Outstanding June 30, 2021
NMFA Refund Bond 1998	6/1/2012	6/1/2031	0.26-3.80%	\$ 9,812,674	\$ 5,591,632

**State of New Mexico
City of Alamogordo
Notes to Financial Statements**

NOTE 7: LONG-TERM LIABILITIES (Continued)

Business-Type Activities (Continued)

The annual requirements to amortize the revenue bonds as of June 30, 2021, including interest payments, are as follows:

Fiscal Year Ending June 30,				Total Debt	
	Principal	Interest	Service		
2022	\$ 485,137	\$ 188,000	\$ 673,137		
2023	498,478	174,659	673,137		
2024	512,885	160,253	673,138		
2025	528,322	144,815	673,137		
2026	545,070	128,067	673,137		
2027-2031	3,021,740	44,372	3,066,112		
	\$ 5,591,632	\$ 840,166	\$ 6,431,798		

NMFA Loans

The City entered into loan agreements with the New Mexico Finance Authority, wherein the City pledged revenue derived from State-Shared Gross Receipts Tax to cover debt service. This revenue is not subject to intercept agreements. The NMFA loans are as follows:

Description	Date of Issue	Due Date	Interest Rate	Original Amount	Outstanding
				of Issue	June 30, 2021
NMFA Drinking Water	5/1/2013	5/1/2032	1.75%	\$ 4,805,293	\$ 2,946,268
NMFA Westside	11/1/2006	5/1/2026	3.28-4.18%	730,453	244,691
NMFA WTB	6/1/2011	6/1/2030	0.00%	1,127,000	514,118
NMFA Drinking Water	5/1/2014	5/1/2025	2.00%	855,320	717,422
NMFA Desalination	5/1/2014	5/1/2035	2.00%	1,136,250	972,575
NMFA Refunding & Projects	12/1/2016	6/1/2025	0.670-1.350%	2,715,000	1,230,000
NMFA 2016 Jt Utility	12/6/2019	6/1/2029	1.19-1.64%	3,270,212	2,726,205

**State of New Mexico
City of Alamogordo
Notes to Financial Statements**

NOTE 7: LONG-TERM LIABILITIES (Continued)

Business-Type Activities (Continued)

The annual requirements to amortize the loan payable as of June 30, 2021, including interest payments, are as follows:

Fiscal Year Ending June 30,				Total Debt
	Principal	Interest	Service	
2022	\$ 1,060,849	\$ 144,768	\$ 1,205,617	
2023	1,077,516	129,879	1,207,395	
2024	1,093,563	114,317	1,207,880	
2025	1,114,990	98,113	1,213,103	
2026	812,910	81,085	893,995	
2027-2031	3,199,109	223,642	3,422,751	
2032-2036	870,314	46,438	916,752	
2037	122,028	2,136	124,164	
	\$ 9,351,279	\$ 840,378	\$ 10,191,657	

Compensated Absences – Employees of the City are able to accrue a limited amount of vacation and other compensatory time during the year. During fiscal year June 30, 2021, compensated absences decreased \$3,427 in business-type funds from the prior year. Compensated absences are liquidated by the respective funds in which they are accrued.

Component Unit Activities

During the year ended June 30, 2021, the following changes occurred in the liabilities reported in the government-wide statement of net position:

	Balance				Balance	Due Within
	June 30, 2020	Additions	Deletions	June 30, 2021	One Year	
Compensated absences	\$ 10,002	\$ 17,225	\$ 16,751	\$ 10,476	\$ 10,476	
Post-closure liability	1,946,799	28,641	-	1,975,440		-
Total long-term liabilities	\$ 1,956,801	\$ 45,866	\$ 16,751	\$ 1,985,916	\$ 10,476	

Compensated Absences – Employees of the City are able to accrue a limited amount of vacation and other compensatory time during the year. During fiscal year June 30, 2021, compensated absences increased \$474 in the component unit from the prior year.

**State of New Mexico
City of Alamogordo
Notes to Financial Statements**

NOTE 8: RISK MANAGEMENT

The City's risk management activities are recorded in the Fleet Collision Self-Insurance Fund. The purpose of this fund is to administer general liability, auto liability, workers 'compensation, civil rights (errors and omissions/personal injury), emergency medical liability, law enforcement liability, foreign jurisdiction, underground storage tanks, and volunteers risk management function. The City covers its insurance needs through the New Mexico Self Insurers' Fund. The risk of loss transfers to the Self Insurer's Fund under this plan.

The City began providing self-insurance for the City-owned vehicles for property damage during the fiscal year ended June 30, 1996. The City accounts for this plan through its Fleet Collision Self-Insurance Fund.

All other insurance is provided by commercial insurance carriers in which the risk of loss is transferred to the Insurance Company.

The City has not filed any claims for which the settlement amount exceeded the insurance coverage during the past three years. However, should a claim be filed against the City which exceeds the insurance coverage, the City would be responsible for a loss in excess of the coverage amounts. As claims are filed, the New Mexico Self-Insurers' Fund assesses and estimates the potential for loss and handles all aspects of the claim. Insurance coverage's have not changed significantly from prior years and coverage's are expected to be continued.

At June 30, 2021, no unpaid claims have been filed which exceed the policy limits and to the best of management's knowledge and belief all known and unknown claims will be covered by insurance. No major lawsuits have been filed against the City of Alamogordo.

New Mexico Self-Insurers' Fund has not provided information on an entity by entity basis that would allow for a reconciliation of changes in the aggregate liabilities for claims for the current fiscal year and the prior fiscal year.

**State of New Mexico
City of Alamogordo
Notes to Financial Statements**

NOTE 9: OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES

Generally accepted accounting principles require disclosures of certain information concerning individual funds including:

- A. Deficit fund balance of individual funds.

Governmental Funds		
Nonmajor Funds		
Police Contingency Fund	\$	(42,715)
H.I.D.T.A. Fund		(2,713)
Community Development/		
Infrastructure Acquisition Fund		(14,965)
Alamo Senior Center Fund		(18,919)
Grant Capital Improvements Fund		(398,256)
99 GRT Flood Control Fund		(94,375)
Total nonmajor funds	\$	(571,943)
Total governmental funds	\$	(571,943)
Internal Service Funds		
Internal service fund	\$	(2,737,982)
Total internal service funds	\$	(2,737,982)
Fiduciary Funds		
State judicial fund	\$	(387)
Total fiduciary funds	\$	(387)

There were no business type funds with a deficit fund balance as of June 30, 2021.

- B. Actual expenditures in excess of amount budgeted at the budgetary authority level. Budgetary legal level of control is at the fund level. There were no funds with expenditures in excess of budgetary authority for the year ended June 30, 2021.
- C. Designated cash appropriations in excess of available balances. There were no funds that had designated cash appropriations in excess of available balances for the year ended June 30, 2021.

**State of New Mexico
City of Alamogordo
Notes to Financial Statements**

NOTE 10: PENSION PLAN - PUBLIC EMPLOYEES RETIREMENT ASSOCIATION

Note: The City maintains audit responsibility for the Otero – Greentree Regional Landfill (the “Landfill”), which is presented as a discretely presented component unit. The City processes payroll for the Landfill, which includes expenditures for PERA. As a result, a portion of the City’s net pension liability and related deferred outflows and inflows of resources is allocated to the Landfill on the statement of net position.

General Information about the Pension Plan

Plan description. The Public Employees Retirement Fund (PERA Fund) is a cost-sharing, multiple employer defined benefit pension plan. This fund has six divisions of members, including State General, State Police/Adult Correction Officer, Municipal General, Municipal Police/Detention Officers, Municipal Fire, and State Legislative Divisions, and offers 24 different types of coverage within the PERA plan. All assets accumulated may be used to pay benefits, including refunds of member contributions, to any of the plan members or beneficiaries, as defined by the terms of this plan. Certain coverage plans are only applicable to a specific division. Eligibility for membership in the PERA Fund is set forth in the Public Employees Retirement Act (Chapter 10, Article 11, NMSA 1978). Except as provided for in the Volunteer Firefighters Retirement Act (10-11A-1 to 10-11A-7, NMSA 1978), the Judicial Retirement Act (10-12B-1 to 10-12B-19, NMSA 1978), the Magistrate Retirement Act (10-12C-1 to 10-12C-18, NMSA 1978), and the Educational Retirement Act (Chapter 22, Article 11, NMSA 1978), and the provisions of Sections 29-4-1 through 29-4-11, NMSA 1978 governing the State Police Pension Fund, each employee and elected official of every affiliated public employer is required to be a member in the PERA Fund, unless specifically excluded.

Benefits Provided. Benefits are generally available at age 65 with five or more years of service or after 25 years of service regardless of age for TIER I members. Provisions also exist for retirement between ages 60 and 65, with varying amounts of service required. Certain police and fire members may retire at any age with 20 or more years of service for Tier I members. Generally, the amount of retirement pension is based on final average salary, which is defined under Tier I as the average of salary for the 36 consecutive months of credited service producing the largest average; credited service; and the pension factor of the applicable coverage plan. Monthly benefits vary depending upon the plan under which the member qualifies, ranging from 2% to 3.5% of the member’s final average salary per year of service. The maximum benefit that can be paid to a retiree may not exceed a range of 60% to 90% of the final average salary, depending on the division. Benefits for duty and non-duty death and disability and for post-retirement survivors’ annuities are also available.

**State of New Mexico
City of Alamogordo
Notes to Financial Statements**

NOTE 10: PENSION PLAN - PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (Continued)

TIER II. The retirement age and service credit requirements for normal retirement for PERA state and municipal general members hired increased effective July 1, 2013 with the passage of Senate Bill 27 in the 2013 Legislative Session. Under the new requirements (Tier II), general members are eligible to retire at any age if the member has at least eight years of service credit and the sum of the member's age and service credit equals at least 85 or at age 67 with 8 or more years of service credit. General members hired on or before June 30, 2013 (Tier I) remain eligible to retire at any age with 25 or more years of service credit. Under Tier II, police and firefighters in Plans 3, 4 and 5 are eligible to retire at any age with 25 or more years of service credit. State police and adult correctional officers, peace officers and municipal juvenile detention officers will remain in 25-year retirement plans, however, service credit will no longer be enhanced by 20%. All public safety members in Tier II may retire at age 60 with 6 or more years of service credit. Generally, under Tier II pension factors were reduced by .5%, employee Contribution increased 1.5 percent and effective July 1, 2014 employer contributions were raised .05 percent. The computation of final average salary increased as the average of salary for 60 consecutive months.

Contributions. See PERA's Comprehensive Annual Financial Report for a summary of various statutory PERA coverage rates, for both Tier I and Tier II, on page 36 of the annual audit report at <http://www.nmpera.org/financial-overview/retirement-fund-valuation-reports/>. The PERA coverage options that apply to the City are: Municipal General Division. Municipal Fire Division and Municipal Police Division. Statutorily required contributions to the pension plan from the City were \$1,502,591 for the year ended June 30, 2021.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. The PERA pension liability amounts, net pension liability amounts, and sensitivity information were based on an annual actuarial valuation performed as of June 30, 2019. The PERA pension liability amounts for each division were rolled forward from the valuation date to the Plan year ending June 30, 2020, using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date June 30, 2020. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2020.

**State of New Mexico
City of Alamogordo
Notes to Financial Statements**

NOTE 10: PENSION PLAN - PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (Continued)

For PERA Fund Municipal General Division, at June 30, 2021, City of Alamogordo reported a liability of \$19,043,314 for its proportionate share of the net pension liability. At June 30, 2020, the City's proportion was 0.9417 percent, which decreased from its proportion measured as of June 30, 2019, by 0.018 percent.

For the year ended June 30, 2021, the City recognized PERA Fund Municipal General Division pension expense of \$810,042. At June 30, 2021, the City reported PERA Fund Municipal General Division deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 527,736	\$ -
Net difference between projected and actual earnings on pension plan investments	3,482,451	-
Changes of assumption	352,340	-
Changes in proportion and differences between the City's contributions and proportionate share of contributions	284,684	543,628
City's contributions subsequent to the measurement date	886,644	-
Total	\$ 5,533,855	\$ 543,628

\$886,644 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date June 30, 2020 will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2022	\$ 1,330,122
2023	965,349
2024	953,629
2025	854,483
Thereafter	-
Total	\$ 4,103,583

**State of New Mexico
City of Alamogordo
Notes to Financial Statements**

NOTE 10: PENSION PLAN - PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (Continued)

For PERA Fund Municipal Police Division, at June 30, 2021, the City reported a liability of \$7,470,449 for its proportionate share of the net pension liability. At June 30, 2020, the City's proportion was 0.8698 percent, which decreased from its proportion measured as of June 30, 2019, by 0.301 percent.

For the year ended June 30, 2021, the City recognized PERA Fund Municipal Police Division pension benefit of (\$468,772). At June 30, 2021, the City reported PERA Fund Municipal Police Division deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 434,115	\$ -
Net difference between projected and actual earnings on pension plan investments	1,282,245	-
Changes of assumption	176,905	-
Changes in proportion and differences between the City's contributions and proportionate share of contributions	131,282	1,587,414
City's contributions subsequent to the measurement date	395,321	-
Total	\$ 2,419,868	\$ 1,587,414

\$395,321 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date June 30, 2020 will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:		
2022	77,352	
2023	38,382	
2024	6,595	
2025	314,804	
Thereafter	-	
Total	\$ 437,133	

**State of New Mexico
City of Alamogordo
Notes to Financial Statements**

NOTE 10: PENSION PLAN - PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (Continued)

For PERA Fund Municipal Fire Division, at June 30, 2021, the City reported a liability of \$4,998,118 for its proportionate share of the net pension liability. At June 30, 2020, the City's proportion was 0.6608 percent, which increased from its proportion measured as of June 30, 2019, by 0.0041 percent.

For the year ended June 30, 2021, the City recognized PERA Fund Municipal Fire Division pension expense of \$286,119. At June 30, 2021, the City reported PERA Fund Municipal Fire Division deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 110,809	\$ -
Net difference between projected and actual earnings on pension plan investments	462,592	-
Changes of assumptions	59,899	-
Changes in proportion and differences between the City's contributions and proportionate share of contributions	190,950	-
City's contributions subsequent to the measurement date	220,626	-
Total	\$ 1,044,876	\$ -

\$220,626 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date June 30, 2020 will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:		
2022	\$ 339,314	
2023	222,208	
2024	149,147	
2025	113,581	
Thereafter	-	
Total	\$ 824,250	

**State of New Mexico
City of Alamogordo
Notes to Financial Statements**

NOTE 10: PENSION PLAN - PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (Continued)

Actuarial assumptions. The total pension liability in the June 30, 2020 actuarial valuation was determined using the following significant actuarial assumptions, applied to all periods included in the measurement:

Actuarial valuation date	June 30, 2019
Actuarial cost method	Entry Age Normal
Amortization period	Level Percentage of Pay
Asset valuation method	Solved for based on statutory rates
Actuarial Assumptions:	
Investment rate of return, net	7.25% annual rate, net of investment expense
Projected benefit payment	100 years
Payroll growth	3.00%
Projected salary increases	3.25% to 13.50% annual rate
Includes inflation at	2.5%
Mortality assumptions	The mortality assumptions are based on the RPH-2014 Blue Collar mortality table with female ages set forward one year. Future improvement in mortality rates is assumed using 60% of the MP-2017 projection scale generational. For nonpublic safety groups, 25% of in-service deaths are assumed to be duty related and 35% are assumed to be duty-related for public safety groups.
Experience Study Dates	July 1, 2008 to June 30, 2017 (demographic) and July 1, 2010 through June 30, 2017 (economic).

The total pension liability, net pension liability, and certain sensitivity information are based on an actuarial valuation performed as of June 30, 2019. The total pension liability was rolled-forward from the valuation date to the plan year ended June 30, 2020. These assumptions were adopted by the Board use in the June 30, 2019 actuarial valuation.

**State of New Mexico
City of Alamogordo
Notes to Financial Statements**

NOTE 10: PENSION PLAN - PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (Continued)

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

ALL FUNDS - Asset Class	Target Allocation	Long-Term Expected	
		Real Rate of Return	
Global Equity	35.50%	5.90%	
Risk Reduction & Mitigation	19.50%	1.00%	
Credit Oriented Fixed Income	15.00%	4.20%	
Real Assets to include Real Estate Equity	20.00%	6.00%	
Multi-Risk Allocation	10.00%	6.40%	
Total	100.00%		

Discount rate. A single discount rate of 7.25% was used to measure the total pension liability as of June 30, 2020. This single discount rate was based on a long-term expected rate of return on pension plan investments of 7.25%, compounded annually, net of expense. Based on the stated assumptions and the projection of cash flows, the plan's fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

The projections of cash flows used to determine this single discount rate assumed that plan member and employer contributions will be made at the current statutory levels.

Sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate. The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

**State of New Mexico
City of Alamogordo
Notes to Financial Statements**

NOTE 10: PENSION PLAN - PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (Continued)

	Current		
	1% Decrease	Discount Rate	1% Increase
PERA Fund Municipal General Division	(6.25%)	(7.25%)	(8.25%)
City's proportionate share of the net pension liability	\$ 27,265,072	\$ 19,043,314	\$ 1,225,822

	Current		
	1% Decrease	Discount Rate	1% Increase
PERA Fund Municipal Police Division	(6.25%)	(7.25%)	(8.25%)
City's proportionate share of the net pension liability	\$ 10,720,814	\$ 7,470,449	\$ 4,810,199

	Current		
	1% Decrease	Discount Rate	1% Increase
PERA Fund Municipal Fire Division	(6.25%)	(7.25%)	(8.25%)
City's proportionate share of the net pension liability	\$ 6,468,217	\$ 4,998,118	\$ 3,789,810

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued FY20 PERA financial report. The report is available at <http://www.pera.state.nm.us/publications.html>.

Payables to the pension plan. At June 30, 2021 there were no contributions due and payable to PERA for the City.

NOTE 11: POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN

Note: The City maintains audit responsibility for the Otero – Greentree Regional Landfill (the “Landfill”), which is presented as a discretely presented component unit. The City processes payroll for the Landfill, which includes expenditures for NMRHCA. As a result, a portion of the City’s net OPEB liability and related deferred outflows and inflows of resources is allocated to the Landfill on the statement of net position.

General Information about the OPEB

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

**State of New Mexico
City of Alamogordo
Notes to Financial Statements**

NOTE 11: POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN (Continued)

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

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

Employees covered by benefit terms. At June 30, 2020, the Fund's measurement date, the following employees were covered by the benefit terms:

Plan Membership	
Current retirees and surviving spouses	52,179
Inactive and eligible for deferred benefit	10,916
Current active members	91,082
	154,177
Active membership	
State general	17,097
State police and corrections	1,830
Municipal general	17,538
Municipal police	3,159
Municipal Fire	1,966
Educational Retirement Board	49,492
	91,082

Contributions – Employer and employee contributions to the Fund total 3% for non-enhanced retirement plans and 3.75% of enhanced retirement plans of each participating employee's salary as required by Section 10-7C-15 NMSA 1978. The contributions are established by statute and are not based on an actuarial calculation. All employer and employee contributions are non-refundable under any circumstance, including termination of the employer's participation in the Fund. Contributions to the Fund from the City were \$258,373 for the year ended June 30, 2021.

**State of New Mexico
City of Alamogordo
Notes to Financial Statements**

NOTE 11: OTHER POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2021, the City reported a liability of \$10,965,028 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2019 and rolled forward to June 30, 2020. The City's proportion of the net OPEB liability was based on actual contributions provided to the Fund for the year ending June 30, 2020. At June 30, 2020, the City's proportion was 0.26114 percent.

For the year ended June 30, 2021, the recognized OPEB benefit of (\$668,118). At June 30, 2021 the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 2,152,514	\$ 1,947,314
Net difference between projected and actual earnings on pension plan investments	59,794	-
Changes in proportion and differences between contributions and proportionate share of contributions	334,111	1,302,546
City's contributions subsequent to the measurement date	258,373	-
Difference between expected and actual experience	-	1,947,095
Total	\$ 2,804,792	\$ 5,196,955

Deferred outflows of resources totaling \$258,373 represent the City's contributions to the Fund made subsequent to the measurement date and will be recognized as a reduction of net OPEB liability in the year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

Year ended June 30:		
2022	\$ (1,106,809)	
2023	(937,031)	
2024	(517,650)	
2025	(246,164)	
2026	157,118	
Total	\$ (2,650,536)	

**State of New Mexico
City of Alamogordo
Notes to Financial Statements**

NOTE 11: OTHER POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN (Continued)

Actuarial assumptions. The total OPEB liability was determined by an actuarial valuation as of June 30, 2019 and rolled forward to June 30, 2020, using the following actuarial assumptions:

Actuarial cost method	Entry age normal, level percent of pay, calculated on individual employee basis
Asset valuation method	Market value of assets
Actuarial assumptions:	
Inflation	2.50% for ERB; 2.50% for PERA
Projected payroll increases	3.25% to 13.50%, based on years of service, including inflation
Investment rate of return	7.25%, net of OPEB plan investment expense and margin for adverse deviation including inflation
Health care cost trend rate	8% graded down to 4.5% over 14 years for Non-Medicare medical plan costs and 7.5% graded down to 4.5% over 12 years for Medicare medical plan costs
Mortality	ERB members: RP-2000 Combined Healthy Mortality Table with White Collar Adjustment (males) and GRS Southwest Region Teacher Mortality Table (females) PERA members: RP-2014 Combined Healthy Mortality

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

**State of New Mexico
City of Alamogordo
Notes to Financial Statements**

NOTE 11: OTHER POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN (Continued)

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

Asset Class	Long-Term Rate of Return
U.S. core fixed income	2.1%
U.S. equity - large cap	7.1%
Non U.S. - emerging markets	10.2%
Non U.S. - developed equities	7.8%
Private equity	11.8%
Credit and structured finance	5.3%
Real estate	4.9%
Absolute return	4.1%
U.S. equity - small/mid cap	7.1%

Discount Rate. The discount rate used to measure the Fund's total OPEB liability is 2.86% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at rates proportional to the actuary determined contribution rates. For this purpose, employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries are not included. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members through the fiscal year ending June 30, 2039. Thus, the 7.25% discount rate was used to calculate the net OPEB liability through 2040. The index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher was used beyond 2040, resulting in a blended discount rate of 2.86%.

Sensitivity of the net OPEB liability to changes in the discount rate and healthcare cost trend rates. The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.86 percent) or 1-percentage-point higher (3.86 percent) than the current discount rate:

1% Decrease (1.86%)	Current Discount Rate (2.866%)	1% Increase (3.86%)
	\$ 13,629,575	
\$ 10,965,028	\$ 8,905,609	

**State of New Mexico
City of Alamogordo
Notes to Financial Statements**

NOTE 11: OTHER POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN (Continued)

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

Current Trend		
1% Decrease	Rates	1% Increase
\$ 9,000,238	\$ 10,965,028	\$ 12,455,374

OPEB plan fiduciary net position. Detailed information about the OPEB plan's fiduciary net position is available in NMRHCA's audited financial statements for the year ended June 30, 2020.

Payable Changes in the Net OPEB Liability. At June 30, 2021, the City did not have amounts payable to the NMRHCA.

NOTE 12: CONTINGENT LIABILITIES

The City is party to various claims and lawsuits arising in the normal course of business. The City is insured through the New Mexico Self Insurers Fund. The maximum exposure of the City is not estimable as of June 30, 2021 for any open claims and lawsuits.

**State of New Mexico
City of Alamogordo
Notes to Financial Statements**

NOTE 13: COMMITMENTS

The City's commitments as of June 30, 2021 are as follows:

Contract	Project	Year Ending	Amount
PARK RESTROOMS	CS2101	2022	\$ 6,747
FLOOD CONTROL	EN0226	2023	17,740,168
UTILITY RELOCATION - COE PHASE 8	EN1609	2023	597,156
REPAIR 10TH ST. BRIDGE	EN1904	2023	7,914
DRY CANYON EVAL/IMPROVE	EN2002	2023	126,156
UPDATE TECH. STANDARDS	EN2005	2022	62,221
PARALLEL PIPELINE - PHASE 1	EN2007	2022	252,980
704 PANORAMA	EN2009	2022	1,950
1113 CATALINA	EN2010	2022	1,951
REPAIRS TO FIRE STATION 2	FD2004	2023	82,229
MAINSTREET	MS2001	2023	22,931
1 MGD DESALINATION FACILITY	PW1406	2022	63,647
BONITO LAKE RESTORATION	PW1501	2022	16,310,248
LANDFILL CELL CLOSURE	PW1515	2023	46,390
DR4199 - BONITO LAKE	PW1605	2023	7,850
SCENIC DRIVE EXTENSION	PW1606	2023	209,324
TELEMETRY EXPANSION	PW1710	2023	625,617
WELL MAINTENANCE	PW1717	2023	487,644
WEST SIDE EST EVAL/RPR	PW1803	2023	69,426
WATER FACILITY FENCING	PW1804	2023	133,441
COMMUNICATION ENHANCEMENTS	PW1805	2022	176,639
SMP FY2021	PW2001	2023	966,536
BONITO LAKE INFRASTRUCTURE IMP.	PW2002	2023	508
WATER PLAN/PERMIT UPDATE	PW2004	2022	24,402
REPLACE SEWER MAIN - CANAL	PW2010	2022	37,658
Total commitments			\$ 38,061,733

**State of New Mexico
City of Alamogordo
Notes to Financial Statements**

NOTE 14: OTERO – GREENTREE REGIONAL LANDFILL

State and Federal laws and regulations require the Regional Landfill to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the landfill site for a minimum of thirty years after closure. Although closure and post closure care costs will be paid only near or after the date the landfill stops accepting waste, the Regional Landfill is required to report a portion of these closure and post closure costs as an operating expense in each period based on landfill capacity used as of each balance sheet date.

The estimate of closure and post-closure costs was updated during the year ended June 30, 2020, and has increased by \$28,641, for a balance of \$1,975,440. The effect of this change in accounting estimate is that net position and the change in net position have decreased by \$295,840, as of and for the year ended June 30, 2020.

The landfill currently holds a 95-acre permit. The permit is defined as land that may be disturbed. To date 58% of the landfill capacity has been used: 30 acres have been disturbed for solid waste disposal and 15 acres for landfill facilities. The landfill is averaging six years of use for every ten acres of land. The remaining acres should give approximately 14.6 more years of life before re-permitting is requested.

The landfill is required to set aside a predetermined amount of funds to cover any closure and post closure care. The City sets aside approximately \$20,000 to \$40,000 annually in investment. To date, the City has restricted \$1,042,171 in investments for this purpose.

The estimated closure and post closure care costs were originally determined in 1998 when the landfill applied for the operating permit. The closure and post closure care costs are re-calculated annually to include inflation, actual landfill usage percentage, and any new regulatory requirements.

The Environmental Protection Agency (EPA) required the landfill to obtain a permit under 20 NMAC 2.70 Title V. This permit requires the landfill to monitor and report emission and particulates that are disbursed into the atmosphere. As the landfill continues to grow and monitoring requirements change, additional costs for closure and post closure care costs will need to be estimated in order for the City to accumulate the proper reserves and restrict sufficient funds to pay for the costs. As specified by 20.9.10.9 B NMAC, the owner of each solid waste facility shall establish a financial assurance mechanism for closure of the facility in compliance with 20.9.10.13 – 20.9.10.23 NMAC. The owner shall provide continued coverage for closure until released from financial assurance requirements by written verification issued by the secretary. The owner of a solid waste facility shall develop a detailed written estimate, in current dollars, of the cost of hiring a third party to close the largest area of the facility requiring closure under 20.9.6 NMAC.

NOTE 15: RESTRICTED NET POSITION

The government-wide statement of net position reports \$39,166,005 of restricted net position for governmental activities, all of which is restricted by enabling legislation. For descriptions of the related enabling legislation for special revenue, capital projects, and debt service funds, see pages 54-55 and 116-119.

**State of New Mexico
City of Alamogordo
Notes to Financial Statements**

NOTE 16: FUND BALANCE

Fund balances on the modified accrual basis were classified as follows as of June 30, 2021:

	General Fund	Leisure Services Fund	2004 Capital Outlay GRT Fund	Nonmajor Governmental Funds	Total Governmental Funds
Fund balances					
Nonspendable					
Prepaid expenses	\$ 10,003	\$ -	\$ -	\$ -	\$ 10,003
Restricted for:					
Government operations	- -	- -	- -	3,038,601	3,038,601
Public safety	- -	- -	- -	808,280	808,280
Public works	- -	- -	- -	3,064,838	3,064,838
Culture and recreation	- -	258,876	- -	286,031	544,907
Health and welfare	- -	- -	- -	9,002	9,002
Capital projects	- -	- -	16,151,644	11,101,264	27,252,908
Debt service	- -	- -	- -	3,989,212	3,989,212
Permanent fund	- -	- -	- -	816,480	816,480
Unassigned (deficit)	16,924,374	- -	- -	(571,943)	16,352,431
Total fund balances	\$ 16,934,377	\$ 258,876	\$ 16,151,644	\$ 22,541,765	\$ 55,886,662

NOTE 17: TAX ABATEMENTS

The City of Alamogordo had no tax abatements during the year ended June 30, 2021. The City is not subject to any tax abatement agreements entered into by other governmental entities.

NOTE 18: CONCENTRATIONS

The City depends on financial resources flowing from, or associated with, both the Federal Government and the State of New Mexico. Because of this dependency, the City is subject to changes in the specific flows of intergovernmental revenues based on modifications to Federal and State laws and Federal and State appropriations.

NOTE 19: FEDERAL AND STATE GRANTS

In the normal course of operations, the City receives grant funds from various federal and state agencies. Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as a result of these audits is not believed to be material.

**State of New Mexico
City of Alamogordo
Notes to Financial Statements**

NOTE 20: UNCERTAINTY

In March 2020, the World Health Organization made the assessment that the outbreak of a novel coronavirus (COVID-19) can be characterized as a pandemic. As a result, uncertainties have arisen that may have a significant negative impact on the operating activities and results of the City. The occurrence and extent of such an impact will depend on future developments, including (i) the duration and spread of the virus, (ii) government quarantine measures, (iii) voluntary and precautionary restrictions on travel or meetings, (iv) the effects on the financial markets, and (v) the effects on the economy overall, all of which are uncertain.

The effects of this pandemic continue to have a significant impact on the City during the year ended June 30, 2021. In addition, the extent to which these events will affect the amounts reported in future financial statements remains uncertain.

Required Supplementary Information

State of New Mexico
City of Alamogordo
Schedule of the City's Proportionate Share of
the Net Pension Liability of PERA Fund
Public Employees Retirement Association (PERA) Plan

Last 10 Fiscal Years*

	June 30,		
Fiscal Year	2021	2020	2019
Measurement Date	2020	2019	2018
City of Alamogordo's proportion of the net pension liability			
Municipal General	0.9417%	0.9597%	1.0112%
Municipal Police	0.8698%	1.1708%	1.1257%
Municipal Fire	0.6608%	0.6567%	0.6295%
City of Alamogordo's proportionate share of the net pension liability			
Municipal General	\$ 19,043,314	\$ 16,613,363	\$ 16,122,270
Municipal Police	7,470,449	8,648,338	7,680,700
Municipal Fire	4,998,118	4,513,084	4,029,335
	<u>\$ 31,511,881</u>	<u>\$ 29,774,785</u>	<u>\$ 27,832,305</u>
City of Alamogordo's covered payroll			
Municipal General	\$ 8,883,194	\$ 8,420,576	\$ 8,862,304
Municipal Police	2,068,783	2,515,241	2,469,059
Municipal Fire	917,050	842,919	831,512
	<u>\$ 11,869,027</u>	<u>\$ 11,778,736</u>	<u>\$ 12,162,875</u>
City of Alamogordo's proportionate share of the net pension liability as a percentage of its covered payroll			
Municipal General	214.37%	197.29%	181.92%
Municipal Police	361.10%	343.84%	311.08%
Municipal Fire	545.02%	535.41%	484.58%
Plan fiduciary net position as a percentage of the total pension liability			
Municipal General	66.36%	70.52%	71.13%
Municipal Police	66.36%	70.52%	71.13%
Municipal Fire	66.36%	70.52%	71.13%

* The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the City will present information for those years for which information is available.

See notes to required supplementary information.

June 30,			
2018	2017	2016	2015
2017	2016	2015	2014

0.9192%	0.9228%	0.9651%	0.9957%
1.1898%	1.1819%	1.2572%	1.3996%
0.5694%	0.5710%	0.5622%	0.5592%

\$ 12,630,586	\$ 14,743,243	\$ 9,840,030	\$ 7,767,529
6,610,256	8,720,409	6,045,322	4,562,544
3,257,791	3,809,151	2,901,616	2,334,097
<hr/>	<hr/>	<hr/>	<hr/>
\$ 22,498,633	\$ 27,272,803	\$ 18,786,968	\$ 14,664,170

\$ 8,072,408	\$ 8,519,979	\$ 8,002,462	\$ 8,370,704
2,452,647	2,350,723	2,460,929	2,789,369
690,057	665,639	637,580	646,276
<hr/>	<hr/>	<hr/>	<hr/>
\$ 11,215,112	\$ 11,536,341	\$ 11,100,971	\$ 11,806,349

156.47%	173.04%	122.96%	92.79%
269.52%	370.97%	245.65%	163.57%
472.10%	572.25%	455.10%	0.00%

73.74%	69.18%	76.99%	81.29%
73.74%	69.18%	76.99%	81.29%
73.74%	69.18%	76.99%	81.29%

See notes to required supplementary information.

State of New Mexico
City of Alamogordo
Schedule of the City's Contributions
Public Employees Retirement Association (PERA) Plan
Last 10 Fiscal Years*

As of and for the Year Ended June 30,	2021	2020	2019
Contractually required contribution			
Municipal General	\$ 886,644	\$ 870,553	\$ 804,165
Municipal Police	395,321	396,172	475,381
Municipal Fire	220,626	200,834	182,492
	\$ 1,502,591	\$ 1,467,559	\$ 1,462,038
Contributions in relation to the contractually required contribution			
Municipal General	\$ (886,644)	\$ (870,553)	\$ (804,165)
Municipal Police	(395,321)	(396,172)	(475,381)
Municipal Fire	(220,626)	(200,834)	(182,492)
	\$ (1,502,591)	\$ (1,467,559)	\$ (1,462,038)
Contribution deficiency (excess)			
Municipal General	\$ -	\$ -	\$ -
Municipal Police	-	-	-
Municipal Fire	-	-	-
	\$ -	\$ -	\$ -
City of Alamogordo's covered payroll			
Municipal General	\$ 9,047,388	\$ 8,883,194	\$ 8,420,576
Municipal Police	2,064,341	2,068,783	2,515,241
Municipal Fire	1,007,425	917,050	842,919
	\$ 12,119,154	\$ 11,869,027	\$ 11,778,736
Contributions as a percentage of covered payroll			
Municipal General	9.80%	9.80%	9.55%
Municipal Police	19.15%	19.15%	18.90%
Municipal Fire	21.90%	21.90%	21.65%

* The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the City will present information for those years for which information is available.

See notes to required supplementary information.

	2018	2017	2016	2015
\$	846,350	\$ 770,915	\$ 813,658	\$ 764,235
	466,652	463,550	444,287	465,116
	180,022	149,397	144,111	138,036
\$	<u>1,493,024</u>	<u>\$ 1,383,862</u>	<u>\$ 1,402,056</u>	<u>\$ 1,367,387</u>

\$	(846,350)	\$ (770,915)	\$ (813,658)	\$ (764,235)
	(466,652)	(463,550)	(444,287)	(465,116)
	(180,022)	(149,397)	(144,111)	(138,036)
\$	<u>(1,493,024)</u>	<u>\$ (1,383,862)</u>	<u>\$ (1,402,056)</u>	<u>\$ (1,367,387)</u>

\$	-	\$	-	\$	-
	-	-	-	-	-
	-	-	-	-	-
\$	-	\$	-	\$	-

\$	8,862,304	\$ 8,072,408	\$ 8,519,979	\$ 8,002,462
	2,469,059	2,452,647	2,350,723	2,460,929
	831,512	690,057	665,639	637,580
\$	<u>12,162,875</u>	<u>\$ 11,215,112</u>	<u>\$ 11,536,341</u>	<u>\$ 11,100,971</u>

9.55%	9.55%	9.55%	9.55%
18.90%	18.90%	18.90%	18.90%
21.65%	21.65%	21.65%	21.65%

See notes to required supplementary information.

State of New Mexico
City of Alamogordo
Schedule of Employer's Proportionate Share of the Net OPEB Liability of
New Mexico Retiree Health Care Authority (NMRHCA) Plan
Last 10 Fiscal Years*

	June 30,		
Fiscal Year	2021	2020	2019
Measurement Date	2020	2019	2018
City of Alamogordo's proportion of the net OPEB liability	0.26114%	0.28515%	0.29296%
City of Alamogordo's proportionate share of the net OPEB liability	\$ 10,965,028	\$ 9,245,673	\$ 12,738,940
City of Alamogordo's covered-employee payroll	\$ 11,857,608	\$ 11,775,275	\$ 11,677,559
City of Alamogordo's proportionate share of the net OPEB liability as a percentage of its covered payroll	92.47%	78.52%	108.18%
Plan fiduciary net position as a percentage of the total OPEB liability	16.50%	18.92%	11.34%

* The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the City will present information for those years for which information is available.

See notes to required supplementary information.

June 30,
2018
2017

0.28033%

\$ 12,703,639

\$ 11,677,559

108.79%

11.34%

See notes to required supplementary information.

State of New Mexico
City of Alamogordo
Schedule of Employer Contributions
New Mexico Retiree Health Care Authority (NMRHCA) Plan
Last 10 Fiscal Years*

As of and for the Year Ended June 30,	2021	2020	2019
Contractually required contributions	\$ 258,373	\$ 253,327	\$ 252,470
Contributions in relation to the contractually required contribution	(258,373)	(253,327)	(252,470)
Contribution deficiency (excess)	\$ -	\$ -	\$ -
City of Alamogordo's covered payroll	\$ 12,112,153	\$ 11,857,608	\$ 11,775,275
Contributions as a percentage of covered payroll	2.00%	2.00%	2.00%

* The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the City will present information for those years for which information is available.

See notes to required supplementary information.

2018

\$ 250,375

(250,375)

\$ -

\$ 11,677,559

2.00%

See notes to required supplementary information.

**State of New Mexico
City of Alamogordo
Notes to Required Supplementary Information**

Public Employees Retirement Association (PERA) Plan

Changes of benefit terms. The PERA Fund COLA and retirement eligibility benefits changes in recent years are described in Note 1 of the PERA CAFR available at <https://www.saonm.org>.

Changes of assumptions. The Public Employees Retirement Association (PERA) of New Mexico Annual Actuarial Valuation as of June 2019 report is available at <http://www.nmpera.org/>

New Mexico Retiree Health Care Authority (MRHCA)

Changes of benefit terms. The NMRHCA eligibility benefits changes in recent years are described in Note 1 of the NMRHCA audit available at <http://nmrhca.org/financial-documents>.

Changes of assumptions. The New Mexico Retiree Healthcare Authority (NMRHCA) Actuarial Valuation as of June 30, 2020 report is available at <http://nmrhca.org/financial-documents>. See the notes to the financial statements beginning on page 12 which summarizes actuarial assumptions and methods effective with the June 30, 2020 valuation.

In the June 30, 2020 actuarial valuation rolled forward to the measurement date of June 30, 2020, changes in assumptions and differences between expected and actual experience include adjustments resulting from an decrease in the discount rate from 4.16% to 2.86%, changes in medical carrier election assumptions based on recent enrollment, and updated Medicare Advantage trends to reflect 2020 and 2021 premiums.

Supplementary Information

**State of New Mexico
City of Alamogordo**
Nonmajor Governmental and Proprietary Fund Descriptions

SPECIAL REVENUE FUNDS

Corrections (015) – This fund accounts for fees imposed on individuals convicted of any offense relating to the operation of a motor vehicle. Funds must be used as specified by State law. This is also the fund where the City pays the County for prisoners at the Detention Center. NMSA 33-3-25.

Lodgers' Tax – Promotional (016) – To account for various promotional and tourism attraction programs. NMSA 3-38-15.

Court Automation (019) – This fund is to account for the collections and disbursement of penalty assessments to develop a statewide computer system for all Municipal Courts. This fund was authorized by the City Commission and 35-14-11 NMSA

Lodgers' Tax – City (020) – To account for revenues generated through the use of the Civic Center. NMSA 3-38-25.

D.A.R.E. Donations (021) – To account for revenues and expenditures designated for the educational programs provided by D.A.R.E. officers. This fund was authorized by the City Commission.

Court Administration (027) – To account for collections and disbursements associated with traffic violations. NMSA 33-3-25.

Police Contingency (028) – To account for revenues and costs associated with confiscated items and investigation programs. NMSA 7-12-15.

Fire Protection (033) – To account for revenues accumulated by the State from taxes for the operation, betterment, and maintenance of local fire departments. NMSA 59A-53-1.

H.I.D.T.A. (035) – This fund accounts for all grant monies, initiated at the federal level, for the Narcotics Enforcement Unit's projects and services.

Law Enforcement (036) – To account for revenues received from the State for the equitable distribution to Municipal and County Police and Sheriff's Department for maintenance and improvements. NMSA 29-13-3.

State Highway (037) – To account for a grant from the New Mexico State Highway and Transportation Department for the Keep Alamogordo Beautiful program. NMSA 67-15-1.

**State of New Mexico
City of Alamogordo**
Nonmajor Governmental and Proprietary Fund Descriptions

SPECIAL REVENUE FUNDS (Continued)

Traffic Safety (038) – This fund is created to account for fees attached to each penalty assessment and traffic convictions under the State Motor Vehicle Code. The monies are used for public outreach programs, educational activities and programs to promote traffic safety in the entity's area. This fund was authorized by the City Commission.

1984 Gross Receipts (042) – To account for a one-quarter of one percent gross receipts tax used for the cost of maintenance and repairs of the City streets. NMSA 1978 7-1-6-9.

Transportation (044) – To account for the one-cent gasoline tax revenues used for local street and bridges capital items. NMSA 7-1-6-9.

Community Development/Infrastructure Acquisition (063) – This fund accounts for the project planning, budgeting, engineering and design, and project management for the city's capital projects.

Alamo Senior Center (071) – To account for grants and user fees to provide services for person 60 and over. (State Grant and City Ordinance)

Alamo Senior Center Gift (074) – This fund is created to account for donations and proceeds from fundraising events. Expenditures are restricted to building improvements or special events. This fund was authorized by the City Commission.

Retired and Senior Volunteer Program (075) – To account for grants used to recruit, train and place senior volunteers throughout Otero County. Domestic Volunteer Service Act of 1973; PL 93-113.

ESGRT 0.0625% (089) – To account for the Environmental Gross Receipts Tax that is used for the activities for the Convenience Center. NMSA 7019D-10.

DEBT SERVICE FUNDS

General Obligation (053) – The purpose of this fund is to account for servicing of principal and interest requirements on the 1990 General Obligation Sanitary Sewer Bonds and the 1996 General Obligation Sanitary Sewer Refunding Water Improvement Bonds. Property tax revenues secure these bonds. This fund was authorized by the City Commission.

1994 and 1996 GRT Principal (059) – This fund accounts for the servicing of principal and interest payments for any debt pledged with Gross Receipts Tax revenues.

1994 Gross Receipts Tax (069) – This fund serves as an income fund for ¼ of 1% Gross Receipts Tax Revenues which is pledged for repayment of the 1996 and 2002 Gross Receipts Tax Revenue Bonds. This fund was authorized by the City Commission.

**State of New Mexico
City of Alamogordo**
Nonmajor Governmental and Proprietary Fund Descriptions

CAPITAL PROJECTS FUNDS

Economic Development Fund (105) – To account for projects which are not funded from specific revenue dedications. This fund was authorized by the City Commission.

Grant Capital Improvement (024) – To accounts for receipts and disbursements of grant funds for capital projects. This fund was authorized by the City Commission.

1986 Gross Receipt Tax (049) – This fund accounts for $\frac{1}{4}$ of 1% Gross Receipts Tax Revenues that are dedicated to the purpose of repair, upgrade, rehabilitate, replace and install water facilities outside of the City limits

Property Acquisition (050) – To account for funds used to acquire needed right-of-way and easements, as well as provide for expenditures involved in the disposition of City property and maintenance of City rental property. This fund was authorized by the City Commission.

Reverse Osmosis Project (054) – This fund is established to receive the monies that are being paid back to the GO Bond Fund which were borrowed to fund the covers and linings on the reservoirs at La Luz. This fund was authorized by the City Commission.

99 GRT Flood Control (056) – To account for bond proceeds for the purpose of paying for flood control. This fund was authorized by the City Commission.

Municipal Infrastructure (061) – To account for one-sixteenth of one-percent gross receipts tax dedicated for the payment of special obligation bonds used for repairs, maintenance and acquisition of infrastructure improvements. This fund was authorized by the City Commission.

Sidewalk Revolving Loans (114) – This fund provides the City with an accounting of loans financed through the City for qualified property owners for the replacement or repair of sidewalks, curb cuts and driveway ramps.

2012 GRT Refunding and Improvement Revenue Bond (119) – The fund is for the improvement of the revenue loan, “Quality for Life” and GRT bond refunding. This fund was authorized by the City Commission.

2014A GO Bond (121) – The purpose of this fund is to provide funds for the purpose of beautifying, improving, acquiring, constructing, equipping, and improving land and buildings for public parks and related recreational facilities. This fund was authorized by Ord. 1476 dated 11/18/2014.

2014B GO Bond – Streets (122) – The purpose of this fund is to provide funds for constructing, repairing, and otherwise improving streets and bridges. This fund was authorized by Ord. 1477 dated 11/18/2014.

**State of New Mexico
City of Alamogordo**
Nonmajor Governmental and Proprietary Fund Descriptions

PERMANENT FUNDS

Cemetery Perpetual (031) – This fund is established to account for the accumulation of funds for the future maintenance of the cemetery. This fund was authorized by the City Commission.

PROPRIETARY FUNDS

Solid Waste Fund (086) – This fund was established to provide funds for the solid waste services provided to the residents of the City, and related costs. This fund is authorized by the City Commission.

Bonito Lake Fund (088) – This fund was established to provide funds for the management and daily operations of the Bonito Lake watershed, recreation area, and part of the Bonito pipeline. This fund is authorized by the City Commission.

Golf Course Fund (090) – This fund was established to provide funds for the maintenance and daily operations of the Municipal golf course. This fund is authorized by the City Commission.

Airport Fund (091) – This fund was established to provide funds for the maintenance and daily operations of the Municipal Airport. This fund is authorized by the City Commission.

Low Rent Public Housing Fund (901) – This fund was established to provide funds to assist income eligible families with housing needs within the guidelines set forth by Housing and Urban Development (HUD). This fund is authorized by the City Commission.

Home Ownership Fund (903) – This fund was established to provide funds to assist income eligible families with housing needs within the guidelines set forth by Housing and Urban Development (HUD). This fund is authorized by the City Commission.

INTERNAL SERVICE FUNDS

Internal Service Fund (012) – This fund was established to provide financing for activities of services provided in-house by the using department. The City currently provides central services for human resources, purchasing, fleet maintenance, management information systems, and facilities maintenance. This fund was authorized by the City Commission

Self-Insured Fund (096) – This fund was established to provide the primary insurance for liability and auto and other insurance protection provided for all functions is recorded within the internal service funds. This fund was authorized by the City Commission

Liability/Deductibles Fund (107) – This fund was established to provide for the liabilities and deductibles related to the insurance expenses of the City. This fund was authorized by the City Commission.

State of New Mexico
City of Alamogordo
Combining Balance Sheet - Nonmajor Governmental Funds

Special Revenue						
June 30, 2021	Lodgers' Tax- Corrections Fund		Court Automation Promotional Fund		Lodgers' Tax-City Fund	
	\$ 45,984	\$ 142,493	\$ 8,582	\$ 130,764		
Assets						
Cash and cash equivalents	\$ 45,984	\$ 142,493	\$ 8,582	\$ 130,764		
Investments	-	171,691	-	38,739		
Receivables						
Taxes	-	-	-	-		
Intergovernmental	-	-	-	-		
Other, net	-	-	-	-		
Total assets	\$ 45,984	\$ 314,184	\$ 8,582	\$ 169,503		
Liabilities, deferred inflows of resources, and fund balances						
Liabilities						
Accounts payable	\$ 2,608	\$ 8,102	\$ 2,294	\$ 6,571		
Accrued payroll	-	1,357	-	5,785		
Deposits held in trust for others	-	-	-	1,382		
Unearned revenue	-	-	-	7,754		
Due to other funds	-	-	-	-		
Total liabilities	2,608	9,459	2,294	21,492		
Deferred inflows of resources						
Unearned revenue - property taxes	-	-	-	-		
Total deferred inflows of resources	-	-	-	-		
Fund balances						
Spendable						
Restricted	43,376	304,725	6,288	148,011		
Unassigned (deficit)	-	-	-	-		
Total fund balances	43,376	304,725	6,288	148,011		
Total liabilities, deferred inflows of resources, and fund balances	\$ 45,984	\$ 314,184	\$ 8,582	\$ 169,503		

Special Revenue

		Court					
D.A.R.E	Administration	Police	Fire Protection	H.I.D.T.A.	Law Enforcement		
Donations Fund	Fund	Contingency Fund	Fund	Fund	Fund		
\$ 6,198	\$ 26,309	\$ 15,262	\$ 521,487	-	\$ 4,818		
16,211	-	53,951	168,476	-	-		
-	-	-	-	-	-		
-	-	-	-	-	-		
-	-	-	-	-	-		
\$ 22,409	\$ 26,309	\$ 69,213	\$ 689,963	-	\$ 4,818		
<hr/>							
\$ -	\$ 1,632	\$ 111,928	\$ 16,801	-	\$ 150		
-	15,826	-	-	-	419		
-	-	-	-	-	-		
-	4,710	-	-	-	-		
-	-	-	-	2,713	-		
-	22,168	111,928	16,801	2,713	569		
<hr/>							
-	-	-	-	-	-		
-	-	-	-	-	-		
<hr/>							
22,409	4,141	-	673,162	-	4,249		
-	-	(42,715)	-	(2,713)	-		
22,409	4,141	(42,715)	673,162	(2,713)	4,249		
<hr/>							
\$ 22,409	\$ 26,309	\$ 69,213	\$ 689,963	-	\$ 4,818		

(continued)

State of New Mexico
City of Alamogordo
Combining Balance Sheet - Nonmajor Governmental Funds

Special Revenue						
June 30, 2021	State Highway Fund	Traffic Safety Fund	1984 Gross Receipts Fund	Transportation Fund		
Assets						
Cash and cash equivalents	\$ 33,184	\$ 6,385	\$ 1,180,030	\$ 165,481		
Investments	114,685	48,270	1,205,641			-
Receivables						
Taxes	-	-	348,205			213,566
Intergovernmental	15,020	-	-			-
Other, net	-	-	-			307
Total assets	\$ 162,889	\$ 54,655	\$ 2,733,876	\$ 379,354		
Liabilities, deferred inflows of resources, and fund balances						
Liabilities						
Accounts payable	\$ 744	\$ -	\$ -	\$ 45,921		
Accrued payroll	-	-	-			24,622
Deposits held in trust for others	-	-	-			-
Unearned revenue	-	-	-			-
Due to other funds	-	-	-			-
Total liabilities	744	-	-	70,543		
Deferred inflows of resources						
Unearned revenue - property taxes	-	-	-			-
Total deferred inflows of resources	-	-	-	-		
Fund balances						
Spendable						
Restricted	162,145	54,655	2,733,876	308,811		
Unassigned (deficit)	-	-	-			-
Total fund balances	162,145	54,655	2,733,876	308,811		
Total liabilities, deferred inflows of resources, and fund balances	\$ 162,889	\$ 54,655	\$ 2,733,876	\$ 379,354		

Special Revenue				Debt Service	
Community Development/ Infrastructure Acquisition Fund	Alamo Senior Center Fund	Alamo Senior Center Gift Fund	Retired and Senior Volunteer Program Fund	ESGRT 0.0625% Fund	General Obligation Fund
\$ 6,519	\$ 2,079	\$ 48,570	\$ 14,328	\$ 354,651	\$ 908,524
-	-	89,511	-	2,183,566	-
-	-	-	-	87,051	59,035
-	36,766	-	-	-	-
101	-	-	-	-	-
\$ 6,620	\$ 38,845	\$ 138,081	\$ 14,328	\$ 2,625,268	\$ 967,559
<hr/>					
\$ 13,136	\$ 25,499	\$ 61	\$ 1,453	\$ 31,386	\$ -
8,449	32,265	-	3,873	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
21,585	57,764	61	5,326	31,386	\$ -
<hr/>					
-	-	-	-	-	37,115
-	-	-	-	-	37,115
<hr/>					
-	-	138,020	9,002	2,593,882	930,444
(14,965)	(18,919)	-	-	-	-
(14,965)	(18,919)	138,020	9,002	2,593,882	930,444
<hr/>					
\$ 6,620	\$ 38,845	\$ 138,081	\$ 14,328	\$ 2,625,268	\$ 967,559
<hr/>					

(continued)

State of New Mexico
City of Alamogordo
Combining Balance Sheet - Nonmajor Governmental Funds

	Debt Service		Capital Projects		
	1994 and 1996 GRT Principal Fund	1994 Gross Receipts Tax Fund	Economic Development Fund	Grant Capital Improvements Fund	
June 30, 2021					
Assets					
Cash and cash equivalents	\$ 150,100	\$ 5,655	\$ 535,198	\$ -	-
Investments	-	2,554,808	3,973,458	-	-
Receivables					
Taxes	-	348,205	168,103	-	-
Intergovernmental	-	-	-	-	46,151
Other, net	-	-	-	-	-
Total assets	\$ 150,100	\$ 2,908,668	\$ 4,676,759	\$ 46,151	
Liabilities, deferred inflows of resources, and fund balances					
Liabilities					
Accounts payable	\$ -	\$ -	\$ 25,761	\$ 19,778	
Accrued payroll	-	-	-	6,425	
Deposits held in trust for others	-	-	-	-	
Unearned revenue	-	-	-	-	
Due to other funds	-	-	-	418,204	
Total liabilities	-	-	25,761	444,407	
Deferred inflows of resources					
Unearned revenue - property taxes	-	-	-	-	
Total deferred inflows of resources	-	-	-	-	
Fund balances					
Spendable					
Restricted	150,100	2,908,668	4,650,998	-	-
Unassigned (deficit)	-	-	-	-	(398,256)
Total fund balances	150,100	2,908,668	4,650,998	(398,256)	
Total liabilities, deferred inflows of resources, and fund balances	\$ 150,100	\$ 2,908,668	\$ 4,676,759	\$ 46,151	

Capital Projects

1986 Gross Receipt Tax Fund	Property Acquisition Fund	Reverse Osmosis Project Fund	99 GRT Flood Control Fund	Municipal Infrastructure Fund	Sidewalk Revolving Loans Fund
\$ 416,608 3,813,509	\$ 85,010 -	\$ 21,967 -	\$ 7 -	\$ 353,167 537,354	\$ - 143,001
348,205	-	-	-	87,051	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ 4,578,322	\$ 85,010	\$ 21,967	\$ 7	\$ 977,572	\$ 143,001
<hr/>					
\$ 28,118	\$ -	\$ -	\$ 94,382	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
28,118	-	-	94,382	-	-
<hr/>					
<hr/>					
4,550,204	85,010	21,967		977,572	143,001
-	-	-	(94,375)	-	-
4,550,204	85,010	21,967	(94,375)	977,572	143,001
\$ 4,578,322	\$ 85,010	\$ 21,967	\$ 7	\$ 977,572	\$ 143,001

(continued)

State of New Mexico
City of Alamogordo
Combining Balance Sheet - Nonmajor Governmental Funds

June 30, 2021	Capital Projects			Permanent Fund	
	2012 GRT				
	Refunding and Improvement	2014B			
	Revenue Bond Fund	2014A GO Bond Fund	GO Bond - Streets Fund	Cemetery Perpetual Fund	
Assets					
Cash and cash equivalents	\$ 151,709	\$ 251	\$ 463	\$ 15,850	
Investments	256,223	89,813	174,053	800,630	
Receivables					
Taxes	-	-	-	-	
Intergovernmental	-	-	-	-	
Other, net	-	-	-	-	
Total assets	\$ 407,932	\$ 90,064	\$ 174,516	\$ 816,480	
Liabilities, deferred inflows of resources, and fund balances					
Liabilities					
Accounts payable	\$ -	\$ -	\$ -	\$ -	
Accrued payroll	-	-	-	-	
Deposits held in trust for others	-	-	-	-	
Unearned revenue	-	-	-	-	
Due to other funds	-	-	-	-	
Total liabilities	-	-	-	-	
Deferred inflows of resources					
Unearned revenue - property taxes	-	-	-	-	
Total deferred inflows of resources	-	-	-	-	
Fund balances					
Spendable					
Restricted	407,932	90,064	174,516	816,480	
Unassigned (deficit)	-	-	-	-	
Total fund balances	407,932	90,064	174,516	816,480	
Total liabilities, deferred inflows of resources, and fund balances	\$ 407,932	\$ 90,064	\$ 174,516	\$ 816,480	

**Total Nonmajor
Governmental
Funds**

\$ 5,357,633
16,433,590

1,659,421
97,937
408

\$ 23,548,989

\$ 436,325
99,021
1,382
12,464

420,917

970,109

37,115

37,115

23,113,708

(571,943)

22,541,765

\$ 23,548,989

State of New Mexico
City of Alamogordo
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances -
Nonmajor Governmental Funds

		Special Revenue			
For the year ended June 30, 2021		Corrections Fund	Lodgers' Tax-Promotional	Court Automation Fund	Lodgers' Tax-City Fund
Revenues					
Taxes					
Property	\$	-	\$	-	\$
Gross receipts		-	-	-	-
Gasoline and motor vehicle		-	-	-	-
Other		-	226,605	-	339,907
Intergovernmental					
Federal operating grants		-	-	-	5,821
Federal capital grants		-	-	-	-
State operating grants		-	-	21,984	-
State capital grants		-	-	-	-
Charges for services		53,246	-	16,633	4,952
Investment income		-	232	-	52
Miscellaneous		-	-	-	15,690
Total revenues		53,246	226,837	38,617	366,422
Expenditures					
Current					
General government		-	115,760	9,390	-
Public safety		26,687	-	15,546	-
Public works		-	-	-	-
Culture and recreation		-	-	-	185,063
Health and welfare		-	-	-	-
Capital outlay		-	-	-	5,780
Debt service					
Principal		-	-	-	-
Interest and other charges		-	-	-	-
Total expenditures		26,687	115,760	24,936	190,843
Excess (deficiency) of revenues over expenditures		26,559	111,077	13,681	175,579
Other financing sources (uses)					
Proceeds from sale of assets		-	-	-	-
Transfers in		10,200	787	-	-
Transfers (out)		(260)	(1,104)	(6,434)	(54,064)
Total other financing sources (uses)		9,940	(317)	(6,434)	(54,064)
Net change in fund balances		36,499	110,760	7,247	121,515
Fund balances - beginning of year		6,877	193,965	(959)	26,496
Fund balances - end of year	\$	43,376	\$	304,725	\$
					148,011

Special Revenue

Court					
D.A.R.E Donations Fund	Administration Fund	Police Contingency Fund	Fire Protection Fund	H.I.D.T.A. Fund	Law Enforcement Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	19,869	-	-	-	-
-	-	-	-	11,850	-
-	-	-	683,806	-	55,200
-	-	-	-	-	-
100	13,177	1,095	-	-	-
22	-	73	228	-	-
-	-	-	-	-	-
122	33,046	1,168	684,034	11,850	55,200
-	366,551	-	2,400	-	-
-	43,664	6,726	422,553	12,639	46,873
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	138,260	-	36,310
-	-	-	-	-	-
-	-	-	-	-	-
-	410,215	6,726	563,213	12,639	83,183
122	(377,169)	(5,558)	120,821	(789)	(27,983)
-	-	-	-	-	-
-	418,420	-	-	-	-
-	(12,404)	-	-	-	-
-	406,016	-	-	-	-
122	28,847	(5,558)	120,821	(789)	(27,983)
22,287	(24,706)	(37,157)	552,341	(1,924)	32,232
\$ 22,409	\$ 4,141	\$ (42,715)	\$ 673,162	\$ (2,713)	\$ 4,249

(continued)

State of New Mexico
City of Alamogordo
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances -
Nonmajor Governmental Funds

		Special Revenue			
For the year ended June 30, 2021		State Highway Fund	Traffic Safety Fund	1984 Gross Receipts Fund	Transportation Fund
Revenues					
Taxes					
Property	\$	-	\$	-	\$
Gross receipts		-	-	2,012,162	503,041
Gasoline and motor vehicle		-	-	-	663,658
Other		-	-	-	-
Intergovernmental					
Federal operating grants		-	-	-	26,919
Federal capital grants		-	-	-	-
State operating grants		34,890	-	-	-
State capital grants		-	-	-	-
Charges for services		30,096	10,237	-	8,227
Investment income		155	66	6,428	-
Miscellaneous		-	-	-	1,867
Total revenues		65,141	10,303	2,018,590	1,203,712
Expenditures					
Current					
General government		-	-	28,353	107
Public safety		3,769	4,090	-	-
Public works		47,002	-	-	1,255,614
Culture and recreation		-	-	-	-
Health and welfare		-	-	-	-
Capital outlay		-	29,869	-	476,150
Debt service					
Principal		-	-	-	-
Interest and other charges		-	-	-	-
Total expenditures		50,771	33,959	28,353	1,731,871
Excess (deficiency) of revenues over expenditures		14,370	(23,656)	1,990,237	(528,159)
Other financing sources (uses)					
Proceeds from sale of assets		-	-	-	-
Transfers in		-	-	-	492,337
Transfers (out)		-	-	(676,093)	(137,106)
Total other financing sources (uses)		-	-	(676,093)	355,231
Net change in fund balances		14,370	(23,656)	1,314,144	(172,928)
Fund balances - beginning of year		147,775	78,311	1,419,732	481,739
Fund balances - end of year	\$	162,145	\$ 54,655	\$ 2,733,876	\$ 308,811

Special Revenue			Debt Service		
Community Development/ Infrastructure Acquisitions Fund	Alamo Senior Center Fund	Alamo Senior Center Gift Fund	Retired and Senior Volunteer Program Fund	ESGRT 0.0625% Fund	General Obligation Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,034,573
-	-	-	-	503,041	-
-	-	-	-	-	-
-	-	-	-	-	-
-	70,081	-	66,141	-	-
-	-	-	-	-	-
-	447,085	-	116,261	-	-
-	-	-	-	-	-
59	155,486	4,793	-	-	-
-	-	122	-	659	-
-	22,581	-	6,000	-	-
59	695,233	4,915	188,402	503,700	1,034,573
283,600	-	-	-	-	-
2,026	-	-	-	-	-
-	-	-	-	8,551	-
-	1,301,619	8,060	-	-	-
-	13,809	-	244,218	-	-
-	3,360	-	-	-	-
-	-	-	-	-	308,800
-	-	-	-	-	525,828
285,626	1,318,788	8,060	244,218	8,551	834,628
(285,567)	(623,555)	(3,145)	(55,816)	495,149	199,945
311,066	545,060	-	69,500	-	-
(29,509)	(1,081)	-	(13,663)	(1,079,521)	(245,000)
281,557	543,979	-	55,837	(1,079,521)	(245,000)
(4,010)	(79,576)	(3,145)	21	(584,372)	(45,055)
(10,955)	60,657	141,165	8,981	3,178,254	975,499
\$ (14,965) \$	(18,919) \$	138,020 \$	9,002 \$	2,593,882 \$	930,444

(continued)

State of New Mexico
City of Alamogordo
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances -
Nonmajor Governmental Funds

For the year ended June 30, 2021	Debt Service		Capital Projects	
	1994 and 1996		Economic Development Fund	Grant Capital Improvement Fund
	GRT Principal Fund	1994 Gross Receipts Tax Fund		
Revenues				
Taxes				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	2,012,162	1,006,081	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	40,307
State operating grants	-	-	-	-
State capital grants	-	-	-	604,809
Charges for services	-	-	-	-
Investment income	220	3,452	8,726	-
Miscellaneous	-	-	46,997	-
Total revenues	220	2,015,614	1,061,804	645,116
Expenditures				
Current				
General government	-	28,354	-	128,986
Public safety	1,699	-	-	499,715
Public works	-	-	-	-
Culture and recreation	-	-	241,658	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	501,407
Debt service				
Principal	2,209,662	-	-	-
Interest and other charges	466,542	-	-	-
Total expenditures	2,677,903	28,354	241,658	1,130,108
Excess (deficiency) of revenues over expenditures	(2,677,683)	1,987,260	820,146	(484,992)
Other financing sources (uses)				
Proceeds from sale of assets	-	-	-	-
Transfers in	2,675,767	-	-	4,586
Transfers (out)	-	(2,522,544)	-	-
Total other financing sources (uses)	2,675,767	(2,522,544)	-	4,586
Net change in fund balances	(1,916)	(535,284)	820,146	(480,406)
Fund balances - beginning of year	152,016	3,443,952	3,830,852	82,150
Fund balances - end of year	\$ 150,100	\$ 2,908,668	\$ 4,650,998	\$ (398,256)

Capital Projects

1986 Gross Receipt Tax Fund	Property Acquisition Fund	Reverse Osmosis Project Fund	99 GRT Flood Control Fund	Municipal Infrastructure Fund	Sidewalk Revolving Loans Fund
\$ - \$ 2,012,162	- \$ -	- \$ -	- \$ -	- \$ 503,041	- \$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
13,482	-	-	77	726	193
-	-	-	-	-	-
2,025,644	-	-	77	503,767	193
<hr/>					
- 110	-	-	-	7,088	-
5,020	-	-	-	-	-
28,354	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
43,123	-	4,928	2,203,778	-	-
-	-	-	-	-	-
-	-	-	-	-	-
76,497	110	4,928	2,203,778	7,088	-
<hr/>					
1,949,147	(110)	(4,928)	(2,203,701)	496,679	193
<hr/>					
-	-	-	-	-	-
-	-	21,225	2,140,702	-	-
(3,147,079)	-	(16,297)	-	(757,802)	-
(3,147,079)	-	4,928	2,140,702	(757,802)	-
<hr/>					
(1,197,932)	(110)	-	(62,999)	(261,123)	193
5,748,136	85,120	21,967	(31,376)	1,238,695	142,808
\$ 4,550,204	\$ 85,010	\$ 21,967	\$ (94,375)	\$ 977,572	\$ 143,001

(continued)

State of New Mexico
City of Alamogordo
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances -
Nonmajor Governmental Funds

For the year ended June 30, 2021	Capital Projects			Permanent Fund
	2012 GRT	Revenue Bond Fund	2014A GO Bond Fund	2014B Go Bond - Streets Fund
	Refunding and Improvement	Cemetery Perpetual Fund		
Revenues				
Taxes				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	2,365	122	236	1,085
Miscellaneous	-	-	-	-
Total revenues	2,365	122	236	1,085
Expenditures				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	31,113	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	229,086	-	-	-
Debt service				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Total expenditures	260,199	-	-	-
Excess (deficiency) of revenues over expenditures	(257,834)	122	236	1,085
Other financing sources (uses)				
Proceeds from sale of assets	-	-	-	11,275
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total other financing sources (uses)	-	-	-	11,275
Net change in fund balances	(257,834)	122	236	12,360
Fund balances - beginning of year	665,766	89,942	174,280	804,120
Fund balances - end of year	\$ 407,932	\$ 90,064	\$ 174,516	\$ 816,480

**Total Nonmajor
Governmental
Funds**

\$	1,034,573
	8,551,690
	663,658
	566,512
	188,831
	52,157
	1,359,226
	604,809
	298,101
	38,721
	<u>93,135</u>
	<u>13,451,413</u>

970,699
1,091,007
1,370,634
1,736,400
258,027
3,672,051
2,518,462
<u>992,370</u>
<u>12,609,650</u>
<u>841,763</u>

11,275
6,689,650
(8,699,961)
<u>(1,999,036)</u>
(1,157,273)
<u>23,699,038</u>
<u>\$ 22,541,765</u>

State of New Mexico
City of Alamogordo
Combining Statement of Net Position - Nonmajor Proprietary Funds

June 30, 2021	Nonmajor Enterprise Funds		
	Solid Waste Fund	Bonito Lake Fund	Golf Course Fund
Assets			
Current assets			
Cash and cash equivalents	\$ 152,957	\$ 50,732	\$ 72,040
Investments	431,739	269,166	-
Receivables			
Intergovernmental	-	-	-
Customer, net	166,907	-	217
Inventory	-	-	-
Prepaid expenses	-	-	-
Due from other funds	-	-	-
Total current assets	751,603	319,898	72,257
Noncurrent assets			
Restricted cash and cash equivalents	-	-	-
Restricted investments	-	74,551	-
Assets held for sale	-	-	-
Capital assets, not being depreciated	16,000	1,740,180	2,528,794
Capital assets, being depreciated	1,161,432	255,855	4,911,359
Less accumulated depreciation	(748,153)	(241,987)	(3,085,500)
Total noncurrent assets	429,279	1,828,599	4,354,653
Total assets	1,180,882	2,148,497	4,426,910
Deferred outflows of resources			
Deferred outflows - pension	62,160	-	107,935
Deferred outflows - OPEB	23,386	-	41,928
Total deferred outflows of resources	85,546	-	149,863
Total assets and deferred outflows of resources	\$ 1,266,428	\$ 2,148,497	\$ 4,576,773

Nonmajor Enterprise Funds

Airport Fund	Low Rent Public Housing Fund	Home Ownership Fund	Total Nonmajor Enterprise Funds
\$ 17,373	\$ 999,352	\$ 580,768	\$ 1,873,222
-	96,552	111,109	908,566
12,979	-	-	12,979
37,041	8,366	-	212,531
-	5,601	-	5,601
-	31,915	636	32,551
-	-	16	16
67,393	1,141,786	692,529	3,045,466
-	46,640	21,345	67,985
-	-	-	74,551
-	-	88,338	88,338
765,788	1,330,114	-	6,380,876
12,898,652	14,500,241	3,735	33,731,274
(5,560,374)	(12,080,713)	(3,735)	(21,720,462)
8,104,066	3,796,282	109,683	18,622,562
8,171,459	4,938,068	802,212	21,668,028
37,534	243,340	6,310	457,279
14,703	73,199	2,106	155,322
52,237	316,539	8,416	612,601
\$ 8,223,696	\$ 5,254,607	\$ 810,628	\$ 22,280,629

(continued)

State of New Mexico
City of Alamogordo
Combining Statement of Net Position - Nonmajor Proprietary Funds

	Nonmajor Enterprise Funds		
	Solid Waste Fund	Bonito Lake Fund	Golf Course Fund
June 30, 2021			
Liabilities			
Current liabilities			
Accounts payable	\$ 160,588	\$ -	\$ 5,381
Accrued payroll	10,967	-	10,884
Deposits held in trust for others	-	-	-
Unearned revenue	-	-	-
Long-term liabilities, current	11,385	-	16,101
Due to other funds	-	-	-
Total current liabilities	182,940	-	32,366
Noncurrent liabilities			
Net pension liability	185,692	-	364,626
Net OPEB liability	67,382	-	112,853
Total noncurrent liabilities	253,074	-	477,479
Total liabilities	436,014	-	509,845
Deferred inflows of resources			
Deferred inflows - pension	14,586	-	22,725
Deferred inflows - OPEB	31,365	-	71,356
Total deferred inflows of resources	45,951	-	94,081
Net position			
Net investment in capital assets	429,279	1,754,048	4,354,653
Unrestricted (deficit)	355,184	394,449	(381,806)
Total net position	784,463	2,148,497	3,972,847
Total liabilities, deferred inflows of resources, and net position	\$ 1,266,428	\$ 2,148,497	\$ 4,576,773

Nonmajor Enterprise Funds

Airport Fund	Low Rent Public Housing Fund	Home Ownership Fund	Total Nonmajor Enterprise Funds
\$ 5,108	\$ 7,012	\$ 1	\$ 178,090
4,970	23,043	-	49,864
11,167	46,669	-	57,836
-	14,394	-	14,394
1,532	37,289	1,929	68,236
-	-	21	21
22,777	128,407	1,951	368,441
<hr/>			
134,647	609,597	17,961	1,312,523
44,604	235,825	4,455	465,119
179,251	845,422	22,416	1,777,642
202,028	973,829	24,367	2,146,083
<hr/>			
9,323	66,805	1,635	115,074
25,352	122,461	3,662	254,196
34,675	189,266	5,297	369,270
<hr/>			
8,104,066	3,749,642	-	18,391,688
(117,073)	341,870	780,964	1,373,588
7,986,993	4,091,512	780,964	19,765,276
<hr/>			
\$ 8,223,696	\$ 5,254,607	\$ 810,628	\$ 22,280,629

State of New Mexico

City of Alamogordo

**Combining Statement of Revenues, Expenses, and Changes in Net Position -
Nonmajor Proprietary Funds**

		Nonmajor Enterprise Funds		
For the Year Ended June 30, 2021		Solid Waste Fund	Bonito Lake Fund	Golf Course Fund
Operating revenues				
Charges for services	\$ 2,316,373	\$ -	\$ 1,544,411	
Operating grants	1,687	-	16,902	
Total operating revenues	2,318,060	-	1,561,313	
Operating expenses				
Personnel services	161,637	-	228,994	
Utilities	7,172	-	27,978	
Contractual services	1,783,115	1,450	1,102,231	
Supplies and purchased power	22,317	-	49,211	
Repairs and maintenance	39,053	-	17,670	
Depreciation expense	54,985	4,476	196,391	
Miscellaneous expense	105,955	-	31,547	
Total operating expenses	2,174,234	5,926	1,654,022	
Operating income (loss)	143,826	(5,926)	(92,709)	
Non-operating revenues (expenses)				
Investment income	583	464	-	
Miscellaneous	1,571	-	455	
Total non-operating revenues (expenses)	2,154	464	455	
Income (loss) before contributions and transfers	145,980	(5,462)	(92,254)	
Government contributions				
Capital grants	-	-	-	
Transfers in	-	-	79,961	
Transfers (out)	(127,674)	-	(71,040)	
Change in net position	18,306	(5,462)	(83,333)	
Net position - beginning of year	766,157	2,153,959	4,056,180	
Net position - end of year	\$ 784,463	\$ 2,148,497	\$ 3,972,847	

Nonmajor Enterprise Funds			
Airport Fund	Low Rent Public Housing Fund	Home Ownership Fund	Total Nonmajor Enterprise Funds
\$ 153,695	\$ 272,323	\$ -	\$ 4,286,802
12,979	852,787	-	884,355
166,674	1,125,110	-	5,171,157
84,952	435,601	11,575	922,759
28,792	-	-	63,942
-	180,417	646	3,067,859
22,002	149,082	337	242,949
9,202	185,283	966	252,174
389,417	321,431	-	966,700
30,808	116,239	257	284,806
565,173	1,388,053	13,781	5,801,189
(398,499)	(262,943)	(13,781)	(630,032)
-	2,322	1,413	4,782
210	3,155	-	5,391
210	5,477	1,413	10,173
(398,289)	(257,466)	(12,368)	(619,859)
173,524	503,348	-	676,872
-	-	-	79,961
(40,648)	(50)	-	(239,412)
(265,413)	245,832	(12,368)	(102,438)
8,252,406	3,845,680	793,332	19,867,714
\$ 7,986,993	\$ 4,091,512	\$ 780,964	\$ 19,765,276

State of New Mexico
City of Alamogordo
Combining Statement of Cash Flows - Nonmajor Proprietary Funds

For the Year Ended June 30, 2021	Nonmajor Enterprise Funds		
	Solid Waste Fund	Bonito Lake Fund	Golf Course Fund
Cash flows from operating activities			
Cash received from user charges	\$ 2,299,575	\$ -	\$ 1,544,246
Cash received from subsidy grants	1,687	-	16,902
Cash payments to employees for services	(171,744)	-	(261,560)
Cash payments to suppliers for goods and services	(1,957,979)	(1,450)	(1,230,523)
Net cash provided (used) by operating activities	171,539	(1,450)	69,065
Cash flows from noncapital financing activities			
Miscellaneous income	1,571	-	455
Transfers in (out)	(127,674)	-	8,921
Net cash provided (used) by noncapital financing activities	(126,103)	-	9,376
Cash flows from investing activities			
Sale (purchase) of investments	4	3	-
Interest on investments	583	464	-
Net cash provided (used) by investing activities	587	467	-
Cash flows from capital and related financing activities			
Acquisition of capital assets	(4)	-	(6,465)
Capital grants	-	-	-
Net cash provided (used) by capital and related financing activities	(4)	-	(6,465)
Net increase (decrease) in cash and cash equivalents	46,019	(983)	71,976
Cash and cash equivalents - beginning of year	106,938	51,715	64
Cash and cash equivalents - end of year	\$ 152,957	\$ 50,732	\$ 72,040

Nonmajor Enterprise Funds

Airport Fund	Low Rent Public Housing Fund	Home Ownership Fund	Total Nonmajor Enterprise Funds
\$ 142,674	\$ 253,544	\$ -	\$ 4,240,039
12,979	852,787	-	884,355
(92,036)	(465,506)	(13,554)	(1,004,400)
(92,879)	(725,140)	(3,004)	(4,010,975)
(29,262)	(84,315)	(16,558)	109,019
210	3,155	-	5,391
(40,648)	(2,339)	5	(161,735)
(40,438)	816	5	(156,344)
-	(96,552)	(111,109)	(207,654)
-	2,322	1,413	4,782
-	(94,230)	(109,696)	(202,872)
(197,538)	(410,300)	-	(614,307)
164,179	503,348	-	667,527
(33,359)	93,048	-	53,220
(103,059)	(84,681)	(126,249)	(196,977)
120,432	1,130,673	728,362	2,138,184
\$ 17,373	\$ 1,045,992	\$ 602,113	\$ 1,941,207

(continued)

State of New Mexico
City of Alamogordo
Combining Statement of Cash Flows - Nonmajor Proprietary Funds

Nonmajor Enterprise Funds			
For the Year Ended June 30, 2021	Solid Waste Fund	Bonito Lake Fund	Golf Course Fund
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ 143,826	\$ (5,926)	\$ (92,709)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	54,985	4,476	196,391
Noncash pension expense	(6,049)	-	(10,334)
Noncash OPEB benefit	(8,128)	-	(13,880)
Changes in assets, deferred outflows, and liabilities:			
Receivables, net	(16,798)	-	(165)
Inventory	-	-	-
Prepaid expenses	-	-	-
Subsequent contributions-pension	(257)	-	(440)
Subsequent contributions-OPEB	(44)	-	(76)
Accounts payable	(367)	-	(1,886)
Accrued payroll expenses	3,313	-	(597)
Accrued compensated absences	1,058	-	(7,239)
Unearned revenue	-	-	-
Customer deposits	-	-	-
Net cash provided (used) by operating activities	\$ 171,539	\$ (1,450)	\$ 69,065

Nonmajor Enterprise Funds

Airport Fund	Low Rent Public Housing Fund	Home Ownership Fund	Total Nonmajor Enterprise Funds
\$ (398,499)	\$ (262,943)	\$ (13,781)	\$ (630,032)
389,417	321,431	-	966,700
(3,640)	(11,275)	(487)	(31,785)
(4,892)	(25,181)	(701)	(52,782)
(11,411)	16	-	(28,358)
-	6,813	-	6,813
-	(2,404)	(636)	(3,040)
(155)	(480)	(21)	(1,353)
(27)	(139)	(4)	(290)
(2,075)	(98,528)	(162)	(103,018)
605	1,392	(766)	3,947
1,025	5,778	-	622
-	(20,905)	-	(20,905)
390	2,110	-	2,500
<u>\$ (29,262)</u>	<u>\$ (84,315)</u>	<u>\$ (16,558)</u>	<u>\$ 109,019</u>

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Internal Service Funds

State of New Mexico
City of Alamogordo
Combining Statement of Net Position - Internal Service Funds

June 30, 2021	Internal	Self-Insured	Liability/	Total Internal
	Service Fund	Fund	Deductibles	
Assets				
Current assets				
Cash and cash equivalents	\$ 80,006	\$ 109,962	\$ 507,965	\$ 697,933
Investments	-	451,452	668,663	1,120,115
Receivables				
Other, net	14,638	-	-	14,638
Inventory	178,003	-	-	178,003
Prepaid expenses	69,224	-	-	69,224
Total current assets	341,871	561,414	1,176,628	2,079,913
Total assets	341,871	561,414	1,176,628	2,079,913
Deferred outflows of resources				
Deferred outflows - pension	577,094	-	-	577,094
Deferred outflows - OPEB	220,690	-	-	220,690
Total deferred outflows of resources	797,784	-	-	797,784
Total assets and deferred outflows of resources	\$ 1,139,655	\$ 561,414	\$ 1,176,628	\$ 2,877,697

	Internal Service Fund	Self-Insured Fund	Deductibles Fund	Liability/ Total Internal Service Funds
June 30, 2021				
Liabilities				
Current liabilities				
Accounts payable	\$ 47,871	\$ -	\$ 1,628	\$ 49,499
Accrued payroll	69,623	-	-	69,623
Long-term liabilities, current	183,498	-	-	183,498
Total current liabilities	300,992	-	1,628	302,620
Noncurrent liabilities				
Net pension liability	2,071,590	-	-	2,071,590
Net OPEB liability	936,899	-	-	936,899
Total noncurrent liabilities	3,008,489	-	-	3,008,489
Total liabilities	3,309,481	-	1,628	3,311,109
Deferred inflows of resources				
Deferred inflows - pension	137,789	-	-	137,789
Deferred inflows - OPEB	430,367	-	-	430,367
Total deferred inflows of resources	568,156	-	-	568,156
Net position				
Unrestricted (deficit)	(2,737,982)	561,414	1,175,000	(1,001,568)
Total net position	(2,737,982)	561,414	1,175,000	(1,001,568)
Total liabilities, deferred inflows of resources, and net position	\$ 1,139,655	\$ 561,414	\$ 1,176,628	\$ 2,877,697

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State of New Mexico
City of Alamogordo
Combining Statement of Revenues, Expenses, and Changes in Net Position -
Internal Service Funds

For the Year Ended June 30, 2021	Internal	Self-Insured	Liability/	Total Internal
	Service Fund	Fund	Deductibles	
Operating revenues				
Charges for services	\$ 202,100	\$ 50,000	\$ -	\$ 252,100
Operating grants	50,680	-	-	50,680
Total operating revenues	252,780	50,000	-	302,780
Operating expenses				
Personnel services	1,342,197	-	-	1,342,197
Utilities	33,721	-	-	33,721
Contractual Services	348,330	-	-	348,330
Supplies and purchased power	335,203	-	-	335,203
Repairs and maintenance	362,859	-	-	362,859
Miscellaneous expense	78,690	38,673	50,897	168,260
Total operating expenses	2,501,000	38,673	50,897	2,590,570
Operating income (loss)	(2,248,220)	11,327	(50,897)	(2,287,790)
Non-operating revenues (expenses)				
Investment income	-	610	904	1,514
Miscellaneous	171,145	16,385	-	187,530
Total non-operating revenues (expenses)	171,145	16,995	904	189,044
Income (loss) before transfers	(2,077,075)	28,322	(49,993)	(2,098,746)
Transfers in	2,213,335	-	300,000	2,513,335
Transfers (out)	(41,528)	-	-	(41,528)
Change in net position	94,732	28,322	250,007	373,061
Net position - beginning of year	(2,832,714)	533,092	924,993	(1,374,629)
Net position - end of year	\$ (2,737,982)	\$ 561,414	\$ 1,175,000	\$ (1,001,568)

State of New Mexico
City of Alamogordo
Combining Statement of Cash Flows - Internal Service Funds

For the Year Ended June 30, 2021	Internal	Self-Insured	Deductibles	Liability/	Total Internal
	Service Fund	Fund	Fund		Service Funds
Cash flows from operating activities					
Cash received from user charges	\$ 199,600	\$ 50,000	\$ -	\$ 249,600	
Cash received from subsidy grants	50,680	-	-	-	50,680
Cash payments to employees for services	(1,426,628)	-	-	-	(1,426,628)
Cash payments to suppliers for goods and services	(1,161,952)	(38,673)	(82,858)	(1,283,483)	
Net cash (used) provided by operating activities	(2,338,300)	11,327	(82,858)	(2,409,831)	
Cash flows from noncapital financing activities					
Miscellaneous income (expense)	171,145	16,385	-	-	187,530
Transfers in (out)	2,171,807	-	300,000	-	2,471,807
Net cash provided (used) by noncapital financing activities	2,342,952	16,385	300,000	-	2,659,337
Cash flows from investing activities					
Sale (purchase) of investments	-	4	5	-	9
Interest on investments	-	610	904	-	1,514
Net cash (used) provided by investing activities	-	614	909	-	1,523
Net (decrease) increase in cash and cash equivalents	4,652	28,326	218,051	-	251,029
Cash and cash equivalents - beginning of year	75,354	81,636	289,914	-	446,904
Cash and cash equivalents - end of year	\$ 80,006	\$ 109,962	\$ 507,965	\$ 697,933	

For the Year Ended June 30, 2021	Internal Service Fund	Self-Insured Fund	Deductibles Fund	Liability/ Total Internal Service Funds
Reconciliation of operating income (loss) to net cash provided (used) by operating activities				
Operating income (loss)	\$ (2,248,220)	\$ 11,327	\$ (50,897)	\$ (2,287,790)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Noncash pension expense	(53,433)	-	-	(53,433)
Noncash OPEB benefit	(71,797)	-	-	(71,797)
Changes in assets, deferred outflows, and liabilities:				
Receivables, net	(2,500)	-	-	(2,500)
Inventory	(30,657)	-	-	(30,657)
Prepaid expenses	9,978	-	-	9,978
Subsequent contributions-pension	(2,274)	-	-	(2,274)
Subsequent contributions-OPEB	(393)	-	-	(393)
Accounts payable	17,530	-	(31,961)	(14,431)
Accrued payroll expenses	10,975	-	-	10,975
Accrued compensated absences	32,491	-	-	32,491
Net cash provided (used) by operating activities	<u>\$ (2,338,300)</u>	<u>\$ 11,327</u>	<u>\$ (82,858)</u>	<u>\$ (2,409,831)</u>

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Component Unit

Otero – Greentree Regional Landfill

**State of New Mexico
City of Alamogordo
Statement of Net Position - Otero - Greentree Regional Landfill**

June 30, 2021	Component Unit
Assets	
Current assets	
Cash and cash equivalents	\$ 816,073
Investments	3,051,584
Receivables	
Customer, net	74,494
Other, net	4,487
Total current assets	3,946,638
 Noncurrent assets	
Restricted investments	1,042,171
Capital assets, not being depreciated	1,572,395
Capital assets, being depreciated	7,048,032
Less accumulated depreciation	(4,476,529)
Total noncurrent assets	5,186,069
Total assets	9,132,707
 Deferred outflows of resources	
Deferred outflows - pension	118,670
Deferred outflows - OPEB	43,812
Total deferred outflows of resources	162,482
Total assets and deferred outflows of resources	\$ 9,295,189

June 30, 2021	Component Unit
Liabilities	
Current liabilities	
Accounts payable	\$ 43,231
Accrued payroll	20,996
Deposits held in trust for others	4,187
Unearned revenue	6,002
Long-term liabilities, current	10,476
Total current liabilities	<u>84,892</u>
Noncurrent liabilities	
Long-term liabilities, net of current portion	1,975,440
Net pension liability	396,915
Net OPEB liability	131,334
Total noncurrent liabilities	<u>2,503,689</u>
Total liabilities	<u>2,588,581</u>
Deferred inflows of resources	
Deferred inflows - pension	27,893
Deferred inflows - OPEB	75,181
Total deferred inflows of resources	<u>103,074</u>
Net position	
Net investment in capital assets	4,143,898
Unrestricted	2,459,636
Total net position	<u>6,603,534</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 9,295,189</u>

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State of New Mexico
City of Alamogordo
Statement of Revenues, Expenses, and Changes in Net Position -
Otero - Greentree Regional Landfill

For the Year Ended June 30, 2021	Component Unit
Operating revenues	
Charges for services	\$ 1,709,292
Operating grants	3,174
Total operating revenues	<u>1,712,466</u>
Operating expenses	
Personnel services	325,773
Contractual Services	254,164
Supplies and purchased power	132,177
Repairs and maintenance	163,912
Depreciation expense	514,218
Miscellaneous expense	46,701
Total operating expenses	<u>1,436,945</u>
Operating income	<u>275,521</u>
Non-operating revenues (expenses)	
Investment income	5,532
Miscellaneous	20,191
Total non-operating revenues (expenses)	<u>25,723</u>
Income before contributions and transfers	<u>301,244</u>
Transfers (out)	<u>(5,404)</u>
Change in net position	295,840
Net position - beginning of year	<u>6,307,694</u>
Net position - ending	<u>\$ 6,603,534</u>

State of New Mexico
City of Alamogordo
Statement of Cash Flows - Otero Greentree Landfill

For the year ended June 30, 2021	Component Unit
Cash flows from operating activities	
Cash received from user charges	\$ 1,686,930
Cash payments to employees for services	(347,094)
Cash payments to suppliers for goods and services	(559,081)
Net cash provided by operating activities	783,929
Cash flows from noncapital financing activities	
Miscellaneous income	20,191
Transfers in (out)	(5,404)
Net cash provided by noncapital financing activities	14,787
Cash flows from investing activities	
(Purchases) sales of investments	33
Interest on investments	5,532
Net cash (used) by investing activities	5,565
Cash flows from capital and related financing activities	
Acquisition of capital assets	(71,492)
Net cash (used) by capital and related financing activities	(71,492)
Net (decrease) in cash and cash equivalents	732,789
Cash and cash equivalents - beginning of year	83,284
Cash and cash equivalents - end of year	\$ 816,073

For the year ended June 30, 2021	Component Unit
Reconciliation of operating income to net cash provided by operating activities	
Operating income	\$ 275,521
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation	514,218
Noncash pension expense	(10,983)
Noncash OPEB benefit	(14,758)
Change in landfill liability	28,641
Changes in assets, liabilities and deferred outflows of resources	
Receivables, net	(21,918)
Subsequent contributions-pension	(467)
Subsequent contributions-OPEB	(81)
Accounts payable	9,232
Accrued payroll expenses	4,494
Accrued compensated absences	474
Customer deposits	45
Net cash provided by operating activities	\$ 783,929

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Fiduciary Funds

State of New Mexico
City of Alamogordo
Combining Statement of Fiduciary Net Position

June 30, 2021	Army Corp of			Total	
	Police Court Bond Fund	Engineers Escrow Fund	State Judicial Fund	Custodial Funds	
Assets					
Cash and cash equivalents	\$ 7,938	\$ 1,000	\$ 2,749	\$ 11,687	
Total assets	\$ 7,938	\$ 1,000	\$ 2,749	\$ 11,687	
Liabilities					
Accounts payable	\$ -	\$ -	\$ 3,136	\$ 3,136	
Total liabilities	-	-	3,136	3,136	
Net position					
Restricted	7,938	1,000	-	8,938	
Unrestricted (deficit)	-	-	(387)	(387)	
Total net position	7,938	1,000	(387)	8,551	
Total liabilities and net position	\$ 7,938	\$ 1,000	\$ 2,749	\$ 11,687	

State of New Mexico
City of Alamogordo
Combining Statement of Changes in Fiduciary Net Position

For the Year Ended June 30, 2021	Police Court Bond Fund	Army Corp of Engineers Escrow Fund	State Judicial Fund	Total Custodial Funds
Additions				
Court fees	\$ -	\$ -	\$ 30,847	\$ 30,847
Total additions	\$ -	\$ -	\$ 30,847	\$ 30,847
Deductions				
Professional services	\$ -	\$ -	\$ 30,844	\$ 30,844
Total deductions	-	-	\$ 30,844	\$ 30,844
Net increase in fiduciary net position		-	-	3
Net position - beginning of year	7,938	1,000	(390)	8,548
Net position, end of year	\$ 7,938	\$ 1,000	\$ (387)	\$ 8,551

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Supporting Schedules

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State of New Mexico
City of Alamogordo
Schedule of Collateral Pledged by Depository For Public Funds
June 30, 2021

Name of Depository	Description of Pledged Collateral	Maturity	CUSIP Number	Fair Market Value	
					June 30, 2021
Bank of the West					
	FHMS K107 A2 1.639%	2/25/2030	3137FRZA2	\$	50,428
	G2SF MA2753 3.00%	4/20/2045	36179RBW8		2,266
	FH K106 A2 2.069%	1/25/2030	3137FRUT6		9,735
	FH K105 A2 FIX 1.827%	1/25/2030	3137FRUJ8		7,501
	Total Bank of the West				69,930

Name and location of safekeeper for above pledged collateral:

Bank of the West BNP Paribas, San Ramon, California

First National Bank, City Accounts

FNMA Pool #MA0979 3.00%	2/1/2022	31418ACR7	7,756
FNMA Pool #890306 4.00%	4/1/2026	31410LDK5	99,676
FNMA Pool #MA2829 2.50%	12/1/2026	31418CEB6	627,876
FHLMC Pool #T45074, 2.50%	2/1/2030	31286WT74	451,688
FHLMC Pool #G18614 2.50%	10/1/2031	3128MMVG5	612,415
FNMA Pool #2868, 2.50%	1/1/2032	31418CFJ8	666,505
FNMA Pool #MA1059 3.50%	5/1/2032	31418AE95	384,952
FNMA Pool #MA2531 3.50%	2/1/2036	31418BY59	313,263
FNMA Pool #MA2643 3.00%	6/1/2036	31418B5D4	496,279
FNMA Pool #256724 5.00%	5/1/2037	31371ND51	22,431
FNMA Pool #888737 5.50%	10/1/2037	31410GLS0	15,896
FNMA Pool #AL9014 3.00%	1/1/2044	3138ERAQ3	1,645,296
FNMA Pool #MA4108, 2.50%	8/1/2050	31418DR61	1,597,508
FNMA Pool #AL0128 3.461%	4/1/2041	3138EGEA8	397,055
Total First National Bank			7,338,596

Name and location of safekeeper for above pledged collateral:

Federal Home Loan Bank, Dallas, Texas

(Continued)

State of New Mexico
City of Alamogordo
Schedule of Collateral Pledged by Depository For Public Funds
June 30, 2021

Name of Depository	Description of Pledged Collateral	Maturity	CUSIP Number	Fair Market Value	June 30, 2021
First National Bank of Alamogordo, Housing Authority					
	FNMA Pool #890263, 4.00%	11/1/2025	31410LB84	\$	21,888
	FNMA Pool #MA2612, 2.50%	5/1/2026	31418B3W4		229,250
	FNMA Pool #MA2869, 2.50%	1/1/2027	31418CFK5		498,251
	FHLMC Pool #G18459, 2.50%	3/1/2028	3128MMQM8		303,672
	FHLMC Pool #C91247, 5.00%	4/1/2029	3128P7L43		76,918
	FNMA Pool #MA0711, 3.50%	4/1/2031	31417YYH4		68,212
	FNMA Pool #FM3086, 3.00%	12/1/2047	3140X6NC1		1,762,321
Total First National Bank of Alamogordo, Housing Authority					2,960,512

Name and location of safekeeper for above pledged collateral:

Federal Home Loan Bank, Dallas, Texas

First Savings Bank					
	FGLMC 10YR, 2.50%	3/1/2023	31307BJW1		43,716
	GNMA 15YR, 3.00%	3/15/2027	36176XE21		5,557
	FNR 2012-145 DC, 1.50%	1/25/2028	3136AA2L8		330,407
	FNR 2012-145DC, 1.50%	1/25/2028	3136AA2L8		16,317
	FGLMC 15YR, 2.50%	6/1/2028	31307DB62		54,882
	FNMA 15YR, 3.50%	10/1/2028	3138ELUS0		219,258
	FNMA 15YR, 3.00%	7/1/2029	31410LN57		45,655
	FGLMC 15YR, 2.50%	1/1/2030	3128ME4V0		71,457
	FGLMC 15YR, 2.50%	8/1/2031	3132KFNN8		61,935
	GNR 2018-153 WJ, 3.00%	11/20/2045	38381AZ58		113,498
	GNMA 30YR, 3.00%	10/15/2047	3622AAP81		143,519
	FNR 2019-28 CA, 3.00%	8/25/2048	3136B4UV8		118,527
	FHR 5063 LD, 1.00%	1/25/2051	3137F8W82		140,477
	FRLMC 30YR, 3.00%	2/1/2051	3132DMTE5		102,152
	GNMA II 30YR, 2.50%	3/20/2051	3622AAZN7		102,804
	GNR 2021-56 GA, 1.75%	3/20/2051	38382J4J2		128,532
Total First Savings Bank					1,698,693

Name and location of safekeeper for above pledged collateral:

Federal Reserve Bank, Beresford, South Dakota

(Continued)

State of New Mexico
City of Alamogordo
Schedule of Collateral Pledged by Depository For Public Funds
June 30, 2021

Name of Depository	Description of Pledged Collateral	Maturity	CUSIP Number	Fair Market Value
				June 30, 2021
Pioneer Bank				
	FHLMCP CRF 2.36%	11/1/2034	31349UDH8	\$ 12,326
	FNMA 3.00%	10/1/2026	3138ASYU0	12,031
	FNMA 2.40%	6/1/2034	31404V6W3	64,346
	Total Pioneer Bank			88,703

Name and location of safekeeper for above pledged collateral:

Federal Home Loan Bank, Dallas, Texas

Washington Federal

FNMA PL#BC2636 3.000%	11/1/2046	3140EW4W2	1,212,448
Total Washington Federal			1,212,448

Name and location of safekeeper for above pledged collateral:

WaFd Bank, Seattle, Washington

Wells Fargo (Checking Account Collateral)

FMAC FNRM 1.50%	7/25/2027	3136A8LF5	4,301,135
FNMA FNMS 3.00%	4/1/2043	3138WPGZ1	32,524
FNMA FNMS 3.50%	3/1/2048	3148XCFZ6	4,817
FNMA FNMS 3.00%	10/1/2042	31417DKM4	18,205
Total Wells Fargo			4,356,681

Name and location of safekeeper for above pledged collateral:

Bank of New York Mellon, New York, New York

Total pledged collateral	\$ 17,725,563
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State of New Mexico
City of Alamogordo
Schedule of Deposits and Investments
June 30, 2021

Bank Account Type/Name	Bank '34	Bank of the West	First National Bank	First Savings Bank
General Operating Account - Checking	\$ -	\$ -	9,590,237	\$ -
Home Ownership Operating - Interest Bearing	-	-	21,344	-
Home Ownership Reserve - Interest Bearing	-	-	580,768	-
Low Rent Operating - Interest Bearing	-	-	1,001,170	-
Security Deposit - Interest Bearing	-	-	46,640	-
Money Market Investment - Interest Bearing - HA	-	-	-	-
General Operating Account - Interest Bearing	-	-	-	-
Escrow Account - Checking	-	-	-	-
US Treasuries/Agency Bonds	-	-	-	-
Fixed Income Securities	-	-	-	-
Certificates of Deposit - Interest Bearing	250,000	276,550	-	3,308,936
Money Market Investment - Interest Bearing	-	-	-	-
State Investment Council	-	-	-	-
NMFA Cash Accounts	-	-	-	-
NMFA Investment Accounts**	-	-	-	-
Total	250,000	276,550	11,240,159	3,308,936
Reconciling items	-	-	(122,928)	-
Reconciled balance	\$ 250,000	\$ 276,550	\$ 11,117,231	\$ 3,308,936

**Accounts are U.S. Treasury MM Mutual Funds

Moreton Capital Markets	Pioneer Bank	Washington Federal Bank	Wells Fargo Bank	State Treasurer LGIP	NMFA Accounts	Totals
\$ - \$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,590,237
-	-	-	-	-	-	21,344
-	-	-	-	-	-	580,768
-	-	-	-	-	-	1,001,170
-	-	-	-	-	-	46,640
-	-	-	207,664	-	-	207,664
-	-	-	414,981	-	-	414,981
-	-	-	1,001	-	-	1,001
9,696,954	-	-	-	-	-	9,696,954
38,918,318	-	-	-	-	-	38,918,318
2,508,349	277,364	1,427,245	-	-	-	5,540,095
-	-	-	-	5,608	-	5,608
-	-	-	-	-	279,739	279,739
-	-	-	-	-	1,077,195	1,077,195
51,123,621	277,364	1,427,245	623,646	5,608	1,356,934	69,890,063
-	-	-	-	-	-	(122,928)
\$ 51,123,621	\$ 277,364	\$ 1,427,245	\$ 623,646	\$ 5,608	\$ 1,356,934	\$ 69,767,135
Plus: petty cash						7,311
Less: restricted cash and cash equivalents per statement of net position						(1,126,609)
Less: cash and cash equivalents per statement of fiduciary net position						(11,687)
Less: investments per statement of net position						(53,785,877)
Less: restricted investments per statement of net position						(74,551)
Less: component unit cash and cash equivalents per statement of net position						(816,073)
Less: component unit investments per statement of net position						(3,051,584)
Less: component unit restricted investments per statement of net position						(1,042,171)
Cash and cash equivalents per statement of net position						\$ 9,865,894

State of New Mexico
City of Alamogordo
Financial Data Schedule
June 30, 2021

Line Item	Description	14.850	Low Rent Public Housing Program NM004000001	2. State/Local	Total
Number					
111	Cash - Unrestricted	\$ 999,352	\$ 580,768	\$ 1,580,120	
113	Cash - Other Restricted	-	21,345		21,345
114	Cash - Tenant Security Deposits	46,640	-		46,640
100	Total Cash	1,045,992	602,113		1,648,105
121	Accounts Receivable - PHA projects	-	-		-
126	Accounts Receivable - Tenants - Dwelling Rents	17,048	-		17,048
126.1	Allowance for Doubtful Accounts - Dwelling Rents	(8,682)	-		(8,682)
120	Total Receivables, Net of Allowance for Doubtful Accounts	8,366	-		8,366
131	Investments - Unrestricted	96,552	111,109		207,661
130	Total Investments	96,552	111,109		207,661
142	Prepaid Expenses and Other Assets	\$ 31,915	\$ 636	\$ 32,551	
143	Inventories	6,223	-		6,223
143.1	Allowance for Obsolete Inventories	(622)	-		(622)
144	Inter Program Due From	-	16		16
145	Assets Held for Sale	-	88,338		88,338
150	Total Current Assets	1,188,426	802,212		1,990,638
161	Land	1,324,708	-		1,324,708
162	Buildings	14,221,746	-		14,221,746
164	Furniture, Equipment & Machinery - Administration	267,654	3,735		271,389
166	Accumulated Depreciation	(12,080,713)	(3,735)		(12,084,448)
160	Total Capital Assets, Net of Accumulated Depreciation	3,749,642	-		3,749,642
180	Total Non-Current Assets	3,749,642	-		3,749,642
190	Total Assets	4,938,068	802,212		5,740,280
200	Deferred Outflows of Resources	316,539	8,416		324,955
290	Total Assets and Deferred Outflows of Resources	\$ 5,254,607	\$ 810,628	\$ 6,065,235	

State of New Mexico
City of Alamogordo
Financial Data Schedule
June 30, 2021

Line Item Number	Description	14.850	2. State/Local	Total
<i>(Continued)</i>				
312	Accounts Payable <= 90 Days	\$ 282	\$ 1	283
321	Accrued Wage/Payroll Taxes Payable	23,043	-	23,043
	Accrued Compensated Absences -			
322	Current Portion	37,289	1,929	39,218
341	Tenant Security Deposits	46,669	-	46,669
342	Deferred Revenues	14,394	-	14,394
345	Other Current Liabilities	12	-	12
346	Accrued Liabilities - Other	6,718	-	6,718
347	Inter Program Due To	-	21	21
310	Total Current Liabilities	128,407	1,951	130,358
357	Accrued Pension and OPEB Liabilities	845,422	22,416	867,838
350	Total Non-Current Liabilities	845,422	22,416	867,838
300	Total Liabilities	973,829	24,367	998,196
400	Deferred Inflows of Resources	189,266	5,297	194,563
508.1	Net investment in capital assets	3,749,642	-	3,749,642
512.1	Unrestricted Net Position	341,870	780,964	1,122,834
513	Total Equity/Net Position	4,091,512	780,964	4,872,476
600	Total Liabilities, Deferred Inflows of Resources, and Equity/Net Position	\$ 5,254,607	\$ 810,628	\$ 6,065,235

State of New Mexico
City of Alamogordo
Financial Data Schedule
June 30, 2021

Line Item Number	Description	Low Rent Public			Capital Fund		
		Low Rent Public		Housing Program	Program		
		Housing Program	NM004000001	COVID	2. State/Local	14.872	Total
70300	Net Tenant Rental Revenue	\$ 263,750	\$ -	\$ -	\$ -	\$ -	\$ 263,750
70400	Tenant Revenue - Other	2,378	-	-	-	-	2,378
70500	Total Tenant Revenue	266,128			-	-	266,128
70600	HUD PHA Operating Grants	830,210	22,577	-	-	-	852,787
70610	Capital Grants	-	-	-	-	503,348	503,348
71100	Investment Income - Unrestricted	2,322	-	1,413	-	-	3,735
71500	Other Revenue	9,350	-	-	-	-	9,350
70000	Total Revenue	1,108,010	22,577	1,413	503,348	1,635,348	
91100	Administrative Salaries	183,394	5,970	9,292	-	-	198,656
91200	Auditing Fees	4,421	-	332	-	-	4,753
91400	Advertising and Marketing	-	-	-	-	-	-
91500	Employee Benefit Contributions -						
	Administrative	40,843	2,267	2,024	-	-	45,134
91600	Office Expenses	45,562	-	602	-	-	46,164
91800	Travel	-	-	-	-	-	-
91900	Other Operating - Administrative	81,013	-	314	-	-	81,327
91000	Total Operating - Administrative	355,233	8,237	12,564	-	-	376,034
93100	Water	7,584	-	267	-	-	7,851
93200	Electricity	9,217	-	98	-	-	9,315
93300	Gas	1,575	-	-	-	-	1,575
93600	Sewer	2,995	-	157	-	-	3,152
93800	Other Utilities Expense	61,347	-	-	-	-	61,347
93000	Total Utilities	82,718	-	522	-	-	83,240
94100	Ordinary Maintenance &						
	Operation - Labor	130,064	10,570	-	-	-	140,634
94200	Ordinary Maintenance &						
	Operation - Materials & Other	101,766	-	-	-	-	101,766
94300	Ordinary Maintenance &						
	Operation Contracts	192,864	-	179	-	-	193,043
94500	Employee Benefit Contributions -						
	Ordinary Maintenance	6,294	3,770	-	-	-	10,064
94000	Total Maintenance	430,988	14,340	179	-	-	445,507
96110	Property Insurance	53,628	-	-	-	-	53,628
96120	Liability Insurance	5,430	-	212	-	-	5,642
96130	Workmen's Compensation	10,308	-	259	-	-	10,567
96140	All Other Insurance	50,141	-	45	-	-	50,186
96100	Total Insurance Premiums	119,507	-	516	-	-	120,023

(continued)

State of New Mexico
City of Alamogordo
Financial Data Schedule
June 30, 2021

Line Item Number	Description	Low Rent Public			Capital Fund Program 14.872	Total
		Low Rent Public Housing Program NM004000001	Housing Program COVID NM004000001	2. State/Local		
		14.850	14.PHC			
<i>(Continued)</i>						
96210	Compensated Absences	42,121	-	-	-	42,121
96400	Bad Debt - Tenant Rents	13,528	-	-	-	13,528
96000	Total Other General	55,649	-	-	-	55,649
96900	Total Operating Expenses	1,044,095	22,577	13,781	-	1,080,453
97000	Excess Operating Revenue Over Operating Expenses	63,915	-	(12,368)	503,348	554,895
97400	Depreciation Expense	321,431	-	-	-	321,431
90000	Total Expenses	\$ 1,365,526	\$ 22,577	\$ 13,781	\$ -	\$ 1,401,884
10000	Excess (Deficiency) of Operating Revenue Over (Under) Expenses	(257,516)	-	(12,368)	503,348	233,464
11030	Beginning Equity	3,845,680	-	793,332	-	4,639,012
11040-10	Prior Period Adjustments	-	-	-	-	-
11040-20	Equity Transfers	503,348	-	-	(503,348)	-
11040-30	Prior Year Voids	-	-	-	-	-
11040-40	Return of Funds to HUD	-	-	-	-	-
	Ending Equity (deficit)	\$ 4,091,512	\$ -	\$ 780,964	\$ -	\$ 4,872,476
<i>(Continued)</i>						
11190	Unit Months Available	2,652	-	-	-	2,652
11210	Number of Unit Months Leased	2,468	-	-	-	2,468

State of New Mexico
City of Alamogordo
Schedule of Joint Powers Agreements
For the Year Ended June 30, 2021

Joint Power Agreement	Participants	Responsible Party	Description
1 Dispatch Services (C-1)	City of Alamogordo Otero County Village of Tularosa	Otero County City of Alamogordo	Utilization of ambulance services as required with dispatch services.
2 Mutual aid contract for fire protection and rescue services (PERM 249)	Otero County Volunteer Fire Department City of Alamogordo	DPS (Dept. of Public Safety) Otero County Volunteer Fire Department	Mutual aid for both Volunteer fire departments in Otero County & City of Alamogordo.
3 Wildfire Suppression (C-1)	State of NM Forestry Division City of Alamogordo	State of NM Forestry Division City of Alamogordo	Support wildland fire suppression and services outside the city boundaries, as needed.
4 Development of Scenic Drive for use of NMSU (D-1 projects)	City of Alamogordo Otero County NM State University	City of Alamogordo	Agreement for the use of approx. 23 acres for development, equipment, maintenance & facilities.
5 Issue business licenses through the City of Alamogordo	City of Alamogordo NM Taxation & Revenue	City of Alamogordo	The city issues business licenses to businesses operating within the City limits and NM Tax & Rev enables the City to register & assign taxpayer ID numbers.
6 40 Year Water Study (A-4)	City of Alamogordo Village of Tularosa Otero County Lincoln County	City of Alamogordo Village of Tularosa Otero County Lincoln County	This 40 year water plan is done in consideration for the population/water demand and supply available for the future with the recommendations.
7 Affordable housing for low to moderate income (PERM 246)	NM State Housing City of Alamogordo	City of Alamogordo	Disbursement of state affordable housing program funds and/or home investment partnerships program funds.

Beginning and Ending Dates	Project Amount and Amount Applicable to Party	Total Estimated Amount	Amount contributed By		Fiscal Agent and Responsible Reporting Entity
			City During Current Fiscal Year	Audit Responsibility	
8/19/2010- Indefinite	\$ 185,237.90	\$163,158 or 88%	Otero County	Otero County	Otero County
1/14/1986- Indefinite department	As budgeted per each Indefinite department	As budgeted per each department	City of Alamogordo Otero County	City of Alamogordo Otero County	City of Alamogordo Otero County
8/30/2010-	As budgeted per each Indefinite department	As budgeted per each department	State of NM Forestry Division City of Alamogordo	State of NM Forestry Division City of Alamogordo	State of NM Forestry Division City of Alamogordo
12/17/1985- 12/17/2035	N/A	N/A	City of Alamogordo	City of Alamogordo	City of Alamogordo
8/9/1996-	As budgeted per each Indefinite department	As budgeted per each department	City of Alamogordo	City of Alamogordo	City of Alamogordo
6/19/1987- 6/19/2027	As budgeted per each department	As budgeted per each department	City of Alamogordo Village of Tularosa Otero County Lincoln County	City of Alamogordo Village of Tularosa Otero County Lincoln County	City of Alamogordo Village of Tularosa Otero County Lincoln County
5/8/1995-	As budgeted per each Indefinite department	As budgeted per each department	City of Alamogordo	City of Alamogordo	City of Alamogordo

(continued)

State of New Mexico
City of Alamogordo
Schedule of Joint Powers Agreements
For the Year Ended June 30, 2021

Joint Power Agreement	Participants	Responsible Party	Description
8 Solid Waste (C-1)	City of Alamogordo Otero County Village of Tularosa Village of Cloudcroft	City of Alamogordo Otero County Village of Tularosa Village of Cloudcroft	Disposal and maintenance of solid waste as required.
9 Regional Landfill "Otero County Solid Waste Authority" & "Lincoln County Solid Waste Authority" (C-1)	City of Alamogordo Otero County Village of Tularosa Village of Cloudcroft Lincoln County Village of Ruidoso Village of Ruidoso Downs Town of Carrizozo Village of Capitan Village of Corona	City of Alamogordo Otero County Village of Tularosa Village of Cloudcroft Lincoln County Village of Ruidoso Village of Ruidoso Downs Town of Carrizozo Village of Capitan Village of Corona	Operation of the landfill as is required for the purpose of the environmental services and solid waste disposal.
10 Operation of the Otero/Greentree Landfill	City of Alamogordo and Otero/Lincoln County Regional Landfill (now known as the Otero/Greentree Landfill)	City of Alamogordo and Otero/Lincoln County Regional Landfill (now known as the Otero/Greentree Landfill)	City of Alamogordo and Otero/Lincoln County Regional Landfill (now known as the Otero/Greentree Landfill)
11 Otero/Greentree Landfill Greenhouse Gas Reporting Service	City of Alamogordo and Otero/Lincoln County Regional Landfill (now known as the Otero/Greentree Landfill)	City of Alamogordo and Otero/Lincoln County Regional Landfill (now known as the Otero/Greentree Landfill)	City of Alamogordo and Otero/Lincoln County Regional Landfill (now known as the Otero/Greentree Landfill)
12 AFSCME - Collective Bargaining Unit	City of Alamogordo and AFSCME Local 3818	City of Alamogordo	Employee Personnel Policy

Beginning and Ending Dates	Project Amount and Amount Applicable to Party	Total Estimated Amount	Amount contributed By		Fiscal Agent and Responsible Reporting Entity
			City During Current Fiscal Year	Audit Responsibility	
6/2/1995-	As budgeted per each Indefinite department	As budgeted per each department	City of Alamogordo Otero County Village of Tularosa Village of Cloudcroft	City of Alamogordo Otero County Village of Tularosa Village of Cloudcroft	City of Alamogordo Otero County Village of Tularosa Village of Cloudcroft
9/30/1993-	As budgeted per each Indefinite department	As budgeted per each department	City of Alamogordo Otero County Village of Tularosa Village of Cloudcroft Lincoln County Village of Ruidoso Village of Ruidoso Downs Town of Carrizozo Village of Capitan Village of Corona	City of Alamogordo Otero County Village of Tularosa Village of Cloudcroft Lincoln County Village of Ruidoso Village of Ruidoso Downs Town of Carrizozo Village of Capitan Village of Corona	City of Alamogordo Otero County Village of Tularosa Village of Cloudcroft Lincoln County Village of Ruidoso Village of Ruidoso Downs Town of Carrizozo Village of Capitan Village of Corona
7/1/2019-	\$95/hour, not to 12/31/2023 exceed a total of \$50,000 per year			City of Alamogordo	City of Alamogordo
7/1/2019-	Lump sum of \$8,700 6/30/2021 for the Greenhouse Gas Service.			City of Alamogordo	City of Alamogordo
9/13/2016 - 6/30/2020	N/A			City of Alamogordo	City of Alamogordo

(continued)

State of New Mexico
City of Alamogordo
Schedule of Joint Powers Agreements
For the Year Ended June 30, 2021

Joint Power Agreement	Participants	Responsible Party	Description
13 AFSCME - Wages and Recreational Facilities Benefits	City of Alamogordo and AFSCME Local 3818	City of Alamogordo	Employee Increases and Compensation Benefits
14 APSOA - Collectively Bargaining Unit	Alamogordo Public Safety Officers Association and City of Alamogordo	City of Alamogordo	Employee Personnel Policy
15 JPA - Reciprocal use of land, facilities & equipment	City of Alamogordo & Alamogordo Municipal School District	City of Alamogordo & Alamogordo Municipal School District	Cooperative agreement for both parties for use of land, facilities and equipment. Also includes terms for schools purchasing of effluent water.

Beginning and Ending Dates	Project Amount and Amount Applicable to Party	Total Estimated Amount	Amount contributed By	Fiscal Agent and Responsible Reporting Entity
			City During Current Fiscal Year	
9/14/2016 - 6/30/2020	Specific Appropriation for wages and benefits by the governing body and the availability of funds	N/A	City of Alamogordo	City of Alamogordo
5/11/2021- 6/30/2025	N/A	N/A	City of Alamogordo	City of Alamogordo
School Year 2019-2020	\$1.20 per 100 cubic feet of water \$52 per hour pool usage \$19 per hour lifeguard	No fees - reciprocal use.	City of Alamogordo	City of Alamogordo

State of New Mexico
City of Alamogordo
Schedule of Revenue and Expenses - Aging Programs
For the Year Ended June 30, 2021

	Congregate Meals (8023)	Delivered Meals (8024)	Home Transportation (8025)
Revenues and other support			
Contributions	\$ -	\$ -	\$ -
Governmental grants and contracts:			
NCNMEDD - Non Metro AAA	- -	- -	- -
Title IIIB	- -	- -	29,433
Title IIIC-1	- -	- -	- -
Title IIIC-2	- -	- -	- -
State funds - program	89,829	119,572	33,013
Other grants and contracts:			
Otero County	- -	- -	- -
United Way	- -	- -	- -
Local match (transfer from City)	185,041	168,791	74,706
Program service revenue	- -	- -	- -
Miscellaneous	11,998	- -	- -
Total revenue and other support	286,868	288,363	137,152
Expenses			
Program services	448,078	408,729	180,902
Total expenses	448,078	408,729	180,902
Excess (deficiency) of revenue over expenses	\$ (161,210)	\$ (120,366)	\$ (43,750)
Units provided	- -	102,131	969

Homemaker (8026)	Total	Physical Fitness/Other	Total
\$ - \$ -	\$ 152,245	\$ 152,245	
- -	58,023	58,023	
- 29,433	-	29,433	
- -	-	-	
- -	26,244	26,244	
- 242,414	103,949	346,363	
- -	27,275	27,275	
- -	22,344	22,344	
1,691 430,229	114,831	545,060	
- -	2,027	2,027	
- 11,998	19,281	31,279	
1,691 714,074	526,219	1,240,293	
4,095 1,041,804	278,065	1,319,869	
4,095 1,041,804	278,065	1,319,869	
\$ (2,404) \$ (327,730)	\$ 248,154	\$ (79,576)	
- 103,100	693	103,793	

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Compliance 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**

INDEPENDENT AUDITORS' REPORT

Brian S. Colón, Esq.
New Mexico State Auditor
The Office of Management and Budget
To the City Commission
City of Alamogordo
Alamogordo, New Mexico

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue fund with a legally adopted annual budget of the City of Alamogordo, New Mexico (the "City"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We also have audited the financial statements of the City's discretely presented component unit presented as supplementary information, as defined by the Government Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2021, as listed in the table of contents. and have issued our report thereon dated December 15, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2021-001 that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 is required to be reported under *Government Auditing Standards*.

We noted certain matters that are required to be reported pursuant to Section 12-6-5 NMSA 1978, which are described in the accompanying schedule of findings and questioned costs under Section 12-6-5 NMSA 1978 as items 2021-002, 2021-003, and 2021-004.

The City's Responses to Findings

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Carr, Riggs & Ingram, LLC

Carr, Riggs & Ingram, LLC
Albuquerque, New Mexico
December 15, 2021

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

INDEPENDENT AUDITORS' REPORT

Brian S. Colón, Esq.
New Mexico State Auditor and
The Office of Management and Budget
To the City Commission
City of Alamogordo
Alamogordo, New Mexico

Report on Compliance for Each Major Federal Programs

We have audited the City of Alamogordo's (the "City") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2021. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal programs occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended June 30, 2021.

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Carr, Riggs & Ingram, L.L.C.

Carr, Riggs & Ingram, LLC
Albuquerque, New Mexico
December 15, 2021

State of New Mexico
City of Alamogordo
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021

Federal Grantor or Pass- Through Grantor / Program Title	Grant/Pass Thru Number
U.S. Department of Housing and Urban Development	
Public and Indian Housing	FW-5436
COVID-19 - Public and Indian Housing	FW-5436
Subtotal Public and Indian Housing	
Public Housing Capital Fund	FW-5436
Total U.S. Department of Housing and Urban Development	
U.S. Department of Justice Bureau of Justice Assistance	
Edward Byrne Memorial Justice Assistance Grant Program:	
Bulletproof Vests	8041495
Total U.S. Department of Justice Bureau of Justice Assistance	
U.S. Department of Transportation	
COVID-19 - Airport Improvement Program	3-35-0001-030-2020
Subtotal Minimum Penalties for Repeat Offenders for Driving While Intoxicated	
Total U.S. Department of Transportation	
U.S. Department of Treasury	
<i>Passed through New Mexico Department of Finance Administration</i>	
COVID-19 - Coronavirus Relief Fund	CARES-15001-CAL
Total U.S. Department of Treasury	
National Endowment for the Humanities	
<i>Passed through New Mexico State Library</i>	
COVID-19 - Grants to States	IMLS CARES Act Supplement
Total National Endowment for the Humanities	
Office of the National Drug Control Policy	
<i>Passed through County of Lea</i>	
High Intensity Drug Trafficking Areas Program	G18SN0017A
Total Office of the National Drug Control Policy	

See accompanying notes to schedule of expenditures of federal awards.

Assistance Listing Number	Federal Expenditures	Program/ Cluster Subtotal	Funds Provided to Subrecipients	Noncash Assistance
14.850	\$ 721,057	\$ -	\$ -	-
14.850	109,153			
		\$ 830,210		
14.872	456,380		-	-
	1,286,590		-	-
16.738	13,672		-	-
	13,672		-	-
20.106	184,798		-	-
		-	-	-
	184,798		-	-
21.019	486,716		-	-
	486,716			
45.310	2,106		-	-
	2,106			
95.001	12,817		-	-
	12,817		-	-

(Continued)

See accompanying notes to schedule of expenditures of federal awards.

State of New Mexico
City of Alamogordo
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021

Federal Grantor or Pass- Through Grantor / Program Title	Grant/Pass Thru Number
U.S. Department of Health and Human Services	
<i>Passed through the North Central New Mexico Economic District Non-Metro Area Agency</i>	
Aging Cluster	
Special Programs for the Aging: Title III Part B - Supportive Services & Senior Centers	2020-21-64012
COVID-19 - Special Programs for the Aging: Title III Part B - Supportive Services & Senior Center	2019-2064012FFCRA
Special Programs for the Aging: Title III Part C-I - Nutrition Services	2020-21-64012
Special Programs for the Aging: Title III- Part C-II - Nutrition Services Home Delivered	2020-21-64012
Nutrition Services Incentive Program (NSIP)	2019-20-64012
Subtotal Aging Cluster	
Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	2020-21-64012
Subtotal - Pass through North Central New Mexico Economic	
Total U.S. Department of Health and Human Services	
Corporation for National Community Service	
<i>Passed through the New Mexico Aging & Long Term Services Department</i>	
Foster Grandparent/Senior Companion Cluster	
Foster Grandparent Program	20SFWNM013
Senior Companion Progam	20SCWNM010
Subtotal Foster Grandparent/Senior Companion Cluster	
Retired and Senior Volunteer Program	19-624-4000-00014
Total Corporation for National Community Service	
U.S. Department of Homeland Security	
<i>Passed through the New Mexico Department of Homeland Security and Emergency Management</i>	
Disaster Grants - Public Assistance	FEMA-4079-001
COVID-19 - Disaster Grants - Public Assistance	FEMA-4529-DR-NM-155071-71
Subtotal Disaster Grants - Public Asssistance	
Hazard Mitigation Grant	FEMA-4199-DR-NM
Total U.S. Department of Homeland Security	
Total Federal Financial Assistance	

See accompanying notes to schedule of expenditures of federal awards.

Assistance Listing Number	Federal Expenditures	Program/ Cluster Subtotal	Funds Provided to Subrecipients	Noncash Assistance
93.044	\$ 32,549	\$ -	\$ -	-
93.044	40,509		-	-
93.045	54,209		-	-
93.045	18,528		-	-
93.053	57,002		-	-
		202,797	-	-
93.043	32,234			
	235,031		-	-
	235,031		-	-
94.011	5,096		-	-
94.016	5,096		-	-
		10,192		
94.002	50,414		-	-
	60,606		-	-
97.036	5,486,755		-	-
97.036	24,076		-	-
		5,510,831		
97.069	760		-	-
	5,511,591		-	-
	\$ 7,793,927	\$ -	\$ -	-

See accompanying notes to schedule of expenditures of federal awards.

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State of New Mexico
City of Alamogordo
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021

Notes to Schedule of Expenditures of Federal Awards

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal grant activity of the City of Alamogordo. (The "City") and is presented on the modified accrual basis of accounting, which is the same basis as was used to prepare the fund financial statements. The information in this Schedule is presented in accordance with the requirements of Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

2. Loans

The City did not expend federal awards related to loans or loan guarantees during the year.

3. 10% de minimus Indirect Cost Rate

The City did not elect to use the allowed 10% indirect cost rate.

4. Federally Funded Insurance

The City has no federally funded insurance.

Reconciliation of Schedule of Expenditures of Federal Awards to Financial Statements:

Total federal awards expended per schedule of expenditures of federal awards	\$ 7,793,927
Total expenditures funded by other sources	38,211,705
Total expenditures	\$ 46,005,632

State of New Mexico
City of Alamogordo
Schedule of Findings and Questioned Costs
June 30, 2021

SECTION I – SUMMARY OF AUDITORS’ RESULTS

Financial Statements:

- | | |
|--|------------|
| 1. Type of auditors' report issued | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified not considered to be material weaknesses? | Yes |
| c. Noncompliance material to the financial statements? | No |

Federal Awards:

- | | |
|--|------------|
| 1. Type of auditors' report issued on compliance for major programs | Unmodified |
| 2. Internal control over major programs: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified not considered to be material weaknesses? | None noted |
| 3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516 (a)? | No |
| 4. Identification of major programs: | |

Assistance Listing Number	Federal Program
97.036	Disaster Grant – Public Assistance
21.019	Coronavirus Relief Fund
14.850	Public and Indian Housing

- | | |
|---|-----------|
| 5. Dollar threshold used to distinguish between type A and type B programs: | \$750,000 |
| 6. Auditee qualified as low-risk auditee? | No |

State of New Mexico
City of Alamogordo
Schedule of Findings and Questioned Costs
June 30, 2021

SECTION II – FINANCIAL STATEMENT FINDINGS

2021-001 — Trial Balance Adjustments (Significant Deficiency)

Condition: During testwork the follow items were noted:

- During accounts payable there were two items totaling \$124,965 that were included on the accounts payable listing provided my management that should not have been included.
- It was noted that a transfer in the amount of \$318,486 was posted twice for the Joint Utility Fund.

Criteria: *The Codification of Statements on Auditing Standards* (SAS AU) paragraph 110.03 states that the financial statements are management's responsibility. Management is responsible for adopting sound accounting policies, and for establishing and maintaining internal control that will, among other things, initiate, authorize, record, process, and report transactions (as well as events and conditions) consistent with management's assertions embodied in the financial statements.

Effect: No properly identifying cutoff related to payable balances causes expenses to be recorded in the improper period.

Cause: Management incorrectly included expenses for maintenance services for FY2022 as payable at FY2021 year end. Management incorrectly posted a transfer entry twice.

Auditors' Recommendation: The City should review disbursements after the balance sheet date to determine which fiscal year they should be reported in. The City should keep a subledger tracking payable items near the balance sheet date as well as after year end to ensure all accruals are captured for the current year. The City should review transfers after the balance sheet date to determine all were budgeted for. The City should keep a subledger tracking transfer items and compare to the final budget while preparing final TB.

Views of Responsible Officials and Planned Corrective Action: The City acknowledges two incorrect items were included on the accounts payable listing. The City will implement a new procedure for reviewing the items being added to the accounts payable listing on a weekly basis. The Finance Director will complete a final review of all the items added and the backup for those items. The City acknowledges the double posting of a transfer. The Accounting staff has developed a more streamlined procedure to record the required transfers. Also, the Budget Analyst has been tasked with more budget checks after the initial end of the year to ensure no subsequent entries have created an over budget issue. The Finance Director will be responsible for implementation which is expected by July 31, 2022.

State of New Mexico
City of Alamogordo
Schedule of Findings and Questioned Costs
June 30, 2021

SECTION III — SECTION 12-6-5 NMSA 1978 FINDINGS

2021-002 — Controls over Eligibility Determinations (Other matter)

Condition: During testwork over eligibility determination processes at the Housing Authority, we noted the following:

- 1 out of 25 tenants tested for eligibility did not receive a background check until 3 days subsequent to moving into unit.

Criteria: Background checks are required to be completed prior to applicant acceptance and admittance to housing through the Housing Authority.

Effect: Failure to ensure completion of all necessary steps related to eligibility may result in ineligible tenants taking residence in PHA housing units.

Cause: The Housing Authority had an eligibility oversight by not ensuring the applicant had a completed background check prior to moving into PHA housing.

Auditors' Recommendation: Procedures should be implemented for review of required steps in determining eligibility for PHA housing. Verifying the accuracy and compliance of required steps will ensure the integrity of the eligibility process.

Views of Responsible Officials and Planned Corrective Action: The City acknowledges an oversight in the background check for this individual. This was a one-time omission as evidenced when the same error was not found in any other file in both samples. The Eligibility Specialist will continue to ensure all applicants are subject to the same background check policy. The Eligibility Specialist will be responsible for implementation which is expected by December 31, 2021.

State of New Mexico
City of Alamogordo
Schedule of Findings and Questioned Costs
June 30, 2021

SECTION III — SECTION 12-6-5 NMSA 1978 FINDINGS (Continued)

2021-003 — Procurement under \$60,000 (Other noncompliance)

Condition: During testwork over the procurement testing of purchased between \$20,000 and \$60,000, we noted the following:

- In 2 of 11 purchased tested in the amount of \$50,236 it was noted that the City did not obtain the appropriate number of quoted as required under the City's procurement policies.
- In 1 transaction with a private entity, the City did not follow its procurement policy and violated the NM Constitution Anti-Donation Clause.

Criteria: Anti-Donation Clause of the NM Constitution "neither the state nor any county, school district or municipality, except as otherwise provided in this constitution, shall directly or indirectly lend or pledge its credit or make any donation to or in aid of any person, association, or public or private corporation." NM Const. art, IX, sec. 14. Additionally, section 21-13-090(1) states "a single purchase involving the expenditure of more than the limit set for "small purchase orders" [\$20k], as provided in section 2-13-080, small purchase requirements, but not more than sixty thousand dollars (\$60k), may be made after requesting at least three written quotations."

Effect: Expenditures made in violation of the NM Anti-Donation Clause and the City's procurement policy raise the risk of inappropriate stewardship of taxpayer funds and can result in waste, fraud and/or abuse.

Cause: The City was unaware of the violation of the NM Anti-Donation Clause and City procurement policy when contributing to the firework show with a private entity. Additionally an oversight occurred in procurement while processing a transaction over \$20,000, but less than \$60,000.

Auditors' Recommendation: CRI recommends the City review disbursements for appropriateness with applicable laws and regulations in addition to reviewing steps taken throughout the procurement process ensuring compliance with said laws and regulations.

Views of Responsible Officials and Planned Corrective Action: The City self-reported the possible anti-donation violation after management became aware of it. Once aware of it, the City formalized an agreement with the State of New Mexico to comply with all laws. COVID quarantines and staff turnover created issues within the Purchasing staff. The Purchasing staff has received training and additional guidance to ensure compliance with the procurement policies. The Chief Purchasing Officer will be responsible for implementation which is expected by December 31, 2021.

**State of New Mexico
City of Alamogordo
Schedule of Findings and Questioned Costs
June 30, 2021**

SECTION III — SECTION 12-6-5 NMSA 1978 FINDINGS (Continued)

2021-004 — Controls over Waiting List (Other matter)

Condition: During testwork over waiting list processes at the Housing Authority, we noted the following:

- The Housing Authority has not implemented a control process to ensure the integrity of the waiting list, or selecting tenants appropriately from the waiting list. There was no testable control over the waiting list.

Criteria: 24 CFR 982.204(a) requires the PHA select participants from the waiting list in accordance with admission policies in the PHA administrative plan.

Effect: Because of the absence of controls over the waiting list, no test of operating effectiveness could be performed. The absence of controls in place may result in improper selection of applicants.

Cause: The PHA was not aware of the need for policies and controls in place over the waiting list.

Auditors' Recommendation: Procedures should be implemented to ensure the integrity of the waiting list and applicant selection. Keeping a record of waiting lists throughout various times of the year in addition to reviewing the list periodically will assist in compliance with waiting list requirements.

Views of Responsible Officials and Planned Corrective Action: The Housing Authority has implemented a new procedure whereas the Eligibility Specialist prints a copy of the waiting list at the time of each offer. The person is highlighted, and if the person is not on the top of the list, an explanation is included. Each file will have a copy of the waiting list in it to verify compliance. The Eligibility Specialist will be responsible for implementation which is expected by December 31, 2021.

SECTION IV – FEDERAL AWARD FINDINGS

SECTION V – SUMMARY OF PRIOR YEAR FINDINGS

NM 2020-001 — Travel and Per Diem Policy (Other noncompliance) – Resolved

NM 2020-002 — Internal Controls over Reconciliation of the SEFA. (Significant Deficiency) – Resolved

**State of New Mexico
City of Alamogordo
Other Disclosures
June 30, 2021**

EXIT CONFERENCE

An exit conference was held on December 13, 2021. In attendance were the following:

Representing the City of Alamogordo:

Richard Boss	Mayor
Brian Cesar	City Manager*
Stephanie Hernandez	Assistant City Manager
Evelyn Huff	Finance Director
Petria Bengoechea	City Attorney

Representing Carr, Riggs & Ingram, LLC:

Alan D. "A.J." Bowers, Jr., CPA, CITP	Partner
Vicki Dallas, CPA, CITP	Manager

*The City Manager is on the Board of the Component Unit Otero Greentree Regional Landfill and represented the component unit at the exit conference.

AUDITOR PREPARED FINANCIAL STATEMENTS

Carr, Riggs, & Ingram LLC prepared the GAAP-basis financial statements and footnotes of the City of Alamogordo from the original books and records provided to them by the management of the City. The responsibility for the financial statements remains with the City.