

**State of New Mexico
City of Alamogordo**

**Financial Statements and
Supplementary Information**

For the Year Ended June 30, 2020



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RIGGS &
INGRAM

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Introductory Section

**State of New Mexico
City of Alamogordo
Table of Contents
June 30, 2020**

INTRODUCTORY SECTION

Table of Contents	4-6
Official Roster	7

FINANCIAL SECTION

Independent Auditors' Report	10-12
Management's Discussion and Analysis	13-21

BASIC FINANCIAL STATEMENTS

Government-wide Financial Statements	
Statement of Net Position	24-25
Statement of Activities	26-27
Fund Financial Statements	
Balance Sheet - Governmental Funds	28-29
Reconciliation of the Balance Sheet to the Statement of Net Position	31
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	32-33
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	35
Statement of Revenues, Expenditures, and Changes in Fund Balance-Budget (Non-GAAP Budgetary Basis) and Actual General Fund	36
Leisure Services Special Revenue Fund	37
Proprietary Fund Statements	
Statement of Net Position - Proprietary Funds	38-41
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds	42-43
Statement of Cash Flows - Proprietary Funds	44-47
Statement of Fiduciary Net Position	48
Statement of Changes in Fiduciary Net Position	49
Notes to the Financial Statements	50-103

REQUIRED SUPPLEMENTARY INFORMATION

Public Employees Retirement Association (PERA) Plan	
Schedule of the City's Proportionate Share of Net Pension Liability of PERA Fund	106-107
Schedule of the City's Contributions	108-109
New Mexico Retiree Healthcare Authority (NMRHCA) Plan	
Schedule of Employer's Proportionate Share of Net OPEB Liability of New Mexico Retiree Health Care Act Plan	110-111
Schedule of Employer Contributions	112-113
Notes to Required Supplementary Information	114

**State of New Mexico
City of Alamogordo
Table of Contents
June 30, 2020**

SUPPLEMENTARY INFORMATION

Nonmajor Governmental and Proprietary Fund Descriptions	116-119
Combining and Individual Fund Statements and Schedules	
Combining Balance Sheet - Nonmajor Governmental Funds	120-127
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds	128-135

Proprietary Funds

Combining Statement of Net Position - Nonmajor Proprietary Funds	136-139
Combining Statement of Revenues, Expenses, and Changes in Net Position - Nonmajor Proprietary Funds	140-141
Combining Statement of Cash Flows - Nonmajor Proprietary Funds	142-145

Internal Service Funds

Combining Statement of Net Position - Internal Service Funds	148-149
Combining Statement of Revenues, Expenses, and Changes in Net Position- Internal Service Funds	151
Combining Statement of Cash Flows - Internal Service Funds	152-153

Component Unit

Otero-Greentree Regional Landfill	
Statement of Net Position	156-157
Statement of Revenues, Expenses, and Changes in Net Position	159
Statement of Cash Flows	160-161

Fiduciary Funds

Combining Statement of Fiduciary Net Position	164
Combining Statement of Changes in Fiduciary Net Position	165

SUPPORTING SCHEDULES

Schedule of Collateral Pledged by Depository for Public Funds	168-171
Schedule of Deposit and Investment Accounts	172-173
Financial Data Schedule	174-177
Schedule of Joint Powers Agreements	178-183
Schedule of Revenue and Expenses - Aging Programs	184-185

**State of New Mexico
City of Alamogordo
Table of Contents
June 30, 2020**

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 <i>Government Auditing Standards</i>	188-189
Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance	190-191
Schedule of Expenditures of Federal Awards	192-196
Schedule of Findings and Questioned Costs	197-200
Other Disclosures	201

**State of New Mexico
City of Alamogordo
Official Roster
June 30, 2020**

<u>Name</u>	<u>City Commission</u>	<u>Title</u>
Richard Boss		Mayor
Nadia Sikes		Mayor Pro-Tem
Jason Baldwin		Commissioner
Dusty Wright		Commissioner
Josh Rardin		Commissioner
Susan Payne		Commissioner
Sharon McDonald		Commissioner
<u>Administration</u>		
Brian Cesar		Interim 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

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, 2020, 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, 2020, 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, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America. 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, 2020, and the respective changes in financial position and, where applicable, cash flows, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Restatement of Net Position

As described in Note 2 to the financial statements, the prior year financial statements have been restated in the amount of (\$2,754,758) in the internal service fund related to the allocation of a proportionate share of net pension and net OPEB liability and associated deferred outflows and deferred inflows to the fund and in the amount of (\$3,813) in the custodial funds related to the implementation of GASB Statement No. 84 – *Fiduciary Funds*. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *Management's Discussion and Analysis* on pages 13 through 21 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 14, 2020, 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 14, 2020

State of New Mexico
City of Alamogordo
Management's Discussion and Analysis
June 30, 2020

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, 2020. 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 at the close of the most recent fiscal year by \$168,406,376 (net position). The City's net position that is restricted for capital projects and other purposes is \$37,868,836. The City's net investment in capital assets is \$146,171,319. The City has an overall deficit of unrestricted net position as of June 30, 2020 of (\$15,633,779).
- Change in net position for the year ended June 30, 2020 was an increase of \$11,864,310 as a result of operations. The increase is primarily due to a reduction in expenses of 5% combined with an increase in revenues of 12%.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$13,081,265 or 115.23% of total general fund expenditures.
- The City's total debt outstanding at June 30, 2020 is \$51,921,825.

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).

State of New Mexico
City of Alamogordo
Management's Discussion and Analysis
June 30, 2020

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.

State of New Mexico
City of Alamogordo
Management's Discussion and Analysis
June 30, 2020

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 103 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 by \$168,406,376 at the close of the most recent fiscal year. The City had revenues that exceeded expenditures during the year in the amount of \$11,864,310 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 \$146,171,319 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.

State of New Mexico
City of Alamogordo
Management's Discussion and Analysis
June 30, 2020

City of Alamogordo's Net Position

Governmental Activities	June 30, 2020			June 30, 2019			Percent Change
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total	
Current and other assets	\$ 54,939,798	\$ 16,356,156	\$ 71,295,954	\$ 45,167,994	\$ 17,149,817	\$ 62,317,811	14.41%
Net capital assets	77,245,784	119,696,257	196,942,041	78,983,199	113,825,635	192,808,834	2.14%
Total assets	132,185,582	136,052,413	268,237,995	124,151,193	130,975,452	255,126,645	5.14%
Deferred outflows of resources	5,820,589	1,276,786	7,097,375	7,823,776	1,656,034	9,479,810	-25.13%
Total assets and deferred outflows of resources	\$ 138,006,171	\$ 137,329,199	\$ 275,335,370	\$ 131,974,969	\$ 132,631,486	\$ 264,606,455	4.05%
Current liabilities	\$ 6,059,369	\$ 7,564,560	\$ 13,623,929	\$ 4,986,434	\$ 5,469,515	\$ 10,455,949	30.30%
Long-term liabilities	60,330,480	25,847,114	86,177,594	64,365,560	27,829,538	92,195,098	-6.53%
Total liabilities	66,389,849	33,411,674	99,801,523	69,351,994	33,299,053	102,651,047	-2.78%
Deferred inflows of resources	5,916,129	1,211,342	7,127,471	4,569,693	843,649	5,413,342	31.66%
Net investment in capital assets	48,290,511	97,880,808	146,171,319	49,331,200	90,752,994	140,084,194	4.35%
Restricted for							
Capital projects	26,297,264	-	26,297,264	20,700,370	-	20,700,370	0.00%
Other purposes	11,571,572	-	11,571,572	8,234,996	-	8,234,996	0.00%
Unrestricted	(20,459,154)	4,825,375	(15,633,779)	(20,213,284)	7,735,790	(12,477,494)	25.30%
Total net position	65,700,193	102,706,183	168,406,376	58,053,282	98,488,784	156,542,066	7.58%
Total liabilities, deferred inflows of resources, and net position	\$ 138,006,171	\$ 137,329,199	\$ 275,335,370	\$ 131,974,969	\$ 132,631,486	\$ 264,606,455	4.05%

Changes in Net Position

The City's total revenues of \$61,007,293 and expenses of \$49,142,983 resulted in a change in net position of \$11,864,310 as a result of City operations. Comparative information for changes in net position is shown on the next page.

State of New Mexico
City of Alamogordo
Management's Discussion and Analysis
June 30, 2020

City of Alamogordo's Change in Net Position

	June 30, 2020			June 30, 2019			Percent Change
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total	
Revenues							
Program revenues							
Charges for services	\$ 3,325,143	\$ 14,017,521	\$ 17,342,664	\$ 3,963,884	\$ 13,900,861	\$ 17,864,745	-3%
Operating grants and contributions	2,191,298	746,656	2,937,954	2,535,928	766,521	3,302,449	-11%
Capital grants and contributions	1,166,940	5,174,739	6,341,679	200,600	2,593,980	2,794,580	127%
General revenues							
Property taxes	4,440,523	-	4,440,523	4,266,463	-	4,266,463	4%
Other taxes	27,695,303	-	27,695,303	23,433,356	-	23,433,356	-
Interest income	1,134,196	365,692	1,499,888	1,476,502	536,012	2,012,514	-25%
Transfers in (out)	(524,091)	526,737	2,646	(10,864,701)	10,866,719	2,018	0%
Miscellaneous income	510,805	224,343	735,148	733,056	67,544	800,600	100%
Gain from sale of assets	11,488	-	11,488	11,013	-	11,013	4%
Total revenues	39,951,605	21,055,688	61,007,293	25,756,101	28,731,637	54,487,738	12%
Expenses							
General government	10,046,397	-	10,046,397	9,863,172	-	9,863,172	2%
Public safety	10,103,095	-	10,103,095	10,860,131	-	10,860,131	-7%
Public works	5,023,880	-	5,023,880	6,062,644	-	6,062,644	-17%
Health and welfare	5,722,068	-	5,722,068	7,990,779	-	7,990,779	-28%
Culture and recreation	216,278	-	216,278	243,875	-	243,875	-11%
Interest and other charges	1,192,976	-	1,192,976	1,187,064	-	1,187,064	0%
Water and sewer	-	11,132,449	11,132,449	-	9,791,898	9,791,898	14%
Solid waste collection	-	2,106,171	2,106,171	-	2,060,638	2,060,638	2%
Bonito Lake	-	5,266	5,266	-	5,266	5,266	0%
Desert Lakes golf course	-	1,717,050	1,717,050	-	1,932,722	1,932,722	-11%
White Sands regional airport	-	580,773	580,773	-	570,528	570,528	2%
Public housing - rental program	-	1,274,633	1,274,633	-	1,261,193	1,261,193	1%
Public housing - home ownership	-	21,947	21,947	-	18,480	18,480	19%
Total expenses	32,304,694	16,838,289	49,142,983	36,207,665	15,640,725	51,848,390	-5%
Increase in net position	7,646,911	4,217,399	11,864,310	(10,451,564)	13,090,912	2,639,348	350%
Net position - beginning	58,053,282	98,488,784	156,542,066	68,504,846	85,397,872	153,902,718	2%
Net position - ending	\$ 65,700,193	\$ 102,706,183	\$ 168,406,376	\$ 58,053,282	\$ 98,488,784	\$ 156,542,066	8%

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.

State of New Mexico
City of Alamogordo
Management's Discussion and Analysis
June 30, 2020

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$50,921,625, an increase of \$8,832,767 in comparison with the prior year. Approximately 25.25 percent of this total amount, \$12,859,537, 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 115.23% of the total general fund expenditures or approximately 13 months of operating equity.

Budgetary Highlights

The final budget for the general fund's revenue increased by \$1,777,958 from the original budget. Budget amendments to expenditures decreased the budget (\$312,429) during the year within the general fund departments. The actual expenditures were \$1,593,626 less than the final budgeted amounts, and actual revenues were \$867,625 more than the final budgeted amounts. This resulted in a favorable budget variance of \$2,461,251.

The final budget for the leisure services special revenue fund's revenue decreased by (\$95,559) from the original budget. Budget amendments to expenditures decreased the budget (\$13,223) during the year within the general fund departments. The actual expenditures were \$447,790 less than the final budgeted amounts, and actual revenues were \$785 more than the final budgeted amounts. This resulted in a favorable budget variance of \$448,575.

Capital Asset and Debt Administration

Capital Assets

The City's investment in capital assets for its governmental activities as of June 30, 2020, amounts to \$77,245,784 for governmental activities and \$119,696,257 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, 2020.

State of New Mexico
City of Alamogordo
Management's Discussion and Analysis
June 30, 2020

Governmental Activities			
Asset Description	Carrying Amount	Accumulated Depreciation	Net Position Balance
Capital assets not being depreciated:			
Land	\$ 10,399,278	\$ -	\$ 10,399,278
Construction in progress	7,770,131	-	7,770,131
<hr/>			
Total capital assets not being depreciated	18,169,409	-	18,169,409
Capital assets being depreciated:			
Buildings and improvements	32,007,571	19,304,101	12,703,470
Mechanized equipment	14,252,069	8,886,366	5,365,703
Unscheduled property	4,861,457	3,628,260	1,233,197
Infrastructure	207,014,289	167,240,284	39,774,005
<hr/>			
Total capital assets being depreciated	258,135,386	199,059,011	59,076,375
<hr/>			
Total capital assets	\$ 276,304,795	\$ 199,059,011	\$ 77,245,784

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	30,738,286	-	30,738,286
<hr/>			
Total capital assets not being depreciated	37,741,720	-	37,741,720
Capital assets being depreciated:			
Buildings and improvements	33,394,747	20,312,358	13,082,389
Mechanized equipment	10,302,902	6,948,053	3,354,849
Unscheduled property	2,216,726	1,676,091	540,635
Infrastructure	100,513,303	35,536,639	64,976,664
<hr/>			
Total capital assets being depreciated	146,427,678	64,473,141	81,954,537
<hr/>			
Total capital assets	\$ 184,169,398	\$ 64,473,141	\$ 119,696,257

Additional information on the City's capital assets can be found in Note 7 on page 78 through 81 of this report.

State of New Mexico
City of Alamogordo
Management's Discussion and Analysis
June 30, 2020

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	
	2020	2019	2020	2019	2020	2019
General obligation bonds	\$ 9,978,800	\$ 10,456,600	\$ 5,370,000	\$ 5,370,000	\$ 15,348,800	\$ 15,826,600
Revenue bonds/loans	-	-	6,065,399	6,528,967	6,065,399	6,528,967
Other loans/notes payable	19,892,662	22,108,539	10,400,787	11,288,120	30,293,449	33,396,659
Bond discounts	(164,731)	(178,327)	-	-	(164,731)	(178,327)
Bond premiums	197,964	212,016	180,944	200,155	378,908	412,171
Compensated absences	1,060,189	940,016	276,667	238,092	1,336,856	1,178,108
Total long-term debt	\$ 30,964,884	\$ 33,538,844	\$ 22,293,797	\$ 23,625,334	\$ 53,258,681	\$ 57,164,178

Additional information on the City's debt can be found in Note 8 on page 81 through 86 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 FY2021 the City of Alamogordo was extremely cautious in projecting the GRT proceeds. Already operating with the assumption of zero growth in tax revenue, the City also chose to assume a 25% monthly decrease in GRT proceeds due to COVID-19. 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.
- **Gross Receipts Tax Increase** - During the FY2021 budget process, the City of Alamogordo City Commission approved an increase of 0.125% to the unrestricted GRT portion. As of July 1, 2020, the combined GRT rate for the City of Alamogordo is 8.125%. This is estimated to increase General fund revenue by \$701,200 per 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, 2020. Another \$0.50 increase is scheduled for January 1, 2021 along with any positions that need to be increased to the new minimum wage of \$10.50 per hour.
- **Workers Compensation** - The City's workers compensation modifier has risen to 1.53 for 2021, up from 1.38 in 2020. However, the New Mexico Self Insurer's Fund approved a 50% rate reduction for the FY2021 Worker's Compensation premiums.

State of New Mexico
City of Alamogordo
Management’s Discussion and Analysis
June 30, 2020

- Spending Control – The City of Alamogordo has been very diligent in FY2020 and FY2021 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.

COVID-19 Impact

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

The City was in the middle of the budget process when the initial stay at home order was issued. Adjustments were made to the budget re-projections for FY2020 and the new projections for FY2021. Revenues were adjusted down to account for decreased tax receipts in both the GRT and Lodger’s Tax. A flat budgeting model was already being used, however departments were instructed to prepare where they would remove if they had to cut expenditures by 20%.

All part-time and seasonal positions were laid off as of May 1, 2020. All other departments have been working with modified schedules, including 50% staffing levels, teleworking and reassigning employees whose buildings have been closed. 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. Through October 2020, the City has spent over \$1.1 million dollars on administrative leave for employees. The City will be able to offset some of that amount with funding received from the CARES Act through New Mexico DFA.

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 have been closed since March. This has made it impossible for them to achieve their budgeted revenue targets. Other departments including the Alameda Park Zoo and Desert Lakes Golf Course have seen decreased revenues due to attendance restrictions. All of these departments face possible future budget cuts if revenue possibilities do not increase.

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 is awaiting finalization of FEMA funding to help offset some PPE related expenses.

All of these factors were considered in preparing the City’s budget for the 2021 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.

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Basic Financial Statements

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

June 30, 2020	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Otero-Greentree Regional Landfill
Assets				
Current assets				
Cash and cash equivalents	\$ 12,773,800	\$ 2,125,131	\$ 14,898,931	\$ 83,284
Investments	35,354,635	10,818,139	46,172,774	3,117,877
Receivables				
Taxes	4,843,028	-	4,843,028	-
Intergovernmental	374,955	3,634	378,589	-
Customer, net	-	2,078,173	2,078,173	53,151
Other, net	262,973	-	262,973	3,912
Inventory	147,346	517,455	664,801	-
Prepaid expenses	86,440	35,147	121,587	-
Internal balances	2,289	(2,289)	-	-
Total current assets	53,845,466	15,575,390	69,420,856	3,258,224
Noncurrent assets				
Restricted cash and cash equivalents	1,011,826	517,877	1,529,703	-
Restricted investments	82,506	174,551	257,057	975,911
Assets held for sale	-	88,338	88,338	-
Capital assets, not being depreciated	18,169,409	37,741,720	55,911,129	1,526,005
Capital assets, being depreciated	258,135,386	146,427,678	404,563,064	7,022,930
Less: accumulated depreciation	(199,059,011)	(64,473,141)	(263,532,152)	(3,962,311)
Total noncurrent assets	78,340,116	120,477,023	198,817,139	5,562,535
Total assets	132,185,582	136,052,413	268,237,995	8,820,759
Deferred outflows of resources				
Deferred outflows - pension	4,710,348	952,973	5,663,321	75,954
Deferred outflows - OPEB	578,490	122,132	700,622	9,651
Deferred outflows - extinguishment of debt	531,751	201,681	733,432	-
Total deferred outflows of resources	5,820,589	1,276,786	7,097,375	85,605
Total assets and deferred outflows of resources	\$ 138,006,171	\$ 137,329,199	\$ 275,335,370	\$ 8,906,364

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

June 30, 2020	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Otero-Greentree Regional Landfill
Liabilities				
Current liabilities				
Accounts payable	\$ 1,313,499	\$ 2,780,567	\$ 4,094,066	\$ 33,999
Accrued payroll	833,539	167,428	1,000,967	16,502
Deposits held in trust for others	21,532	611,214	632,746	4,142
Unearned revenue	19,427	1,861,228	1,880,655	6,491
Accrued interest	292,721	99,181	391,902	-
Long-term liabilities, current	3,578,651	2,044,942	5,623,593	10,002
Total current liabilities	6,059,369	7,564,560	13,623,929	71,136
Noncurrent liabilities				
Long-term liabilities, net of current portion	27,386,233	20,248,855	47,635,088	1,946,799
Net pension liability	25,012,484	4,388,147	29,400,631	374,154
Net OPEB liability	7,931,763	1,210,112	9,141,875	103,798
Total noncurrent liabilities	60,330,480	25,847,114	86,177,594	2,424,751
Total liabilities	66,389,849	33,411,674	99,801,523	2,495,887
Deferred inflows of resources				
Deferred inflows - pension	1,229,806	232,779	1,462,585	19,388
Deferred inflows - OPEB	4,686,323	978,563	5,664,886	83,395
Total deferred inflows of resources	5,916,129	1,211,342	7,127,471	102,783
Net position				
Net investment in capital assets	48,290,511	97,880,808	146,171,319	4,586,624
Restricted for				
Debt service	4,606,992	-	4,606,992	-
Capital projects	26,297,264	-	26,297,264	-
Special revenue	6,160,460	-	6,160,460	-
Permanent fund	804,120	-	804,120	-
Unrestricted (deficit)	(20,459,154)	4,825,375	(15,633,779)	1,721,070
Total net position	65,700,193	102,706,183	168,406,376	6,307,694
Total liabilities, deferred inflows of resources, and net position	\$ 138,006,171	\$ 137,329,199	\$ 275,335,370	\$ 8,906,364

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, 2020

Program Revenues

Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental activities				
General government	\$ 10,046,397	\$ 2,525,379	\$ 464,644	1,152,106
Public safety	10,103,095	314,213	826,657	-
Public works	5,023,880	24,967	10,656	14,834
Culture and recreation	5,722,068	460,584	676,188	-
Health and welfare	216,278	-	213,153	-
Interest and other charges	1,192,976	-	-	-
Total governmental activities	32,304,694	3,325,143	2,191,298	1,166,940
Business-type activities				
Water and sewer	11,132,449	9,956,036	-	5,072,108
Solid waste	2,106,171	2,256,747	-	-
Bonito lake	5,266	-	-	-
Golf course	1,717,050	1,412,661	-	-
Airport	580,773	144,587	10,275	-
Low rent public housing	1,274,633	247,490	736,381	102,631
Home ownership	21,947	-	-	-
Total business-type activities	16,838,289	14,017,521	746,656	5,174,739
Total primary government	\$ 49,142,983	\$ 17,342,664	\$ 2,937,954	\$ 6,341,679
Component unit				
Otero - Greentree Regional Landfill	\$ 2,901,463	\$ 1,752,754	\$ -	\$ -
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	
\$ (5,904,268)	\$ -	\$ (5,904,268)	\$ -	-
(8,962,225)	-	(8,962,225)	-	-
(4,973,423)	-	(4,973,423)	-	-
(4,585,296)	-	(4,585,296)	-	-
(3,125)	-	(3,125)	-	-
(1,192,976)	-	(1,192,976)	-	-
(25,621,313)	-	(25,621,313)	-	-
-	3,895,695	3,895,695	-	-
-	150,576	150,576	-	-
-	(5,266)	(5,266)	-	-
-	(304,389)	(304,389)	-	-
-	(425,911)	(425,911)	-	-
-	(188,131)	(188,131)	-	-
-	(21,947)	(21,947)	-	-
-	3,100,627	3,100,627	-	-
(25,621,313)	3,100,627	(22,520,686)	-	-
-	-	-	(1,148,709)	-
4,440,523	-	4,440,523	-	-
26,521,852	-	26,521,852	-	-
628,146	-	628,146	-	-
545,305	-	545,305	-	-
1,134,196	365,692	1,499,888	127,248	-
510,805	224,343	735,148	25,521	-
11,488	-	11,488	-	-
(524,091)	526,737	2,646	(2,646)	-
33,268,224	1,116,772	34,384,996	150,123	-
7,646,911	4,217,399	11,864,310	(998,586)	-
58,053,282	98,488,784	156,542,066	7,306,280	-
\$ 65,700,193	\$ 102,706,183	\$ 168,406,376	\$ 6,307,694	-

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

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

June 30, 2020	General Fund	Leisure Services Fund	2004 Capital Outlay GRT Fund
Assets			
Cash and cash equivalents	\$ 5,809,677	\$ 9,212	\$ 920,575
Investments	5,307,079	-	12,988,078
Receivables			
Taxes	2,560,052	-	677,368
Intergovernmental	-	-	-
Other, net	192,688	41,223	-
Prepaid expense	6,671	378	-
Due from other funds	5,499	-	-
Total assets	\$ 13,881,666	\$ 50,813	\$ 14,586,021
Liabilities, deferred inflows of resources, and fund balances			
Liabilities			
Accounts payable	\$ 95,925	\$ 42,149	\$ 337,097
Accrued payroll	577,409	102,231	-
Deposits held in trust for others	2,471	18,605	-
Unearned revenue	6,410	2,101	-
Due to other funds	-	-	-
Total liabilities	682,215	165,086	337,097
Deferred inflows of resources			
Unearned revenue - property taxes	111,515	-	-
Total deferred inflows of resources	111,515	-	-
Fund balances			
Nonspendable	6,671	378	-
Spendable			
Restricted	-	-	14,248,924
Unassigned (deficit)	13,081,265	(114,651)	-
Total fund balances	13,087,936	(114,273)	14,248,924
Total liabilities, deferred inflows of resources, and fund balances	\$ 13,881,666	\$ 50,813	\$ 14,586,021

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

Nonmajor Governmental Funds	Total Governmental Funds
\$ 6,599,258	\$ 13,338,722
16,021,860	34,317,017
1,605,608	4,843,028
374,955	374,955
16,924	250,835
189	7,238
-	5,499
<u>\$ 24,618,794</u>	<u>\$ 53,137,294</u>
\$ 774,398	\$ 1,249,569
95,251	774,891
456	21,532
10,916	19,427
3,210	3,210
<u>884,231</u>	<u>2,068,629</u>
<u>35,525</u>	<u>147,040</u>
<u>35,525</u>	<u>147,040</u>
189	7,238
23,805,926	38,054,850
(107,077)	12,859,537
<u>23,699,038</u>	<u>50,921,625</u>
<u>\$ 24,618,794</u>	<u>\$ 53,137,294</u>

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, 2020

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

Fund balances - total governmental funds	\$ 50,921,625
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported in the funds	77,245,784
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	(1,374,629)
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	147,040
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	531,751
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	4,341,081
Deferred inflows - pension	(1,133,395)
Deferred outflows - OPEB	519,931
Deferred inflows - OPEB	(4,211,928)
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	(292,721)
Current portion of accrued compensated absences	(909,182)
Bond discounts, net of accumulated amortization	164,731
Bond premiums, net of accumulated amortization	(197,964)
Current portion of long term debt payable	(2,518,462)
Long-term debt payable	(27,353,000)
Net pension liability	(23,051,636)
Net OPEB Liability	(7,128,833)
Net position - governmental activities	\$ 65,700,193

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, 2020	General Fund	Leisure Services Fund	2004 Capital Outlay GRT Fund
Revenues			
Taxes			
Property	\$ 3,372,539	\$ -	\$ -
Gross receipts	13,916,408	-	4,033,742
Gasoline and motor vehicle	-	-	-
Other	-	-	-
Intergovernmental			
Federal operating grants	-	-	-
Federal capital grants	-	-	-
State operating grants	-	57,944	-
State capital grants	-	-	-
Charges for services	2,444,887	285,708	-
Investment income	170,882	-	395,647
Miscellaneous	199,219	49,056	-
Total revenues	20,103,935	392,708	4,429,389
Expenditures			
Current			
General government	2,911,093	1,150,555	-
Public safety	7,889,453	-	-
Public works	1,238	9,771	48,061
Culture and recreation	-	2,195,783	-
Health and welfare	-	-	-
Capital outlay	550,760	71,936	1,531,446
Debt service			
Principal	-	-	-
Interest and other charges	-	-	-
Total expenditures	11,352,544	3,428,045	1,579,507
Excess (deficiency) of revenues over expenditures	8,751,391	(3,035,337)	2,849,882
Other financing sources (uses)			
Proceeds from sale of assets	-	-	-
Transfers in	43,708	3,525,002	-
Transfers (out)	(6,227,615)	(580,303)	(1,092,625)
Total other financing sources (uses)	(6,183,907)	2,944,699	(1,092,625)
Net change in fund balances	2,567,484	(90,638)	1,757,257
Fund balances - beginning of year	10,520,452	(23,635)	12,491,667
Fund balances - end of year	\$ 13,087,936	\$ (114,273)	\$ 14,248,924

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

Nonmajor Governmental Funds	Total Governmental Funds
\$ 1,098,131	\$ 4,470,670
8,571,702	26,521,852
628,146	628,146
545,305	545,305
699,494	699,494
19,813	19,813
1,433,860	1,491,804
1,147,127	1,147,127
339,180	3,069,775
532,731	1,099,260
31,339	279,614
15,046,828	39,972,860
1,087,609	5,149,257
805,998	8,695,451
1,412,396	1,471,466
2,158,887	4,354,670
257,840	257,840
2,020,787	4,174,929
2,693,677	2,693,677
1,048,050	1,048,050
11,485,244	27,845,340
3,561,584	12,127,520
11,488	11,488
4,825,443	8,394,153
(3,799,851)	(11,700,394)
1,037,080	(3,294,753)
4,598,664	8,832,767
19,100,374	42,088,858
\$ 23,699,038	\$ 50,921,625

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, 2020

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

Net change in fund balances - total governmental funds	\$ 8,832,767
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	(1,106)
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	4,174,929
Depreciation expense	(5,912,344)
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	30,147
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	1,100,542
Pension expense	(3,818,359)
Contributions subsequent to the measurement date - OPEB	191,014
OPEB benefit	469,280
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	
Increase in accrued interest	(82,367)
Decrease in accrued compensated absences	30,834
Principal payments on debt payable	2,693,677
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	\$ 7,646,911

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, 2020	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
Revenues				
Taxes				
Property	\$ 3,147,356	\$ 3,230,117	\$ 3,372,539	\$ 142,422
Gross receipts	11,471,214	12,976,068	13,916,408	940,340
Charges for services	2,609,289	2,564,705	2,444,887	(119,818)
Investment income	84,694	84,694	118,338	33,644
Miscellaneous	93,255	328,182	199,219	(128,963)
Total revenues	17,405,808	19,183,766	20,051,391	867,625
Expenditures				
Current				
General government	3,299,526	3,355,743	3,061,639	294,104
Public safety	10,096,764	9,128,273	7,887,485	1,240,788
Public works	10,887	34,144	1,238	32,906
Capital outlay	-	576,588	550,760	25,828
Total expenditures	13,407,177	13,094,748	11,501,122	1,593,626
Excess (deficiency) of revenues over expenditures	3,998,631	6,089,018	8,550,269	2,461,251
Other financing sources (uses)				
Designated cash (budgeted cash increase)	2,742,538	930,862	-	(930,862)
Transfers in	800,000	293,708	43,708	
Transfers (out)	(6,741,169)	(7,019,880)	(6,227,615)	792,265
Total other financing sources (uses)	(3,198,631)	(5,795,310)	(6,183,907)	(138,597)
Net change in fund balances	800,000	293,708	2,366,362	2,322,654
Fund balances - beginning of year	-	-	8,755,893	8,755,893
Fund balances - end of year	\$ 800,000	\$ 293,708	\$ 11,122,255	\$ 11,078,547
Net change in fund balance (non-GAAP budgetary basis)			\$ 2,366,362	
Adjustments to revenues for taxes, grants and charges for services			52,544	
Adjustments to expenditures for salaries and other expenses			148,578	
Net change in fund balance (GAAP)			\$ 2,567,484	

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, 2020	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable)
				Final to Actual
Revenues				
State operating grants	\$ 6,000	\$ 57,944	\$ 57,944	\$ -
Charges for services	455,132	295,301	285,708	(9,593)
Miscellaneous	26,350	38,678	49,056	10,378
Total revenues	487,482	391,923	392,708	785
Expenditures				
Current				
General government	1,323,230	1,242,880	1,175,074	67,806
Public safety	2,500	1,000	-	1,000
Public works	20,000	17,191	9,771	7,420
Culture and recreation	2,567,847	2,561,695	2,195,783	365,912
Capital outlay	-	77,588	71,936	5,652
Total expenditures	3,913,577	3,900,354	3,452,564	447,790
Excess (deficiency) of revenues over expenditures	(3,426,095)	(3,508,431)	(3,059,856)	448,575
Other financing sources (uses)				
Designated cash (budgeted cash increase)	4,011,406	4,132,345	-	(4,132,345)
Transfers in	3,889,000	4,010,000	3,525,002	
Transfers (out)	(585,311)	(623,914)	(580,303)	43,611
Total other financing sources (uses)	7,315,095	7,518,431	2,944,699	(4,088,734)
Net change in fund balances	3,889,000	4,010,000	(115,157)	(3,640,159)
Fund balances - beginning of year	-	-	124,369	124,369
Fund balances - end of year	\$ 3,889,000	\$ 4,010,000	\$ 9,212	\$ (3,515,790)
Net change in fund balance (non-GAAP budgetary basis)			\$ (115,157)	
No adjustments to revenues			-	
Adjustments to expenditures for salaries and other expenses			24,519	
Net change in fund balance (GAAP)			\$ (90,638)	

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, 2020	Business-type Activities - Enterprise Funds		
	Water and Sewer Fund	Nonmajor Enterprise Funds	Total Enterprise Funds
Assets			
Current assets			
Cash and cash equivalents	\$ 54,818	\$ 2,070,313	\$ 2,125,131
Investments	10,117,227	700,912	10,818,139
Receivables			
Intergovernmental	-	3,634	3,634
Customer, net	1,894,000	184,173	2,078,173
Other, net	-	-	-
Inventory	505,041	12,414	517,455
Prepaid expenses	5,636	29,511	35,147
Total current assets	12,576,722	3,000,957	15,577,679
Noncurrent assets			
Restricted cash and cash equivalents	450,006	67,871	517,877
Restricted investments	100,000	74,551	174,551
Assets held for sale	-	88,338	88,338
Capital assets, not being depreciated	31,185,276	6,556,444	37,741,720
Capital assets, being depreciated	113,484,803	32,942,875	146,427,678
Less: accumulated depreciation	(43,717,903)	(20,755,238)	(64,473,141)
Total noncurrent assets	101,502,182	18,974,841	120,477,023
Total assets	114,078,904	21,975,798	136,054,702
Deferred outflows of resources			
Deferred outflows - pension	619,316	333,657	952,973
Deferred outflows - OPEB	88,912	33,220	122,132
Deferred outflows - extinguishment of debt	201,681	-	201,681
Total deferred outflows of resources	909,909	366,877	1,276,786
Total assets and deferred outflows of resources	\$ 114,988,813	\$ 22,342,675	\$ 137,331,488

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

**Governmental
Activities**

**Internal Service
Funds**

\$ 446,904
1,120,124

-
-

12,138
147,346
79,202

1,805,714

-
-
-
-
-
-

1,805,714

369,267
58,559

-

427,826

\$ 2,233,540
(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, 2020	Business-type Activities - Enterprise Funds		
	Water and Sewer Fund	Nonmajor Enterprise Funds	Total Enterprise Funds
Liabilities			
Current liabilities			
Accounts payable	\$ 2,499,459	\$ 281,108	\$ 2,780,567
Accrued payroll	121,511	45,917	167,428
Deposits held in trust for others	555,878	55,336	611,214
Unearned revenue	1,825,929	35,299	1,861,228
Accrued interest	99,181	-	99,181
Long-term liabilities, current	1,977,328	67,614	2,044,942
Due to other funds	-	2,289	2,289
Total current liabilities	7,079,286	487,563	7,566,849
Noncurrent liabilities			
Long-term liabilities, net of current portion	20,248,855	-	20,248,855
Net pension liability	3,141,498	1,246,649	4,388,147
Net OPEB liability	843,480	366,632	1,210,112
Total noncurrent liabilities	24,233,833	1,613,281	25,847,114
Total liabilities	31,313,119	2,100,844	33,413,963
Deferred inflows of resources			
Deferred inflows - pension	142,315	90,464	232,779
Deferred inflows - OPEB	694,910	283,653	978,563
Total deferred inflows of resources	837,225	374,117	1,211,342
Net position			
Net investment in capital assets	79,136,727	18,744,081	97,880,808
Unrestricted	3,701,742	1,123,633	4,825,375
Total net position	82,838,469	19,867,714	102,706,183
Total liabilities, deferred inflows of resources, and net position	\$ 114,988,813	\$ 22,342,675	\$ 137,331,488

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

Governmental	
Activities	
<hr/>	
Internal Service	
Funds	
<hr/>	
\$	63,930
	58,648
	-
	-
	-
	151,007
	-
	<hr/>
	273,585
	<hr/>
	-
	1,960,848
	802,930
	<hr/>
	2,763,778
	<hr/>
	3,037,363
	<hr/>
	96,411
	474,395
	<hr/>
	570,806
	<hr/>
	-
	(1,374,629)
	<hr/>
	(1,374,629)
	<hr/>
\$	2,233,540
	<hr/>
	<hr/>

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, 2020	Business-type Activities - Enterprise Funds		
	Water and Sewer Fund	Nonmajor Enterprise Funds	Total Enterprise Funds
Operating revenues			
Charges for services	\$ 9,956,036	\$ 4,061,485	\$ 14,017,521
Operating grants	-	746,656	746,656
Total operating revenues	9,956,036	4,808,141	14,764,177
Operating expenses			
Personnel services	2,939,503	1,104,539	4,044,042
Utilities	759,504	66,794	826,298
Contractual services	32,827	1,880,467	1,913,294
Supplies and purchased power	720,457	220,509	940,966
Repairs and maintenance	512,011	166,098	678,109
Depreciation expense	3,349,846	944,256	4,294,102
Miscellaneous expense	2,296,747	1,323,177	3,619,924
Total operating expenses	10,610,895	5,705,840	16,316,735
Operating income (loss)	(654,859)	(897,699)	(1,552,558)
Non-operating revenues (expenses)			
Interest expense	(521,554)	-	(521,554)
Investment income	334,751	30,941	365,692
Miscellaneous	25,803	198,540	224,343
Total non-operating revenues (expenses)	(161,000)	229,481	68,481
Income (loss) before contributions and transfers	(815,859)	(668,218)	(1,484,077)
Government contributions			
Capital grants	5,072,108	102,631	5,174,739
Transfers in	1,020,830	377,153	1,397,983
Transfers (out)	(614,309)	(256,937)	(871,246)
Change in net position	4,662,770	(445,371)	4,217,399
Net position - beginning of year, as originally stated	78,175,699	20,313,085	98,488,784
Net position - restatement (note 2)	-	-	-
Net position - beginning of year, as restated	78,175,699	20,313,085	98,488,784
Net position - end of year	\$ 82,838,469	\$ 19,867,714	\$ 102,706,183

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

**Governmental
Activities**

**Internal Service
Funds**

\$ 255,368

-

255,368

1,798,779

36,737

425,271

162,972

691,809

-

189,183

3,304,751

(3,049,383)

-

34,936

231,191

266,127

(2,783,256)

-

2,830,976

(48,826)

(1,106)

1,381,235

(2,754,758)

(1,373,523)

\$ (1,374,629)

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, 2020	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	\$ 9,619,687	\$ 4,049,328	\$ 13,669,015
Cash received from subsidy grants	-	904,024	904,024
Cash payments to employees for services	(2,636,935)	(988,575)	(3,625,510)
Cash payments to suppliers for goods and services	(2,830,812)	(3,547,978)	(6,378,790)
Net cash provided (used) by operating activities	4,151,940	416,799	4,568,739
Cash flows from noncapital financing activities			
Miscellaneous income	25,803	198,540	224,343
Transfers in (out)	406,521	119,075	525,596
Net cash provided by noncapital financing activities	432,324	317,615	749,939
Cash flows from investing activities			
Sales (purchases) of investments	1,540,412	200,733	1,741,145
Interest on investments	334,751	30,941	365,692
Net cash provided by investing activities	1,875,163	231,674	2,106,837
Cash flows from capital and related financing activities			
Acquisition of capital assets	(9,619,646)	(545,078)	(10,164,724)
Capital grants	5,074,021	184,966	5,258,987
Interest paid	(438,052)	-	(438,052)
Proceeds from issuance of long-term debt	3,207,212	-	3,207,212
Principal payments on bonds, loans, and notes payable	(4,558,113)	-	(4,558,113)
Net cash (used) by capital and related financing activities	(6,334,578)	(360,112)	(6,694,690)
Net increase in cash and cash equivalents	124,849	605,976	730,825
Cash and cash equivalents - beginning of year	379,975	1,532,208	1,912,183
Cash and cash equivalents - end of year	\$ 504,824	\$ 2,138,184	\$ 2,643,008

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

**Governmental
Activities**

**Internal
Service Funds**

\$ 260,843
-
(1,490,356)
(1,506,634)
(2,736,147)

231,191
2,782,150
3,013,341

(18,580)
34,936
16,356

-
-
-
-

-

293,550
153,354

\$ 446,904
(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

	Business-type Activities - Enterprise Funds		
	Water and Sewer Fund	Nonmajor Enterprise Funds	Total Enterprise Funds
For the year ended June 30, 2020			
Reconciliation of operating (loss) to net cash provided (used) by operating activities			
Operating (loss)	\$ (654,859)	\$ (897,699)	\$ (1,552,558)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities			
Depreciation	3,349,846	944,256	4,294,102
Noncash pension expense	389,620	134,401	524,021
Noncash OPEB benefit	(126,207)	(50,763)	(176,970)
Changes in assets, liabilities and deferred outflows of resources			
Receivables, net	(352,256)	140,668	(211,588)
Inventory	(85,747)	(1,187)	(86,934)
Prepaid expenses	3,085	(2,416)	669
Subsequent contributions-pension	(624)	(216)	(840)
Subsequent contributions-OPEB	(117)	(49)	(166)
Accounts payable	1,573,396	112,670	1,686,066
Accrued payroll expenses	24,041	9,871	33,912
Accrued compensated absences	15,855	22,720	38,575
Unearned revenue	-	3,572	3,572
Customer deposits	15,907	971	16,878
Net cash provided (used) by operating activities	\$ 4,151,940	\$ 416,799	\$ 4,568,739

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

**Governmental
Activities**

**Internal
Service Funds**

\$ (3,049,383)

-
318,720
(51,591)

5,475
3,706
(11,112)
(93,616)
(21,513)
6,744
5,416
151,007

-
-

\$ (2,736,147)

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

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

June 30, 2020	Custodial Funds
Assets	
Cash and cash equivalents	\$ 11,109
Total assets	\$ 11,109
Liabilities	
Accounts payable	\$ 2,561
Total liabilities	2,561
Net position	
Restricted	8,938
Unrestricted (deficit)	(390)
Total net position	8,548
Total liabilities and net position	\$ 11,109

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**

For the Year Ended June 30, 2020	Custodial Funds
Additions	
Court fees	\$ 35,413
Bond deposits received	1,000
Payments from other entity	1,000
Total additions	\$ 37,413
Deductions	
Professional services	\$ 38,116
Bond payments returned	3,500
Total deductions	41,616
Net increase in fiduciary net position	(4,203)
Net position - beginning of year, as originally stated	-
Net position - restatement (see note 2)	12,751
Net position - beginning of year, as restated	12,751
Net position - end of year	\$ 8,548

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, and GASB Statement No. 80. 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

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 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, 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.

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 \$733,432.

The City has five types of items that qualify for reporting in this category related to reporting under GASB 68 and two types that related to reporting under GASB 75, which total \$5,663,321 and \$700,622, respectively, in the statement of net position. The amounts are further detailed in Note 11 and Note 12. 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 \$147,040 related to property taxes considered "unavailable". In addition, the City has three types of items present on the statement of net position that qualify for reporting in this category related to reporting under GASB 68 and four types that related to reporting under GASB 75. The deferred inflows of resources total \$1,462,585 and \$5,664,886, respectively, in the statement of net position, and are further detailed in Note 11 and Note 12. 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, 2020, 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, 2020.

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, 2020, the City had nonspendable fund balance categorized in the governmental funds balance sheet in the amount of \$7,238 as detailed on in Note 17.

Restricted and Committed Fund Balance – At June 30, 2020, the restricted fund balance on the governmental funds balance sheet totals \$38,054,850 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, 2020. The details of these fund balance items are located on the governmental funds balance sheet as detailed in Note 17.

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 \$958,427 and the City’s self-imposed reserve of \$211,286 for the year ended June 30, 2020. 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 includes unspent debt proceeds in the amounts of \$417,671 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 14, 2020 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 has implemented GASB issued Statement No. 84, *Fiduciary Activities*. This Statement seeks to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

The City has implemented GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance* which became effective immediately upon issuance by GASB in May 2020. This Statement provided temporary relief to governments and other stakeholders in light of the COVID-19 pandemic by postponing the effective dates of Statements No. 89, 90, 91, 92, and 93 by twelve months and Statement No. 87 by eighteen months.

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. (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 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 August 2018, the GASB issued 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 requirements of this Statement are effective for reporting periods beginning after December 15, 2019. The requirements should be applied retroactively, except for the provisions related to (1) reporting a majority equity interest in a component unit and (2) reporting a component unit if the government acquires a 100 percent equity interest. Those provisions should be applied on a prospective basis. (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. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. The requirements of this statement are effective immediately.

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 June 2020, GASB issued 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 requirements of this Statement are effective for fiscal years beginning after June 15, 2021. Earlier application is encouraged.

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

NOTE 2: RESTATEMENT OF NET POSITION

The objective of a net position restatement is to accurately reflect prior period's net position and improve the relevancy and usefulness of financial information. The City restated net position in relation to a change in accounting principle to allocate net pension liability and net OPEB liability to the Internal Service Fund within the Governmental Activities. The effect of that restatement is as follows:

	Internal Service Fund
Net position - beginning of year, as originally stated	\$ 227,741
Restatement for allocation of net pension and OPEB liability	(2,754,758)
Net position - beginning of year, as restated	\$ (2,527,017)

The City restated net position for custodial funds in relation to a change in accounting principle for the adoption of GASB Statement No. 84 – *Fiduciary Activities*. The effect of that restatement is as follows:

	Police Court Bond Fund	State Judicial Fund	Total Custodial Funds
Net position - beginning of year, as originally stated	\$ -	\$ -	\$ -
Restatement for GASB Statement No. 84 implementation	10,438	2,313	12,751
Net position - beginning of year, as restated	\$ 10,438	\$ 2,313	\$ 12,751

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

NOTE 3: 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.

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	\$ 3,998,631	\$ 6,089,018
Leisure Services	(3,426,095)	3,508,431
2004 Capital Outlay GRT Fund Capital Projects Fund	1,761,639	4,675,578
Other governmental funds	(215,144)	5,029,096
Budgeted proprietary funds		
Water and Sewer Fund	1,082,830	13,826,837
Nonmajor proprietary funds	1,383,174	12,858,636
Internal Service Fund	2,923,098	3,190,569
Component unit		
Otero - Greentree Regional Landfill	787,787	2,670,937

State of New Mexico
City of Alamogordo
Notes to Financial Statements

NOTE 3: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

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 4: 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, 2020.

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.

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

NOTE 4: DEPOSITS AND INVESTMENTS (Continued)

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, 2020, \$19,687,137 of the City’s bank balance of \$30,077,495 was subject to custodial credit risk. Of this amount, \$12,390,912 was uninsured and collateralized by collateral held by the pledging bank’s trust department, not in the City’s name and \$7,296,225 of the City’s deposits was uninsured and uncollateralized at June 30, 2020.

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.

	Bank '34	Bank of the West	First National Bank	First National Bank Housing Authority**	First Savings
Amount of deposits	\$ 250,000	\$ 272,103	\$ 13,277,542	\$ 1,660,188	\$ 3,268,888
FDIC/SIPC coverage	(250,000)	(250,000)	(250,000)	-	(250,000)
Total uninsured public funds	-	22,103	13,027,542	1,660,188	3,018,888
Collateralized by securities held by pledging institutions or by its trust department or agent in other than the City's name	-	22,103	7,123,177	1,660,188	1,627,028
Uninsured and uncollateralized	\$ -	\$ -	\$ 5,904,365	\$ -	\$ 1,391,860
Collateral requirement (50%)	\$ -	\$ 11,052	\$ 6,513,771	\$ 1,660,188	\$ 1,509,444
Pledged securities	-	63,990	7,123,177	1,790,562	1,627,028
Over (under) collateralized	\$ -	\$ 52,939	\$ 609,406	\$ 130,374	\$ 117,584

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

NOTE 4: DEPOSITS AND INVESTMENTS (Continued)

	Moreton Capital Markets*	Pioneer Bank	Washington Federal Bank	Wells Fargo Bank	Total
Amount of deposits	\$ 8,640,358	\$ 272,970	\$ 1,397,824	\$ 1,037,622	\$ 30,077,495
FDIC/SIPC coverage	(8,640,358)	(250,000)	(250,000)	(250,000)	(10,390,358)
Total uninsured public funds	-	22,970	1,147,824	787,622	19,687,137
Collateralized by securities held by pledging institutions or by its trust department or agent in other than the City's name	-	22,970	1,147,824	787,622	12,390,912
Uninsured and uncollateralized	\$ -	\$ -	\$ -	\$ -	\$ 7,296,225
Collateral requirement (50%)	\$ -	\$ 11,485	\$ 573,911	\$ 393,811	\$ 10,673,662
Pledged securities	-	40,971	1,231,747	2,768,305	14,645,780
Over (under) collateralized	\$ -	\$ 29,486	\$ 657,836	\$ 2,374,494	\$ 3,972,119

*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.

The collateral pledged is listed on pages 168-171 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.

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

NOTE 4: DEPOSITS AND INVESTMENTS (Continued)

Reconciliation to the Statement of Net Position

Cash and cash equivalents per statement of net position	\$ 14,898,931
Investments per statement of net position	46,172,774
Restricted cash and cash equivalents per statement of net position	1,529,703
Restricted investments per statement of net position	257,057
Component unit cash and cash equivalents per statement of net position	83,284
Component unit investments per statement of net position	3,117,877
Component unit restricted investments per statement of net position	975,911
Cash and cash equivalents per statement of fiduciary net position	11,109
<hr/>	
Total cash, cash equivalents and investments	67,046,646
Plus: outstanding checks	158,636
Less: outstanding deposits	(88,475)
Less: investments at Moreton Capital Markets	(35,309,406)
Plus: NMFA investment accounts	(1,106,470)
Plus: NMFA cash accounts	(611,731)
Less: New MexiGROW LGIP	(5,600)
Less: petty cash	(6,105)
<hr/>	
Bank balance of deposits	\$ 30,077,495
<hr/>	

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

NOTE 4: DEPOSITS AND INVESTMENTS (Continued)

Investments

The City's investments at June 30, 2020, include the following:

Investment Type	Weighted Average Maturities	Fair Value	Rating*
	25 day WAM (R) and		
New MexiGROW LGIP	77 day WAM (F)	\$ 5,600	AAAm
U.S. Treasury/Agency Bonds	1 to 10 years	6,512,894	A-1+
Fixed Income Securities	0 to 10 years	29,902,982	Not Rated
		\$ 36,421,476	

* Based off Standard & Poor's rating

The City has presented certificates of deposit in the amount of \$5,461,785 and \$8,640,358 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 \$36,421,476. 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, 2020:

Investment Type	Investment Maturities				
	Fair Value	Not subject to Interest Rate Risk	Less than 1 Year	1-5 Years	5+ Years
New MexiGROW LGIP	\$ 5,600	\$ -	\$ 5,600	\$ -	\$ -
U.S. Treasury/Agency Bonds	6,512,894	-	2,621,964	3,890,930	-
Fixed Income Securities	29,902,982	-	3,753,339	25,649,075	500,568
Total investments	\$ 36,421,476	\$ -	\$ 6,380,903	\$ 29,540,005	\$ 500,568

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 17.88% of the investment portfolio and the Fixed Income Securities represents 82.10%. 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 4: 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 \$5,600 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 4: DEPOSITS AND INVESTMENTS (Continued)

The City maintained a balance of \$353,415,876 in investments at June 30, 2020 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, 2020:

	Level 1	Level 2	Level 3	Total
U.S. Treasury/Agency Bonds	\$ -	\$ 6,512,894	\$ -	\$ 6,512,894
Fixed Income Securities	751,275	29,151,707	-	29,902,982
Total investments	\$ 751,275	\$ 35,664,601	\$ -	\$ 36,415,876

NOTE 5: RECEIVABLES

Receivables as of June 30, 2020, 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	\$ 219,649	\$ -	\$ -	\$ 68,708	\$ 288,357
Gross receipts	2,340,403	-	677,368	1,433,407	4,451,178
Gasoline and oil taxes	-	-	-	103,493	103,493
Intergovernmental					
Federal operating grants	-	-	-	374,955	374,955
Other					
Charges for services	685,844	109,119	-	-	794,963
Allowance - uncollectable charges for services	(493,306)	(67,896)	-	-	(561,202)
Miscellaneous	941,378	-	-	207,065	1,148,443
Allowance - uncollectable miscellaneous	(941,228)	-	-	(190,141)	(1,131,369)
Totals	\$ 2,752,740	\$ 41,223	\$ 677,368	\$ 1,997,487	\$ 5,468,818

In accordance with GASB Statement No. 33, property tax revenues in the amount of \$147,040 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 5: RECEIVABLES (Continued)

Receivables as of June 30, 2020, are as follows for the business-type activities:

	Water and Sewer Fund	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Fund
Intergovernmental				
Operating grants	\$ -	\$ 3,634	\$ 3,634	\$ -
Customer				
Charges for services	2,232,704	216,772	2,449,476	-
Allowance - uncollectable charges for services	(338,704)	(32,599)	(371,303)	-
Other				
Miscellaneous	-	-	-	30,054
Allowance - uncollectable miscellaneous	-	-	-	(17,916)
Totals	\$ 1,894,000	\$ 187,807	\$ 2,081,807	\$ 12,138

Receivables as of June 30, 2020, are as follows for the component unit:

	Otero-Greentree Regional Landfill
Customer	
Charges for services	\$ 70,323
Allowance - uncollectable charges for services	(17,172)
Other	
Miscellaneous	3,912
Totals	\$ 57,063

State of New Mexico
City of Alamogordo
Notes to Financial Statements

NOTE 6: 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	\$ 6,227,615	\$ 43,708
Internal Service	40,826	2,500,976
Corrections-Jail	259	38,866
Lodger's Tax - Promotional	1,749	6,695
Court Automation	18,427	15,513
Lodger's Tax- City	56,318	-
Court Administration	13,897	404,002
Leisure Services	580,303	3,525,002
1984 Gross Receipts Tax	1,123,563	-
Transportation Fund	142,613	628,236
1986 Gross Receipt Tax	913,617	-
ESGRT .0625%	396	
Reverse Osmosis PRJ RSV	136,581	136,581
99 GRT Flood Control	147	-
1994 and 1996 GRT Principle and Interest Fund	-	2,675,211
Municipal Infrastructure 0.0625	168,660	-
Community Development/Infrastructure Acquisition	36,368	370,499
1994 Gross Receipts Tax	1,142,610	-
Alamo Senior Center	2,379	507,591
Retired and Senior Volunteer Program	14,727	42,249
Water and Sewer	324,309	234,994
1977 JT W/S Principle and Interest	290,000	785,836
Solid Waste	132,414	-
Golf Course	79,841	290,799
Airport	44,573	86,354
Otero Greentree Regional Landfill	2,646	-
Self Insured	8,000	-
Liability Deductible	-	330,000
2004 Capital Outlay GRT	1,092,625	-
2012 GRT Refunding & Improvement Revenue Bond	27,540	-
Low Rent Public Housing	109	-
Total Transfers	\$ 12,623,112	\$ 12,623,112

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

NOTE 6: 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, 2020 is as follows:

	Due from Other Funds	Due to Other Funds
General fund	\$ 5,499	\$ -
H.I.D.T.A.	-	3,210
Low Rent Public Housing Fund	-	2,289
	<u>\$ 5,499</u>	<u>\$ 5,499</u>

NOTE 7: CAPITAL ASSETS

A summary of capital assets and changes occurring during the year ended June 30, 2020 follows. Land and construction in progress are not subject to depreciation.

Governmental activities	Balance June 30, 2019	Additions	Transfers	Deletions	Balance June 30, 2020
Capital assets not being depreciated					
Land	\$ 10,345,152	\$ 54,126	\$ -	\$ -	\$ 10,399,278
Construction in progress	9,333,229	3,499,411	-	(5,062,509)	7,770,131
Total capital assets not being depreciated	19,678,381	3,553,537	-	(5,062,509)	18,169,409
Capital assets being depreciated					
Buildings and improvements	31,378,419	429,152	200,000	-	32,007,571
Mechanized equipment	13,755,717	679,445	34,365	(217,458)	14,252,069
Unscheduled property	4,767,027	228,235	(18,506)	(115,299)	4,861,457
Infrastructure	202,677,608	4,347,069	-	(10,388)	207,014,289
Total capital assets being depreciated	252,578,771	5,683,901	215,859	(343,145)	258,135,386
Total capital assets	272,257,152	9,237,438	215,859	(5,405,654)	276,304,795
Accumulated depreciation					
Buildings and improvements	18,082,857	1,021,244	200,000	-	19,304,101
Mechanized equipment	8,205,342	864,117	34,365	(217,458)	8,886,366
Unscheduled property	3,431,141	330,924	(18,506)	(115,299)	3,628,260
Infrastructure	163,554,613	3,696,059	-	(10,388)	167,240,284
Total accumulated depreciation	193,273,953	5,912,344	215,859	(343,145)	199,059,011
Net capital assets	\$ 78,983,199	\$ 3,325,094	\$ -	\$ (5,062,509)	\$ 77,245,784

State of New Mexico
City of Alamogordo
Notes to Financial Statements

NOTE 7: CAPITAL ASSETS (Continued)

Depreciation expense for the year ended June 30, 2020 was charged to governmental activities as follows:

General government	\$ 1,443,389
Public safety	4,101
Public works	3,466,064
Culture and recreation	998,790
Total	\$ 5,912,344

During the year ended June 30, 2020 the governmental activities received transfers of fully depreciated vehicles from the business-type activities with a cost of \$234,365. The governmental activities transferred a fully depreciated vehicle with a cost of \$18,506 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, 2019	Additions	Transfers	Deletions	June 30, 2020
Capital assets not being depreciated					
Land	\$ 7,003,434	\$ -	\$ -	\$ -	\$ 7,003,434
Construction in progress	25,895,050	9,536,177	-	(4,692,941)	30,738,286
Total capital assets not being depreciated	32,898,484	9,536,177	-	(4,692,941)	37,741,720
Capital assets being depreciated					
Buildings and improvements	32,395,639	1,199,108	(200,000)	-	33,394,747
Mechanized equipment	9,606,058	884,831	(34,365)	(153,622)	10,302,902
Unscheduled property	2,160,320	37,900	18,506	-	2,216,726
Infrastructure	97,313,654	3,199,649	-	-	100,513,303
Total capital assets being depreciated	141,475,671	5,321,488	(215,859)	(153,622)	146,427,678
Total capital assets	174,374,155	14,857,665	(215,859)	(4,846,563)	184,169,398
Accumulated depreciation					
Buildings and improvements	19,673,291	839,067	(200,000)	-	20,312,358
Mechanized equipment	5,421,528	759,428	920,719	(153,622)	6,948,053
Unscheduled property	2,552,719	59,950	(936,578)	-	1,676,091
Infrastructure	32,900,982	2,635,657	-	-	35,536,639
Total accumulated depreciation	60,548,520	4,294,102	(215,859)	(153,622)	64,473,141
Net capital assets	\$ 113,825,635	\$ 10,563,563	\$ -	\$ (4,692,941)	\$ 119,696,257

The City recorded reclassified \$955,084 of accumulated depreciation from unscheduled property to mechanized equipment to correct a prior year classification difference.

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

NOTE 7: CAPITAL ASSETS (Continued)

Depreciation expense for the year ended June 30, 2020 was charged to business-type activities as follows:

Water and Sewer Fund	\$	3,349,846
Solid Waste Fund		57,461
Bonito Lake Fund		5,266
Golf Course Fund		201,701
Airport Fund		375,101
Low Rent Public Housing Fund		304,727
Total	\$	4,294,102

Component unit	Balance			Balance
	June 30, 2019	Additions	Deletions	June 30, 2020
Capital assets not being depreciated				
Land	\$ 1,526,005	\$ -	\$ -	\$ 1,526,005
Construction in progress	1,216,650	5,664	(1,222,314)	-
Total capital assets not being depreciated	2,742,655	5,664	(1,222,314)	1,526,005
Capital assets being depreciated				
Buildings and improvements	280,004	-	-	280,004
Mechanized equipment	3,363,598	769,880	-	4,133,478
Unscheduled property	123,285	-	-	123,285
Infrastructure	1,263,849	1,222,314	-	2,486,163
Total capital assets being depreciated	5,030,736	1,992,194	-	7,022,930
Total capital assets	7,773,391	1,997,858	(1,222,314)	8,548,935
Accumulated depreciation				
Buildings and improvements	144,214	5,907	-	150,121
Mechanized equipment	2,413,172	381,982	-	2,795,154
Unscheduled property	94,248	2,074	-	96,322
Infrastructure	799,494	121,220	-	920,714
Total accumulated depreciation	3,451,128	511,183	-	3,962,311
Net capital assets	\$ 4,322,263	\$ 1,486,675	\$ (1,222,314)	\$ 4,586,624

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

NOTE 7: CAPITAL ASSETS (Continued)

Depreciation expense for the year ended June 30, 2020 was charged to the component unit as follows:

Otero - Greentree Regional Landfill	\$	511,183
Total	\$	511,183

NOTE 8: LONG-TERM LIABILITIES

Governmental Activities

During the year ended June 30, 2020, the following changes occurred in the liabilities reported in the government-wide statement of net position:

	Balance June 30, 2019	Additions	Deletions	Balance June 30, 2020	Due Within One Year
General obligation bonds	\$ 10,456,600	\$ -	\$ 477,800	\$ 9,978,800	\$ 308,800
NMFA loans	22,108,539	-	2,215,877	19,892,662	2,209,662
Bond discounts	(178,327)	-	(13,596)	(164,731)	-
Bond premiums	212,016	-	14,052	197,964	-
Compensated absences	940,016	1,221,092	1,100,919	1,060,189	1,060,189
Total long-term liabilities	\$ 33,538,844	\$ 1,221,092	\$ 3,795,052	\$ 30,964,884	\$ 3,578,651

General Obligation Bonds

At June 30, 2020, the City had four 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, 2020
Series 2011 GO Bond	8/1/2011	8/1/2020	0.50-3.35%	\$ 1,350,000	\$ 143,800
Series 2014A GO Bond	12/24/2014	8/1/2034	4.00-4.50%	6,000,000	5,595,000
Series 2014B GO Bond	12/24/2014	8/1/2034	2.00-4.00%	4,500,000	4,240,000

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

NOTE 8: LONG-TERM LIABILITIES (Continued)

Governmental Activities (Continued)

The annual requirements to amortize the general obligation bonds as of June 30, 2020, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2021	\$ 308,800	\$ 384,261	\$ 693,061
2022	165,000	374,144	539,144
2023	185,000	369,144	554,144
2024	215,000	362,744	577,744
2025	245,000	355,194	600,194
2026-2030	1,680,000	1,619,667	3,299,667
2031-2035	7,180,000	793,452	7,973,452
	<u>\$ 9,978,800</u>	<u>\$ 4,258,606</u>	<u>\$ 14,237,406</u>

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, 2020
NMFA Flood Control 53 NMFA Various Street Projects	6/1/2011	6/1/2021	0.50-3.64%	\$ 2,735,456	\$ 252,662
	6/1/2012	6/1/2031	0.27-3.96%	7,640,000	4,755,000
NMFA GRT Ref/Imp	6/1/2012	6/1/2027	0.200-3.520%	8,130,000	4,110,000
NMFA Ref/Flood/Nat	12/1/2016	6/1/2029	0.700-2.510%	6,870,000	4,570,000
NMFA Adv Ref & Defeas	12/1/2016	6/1/2028	0.670-2.130%	5,150,000	3,970,000
NMFA Adv Ref & Defeas	12/1/2016	6/1/2028	0.670-2.130%	2,770,000	2,235,000

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

NOTE 8: LONG-TERM LIABILITIES (Continued)

Governmental Activities (Continued)

The annual requirements to amortize the NMFA loan as of June 30, 2020, including interest payments, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2021	\$ 2,209,662	\$ 466,540	\$ 2,676,202
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
2026-2030	8,568,000	697,249	9,265,249
2031	510,000	20,196	530,196
	<u>\$ 19,892,662</u>	<u>\$ 2,636,727</u>	<u>\$ 22,529,389</u>

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, 2020, compensated absences increased \$120,173 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, 2020:

	Balance June 30, 2019	Additions	Deletions	Balance June 30, 2020	Due Within One Year
General obligation bonds	\$ 5,370,000	\$ -	\$ -	\$ 5,370,000	\$ 245,000
Revenue bonds	6,528,967	-	463,568	6,065,399	473,767
NMFA loans	11,288,120	3,207,212	4,094,545	10,400,787	1,049,508
Bond premiums	200,155	-	19,211	180,944	-
Compensated absences	238,092	318,181	279,606	276,667	276,667
Total long-term liabilities	<u>\$ 23,625,334</u>	<u>\$ 3,525,393</u>	<u>\$ 4,856,930</u>	<u>\$ 22,293,797</u>	<u>\$ 2,044,942</u>

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

NOTE 8: LONG-TERM LIABILITIES (Continued)

Business-Type Activities (Continued)

General Obligation Bonds

At June 30, 2020, 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, 2020
Series 2017 GO Bond (2009 Escrow)	11/30/2017	8/1/2029	2.375-3.00%	\$ 5,455,000	\$ 5,370,000

The annual requirements to amortize the general obligation bond as of June 30, 2020, including interest payments, is as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2021	\$ 245,000	\$ 143,975	\$ 388,975
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
2026-2030	3,185,000	203,256	3,388,256
	\$ 5,370,000	\$ 796,531	\$ 6,166,531

Revenue Bonds

At June 30, 2020, 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, 2020
NMFA Refund Bond 1998	6/1/2012	6/1/2031	0.26-3.80%	\$ 9,812,674	\$ 6,065,399

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

NOTE 8: LONG-TERM LIABILITIES (Continued)

Business-Type Activities (Continued)

The annual requirements to amortize the revenue bonds as of June 30, 2020, including interest payments, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2021	\$ 473,767	\$ 199,371	\$ 673,138
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
2026-2030	2,918,315	44,372	2,962,687
2031	648,495	24,643	673,138
	<u>\$ 6,065,399</u>	<u>\$ 936,113</u>	<u>\$ 7,001,512</u>

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 of Issue	Outstanding June 30, 2020
NMFA Drinking Water	5/1/2013	5/1/2032	1.75%	\$ 4,805,293	\$ 3,183,639
NMFA Westside	11/1/2006	5/1/2026	3.28-4.18%	730,453	287,689
NMFA Water-Wastewater	6/18/2009	6/1/2029	2.00-5.00%	5,340,000	-
NMFA WTB	6/1/2011	6/1/2030	0.00%	1,127,000	570,533
NMFA Drinking Water	5/1/2014	5/1/2025	2.00%	855,320	755,157
NMFA Desalination	5/1/2014	5/1/2035	2.00%	1,136,250	1,023,731
NMFA Refunding & Projects	12/1/2016	6/1/2025	0.670-1.350%	2,715,000	1,532,000
NMFA 2016 Jt Utility	12/6/2019	6/1/2029	1.19-1.64%	3,270,212	3,048,038

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

NOTE 8: LONG-TERM LIABILITIES (Continued)

Business-Type Activities (Continued)

The annual requirements to amortize the loan payable as of June 30, 2020, including interest payments, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2021	\$ 1,049,508	\$ 158,908	\$ 1,208,416
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
2026-2030	3,614,309	280,401	3,894,710
2031-2035	1,148,389	66,535	1,214,924
2036-2037	241,663	6,365	248,028
	<u>\$ 10,400,787</u>	<u>\$ 999,286</u>	<u>\$ 11,400,073</u>

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, 2020, compensated absences increased \$36,646 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, 2020, the following changes occurred in the liabilities reported in the government-wide statement of net position:

	Balance June 30, 2019	Additions	Deletions	Balance June 30, 2020	Due Within One Year
Compensated absences	\$ 12,201	\$ 10,053	\$ 12,252	\$ 10,002	\$ 10,002
Post-closure liability	1,508,632	438,167	-	1,946,799	-
Total long-term liabilities	<u>\$ 1,520,833</u>	<u>\$ 448,220</u>	<u>\$ 12,252</u>	<u>\$ 1,956,801</u>	<u>\$ 10,002</u>

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, 2020, compensated absences decreased \$2,199 in the component unit from the prior year.

State of New Mexico
City of Alamogordo
Notes to Financial Statements

NOTE 9: 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, 2020, 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 10: 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	
Major Funds	
Leisure Service Fund	\$ (114,273)
Total major funds	\$ (114,273)
Nonmajor Funds	
Court Automation Fund	\$ (959)
Court Administration Fund	(24,706)
Police Contingency Fund	(37,157)
H.I.D.T.A. Fund	(1,924)
Community Development/ Infrastructure Acquisition Fund	(10,955)
99 GRT Flood Control Fund	(31,376)
Total nonmajor funds	\$ (107,077)
Total governmental funds	\$ (221,350)
Internal Service Funds	
Internal service fund	\$ (2,348,165)
Total internal service funds	\$ (2,348,165)
Fiduciary Funds	
State judicial fund	\$ (390)
Total fiduciary funds	\$ (390)

There were no business type funds with a deficit fund balance as of June 30, 2020.

- 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, 2020.
- 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, 2020.

State of New Mexico
City of Alamogordo
Notes to Financial Statements

NOTE 11: 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. For a description of the benefits provided and recent changes to the benefits see Note 1 in the PERA audited financial statements for the fiscal year ended June 30, 2019 available at <http://www.nmpera.org/financial-overview/comprehensive-annual-financial-report>.

Contributions. The contribution requirements of defined benefit plan members and the City are established in state statute under Chapter 10, Article 11, NMSA 1978. The contribution requirements may be amended by acts of the legislature. For the employer and employee contribution rates in effect for FY20 for the various PERA coverage options, for both Tier I and Tier II, see the tables available in the note disclosures on page 43 of the PERA FY19 annual audit report at <http://www.nmpera.org/financial-overview/comprehensive-annual-financial-report>. 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 \$1,467,559 for the year ended June 30, 2020.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2019 using generally accepted actuarial principles. Therefore, the employer’s portion was established as of the measurement date of June 30, 2019. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2019. The City’s proportion of the net pension liability was based on a projection of the City’s long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined.

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

NOTE 11: PENSION PLAN - PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (Continued)

For PERA Fund Municipal General Division, at June 30, 2020, City of Alamogordo reported a liability of \$16,613,363 for its proportionate share of the net pension liability. At June 30, 2019, Alamogordo's proportion was 0.9597 percent, which decreased from its proportion measured as of June 30, 2018, by 0.0515 percent.

For the year ended June 30, 2020, the City recognized PERA Fund Municipal General Division pension expense of \$3,013,887. At June 30, 2020, 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	\$ 498,100	\$ 179,720
Net difference between projected and actual earnings on pension plan investments	559,825	-
Changes of assumption	740,781	40,918
Changes in proportion and differences between the City's contributions and proportionate share of contributions	566,550	531,277
City's contributions subsequent to the measurement date	870,553	-
Total	\$ 3,235,809	\$ 751,915

\$870,553 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date June 30, 2019 will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. 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:	
2021	\$ (945,445)
2022	(471,252)
2023	(104,537)
2024	(92,107)
Total	\$ (1,613,341)

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

NOTE 11: PENSION PLAN - PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (Continued)

For PERA Fund Municipal Police Division, at June 30, 2020, the City reported a liability of \$8,648,338 for its proportionate share of the net pension liability. At June 30, 2020, the City's proportion was 1.1708 percent, which increased from its proportion measured as of June 30, 2019, by 0.0451 percent.

For the year ended June 30, 2020, the City recognized PERA Fund Municipal Police Division pension expense of \$1,299,207. At June 30, 2020, 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	\$ 361,302	\$ 368,405
Net difference between projected and actual earnings on pension plan investments	270,062	-
Changes of assumption	490,556	22,003
Changes in proportion and differences between the City's contributions and proportionate share of contributions	209,454	187,928
City's contributions subsequent to the measurement date	396,172	-
Total	\$ 1,727,546	\$ 578,336

\$396,172 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date June 30, 2019 will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. 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:	
2021	(237,116)
2022	(276,312)
2023	(195,288)
2024	(44,322)
Total	\$ (753,038)

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

NOTE 11: PENSION PLAN - PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (Continued)

For PERA Fund Municipal Fire Division, at June 30, 2020, the City reported a liability of \$4,513,084 for its proportionate share of the net pension liability. At June 30, 2020, the City's proportion was 0.6567 percent, which increased from its proportion measured as of June 30, 2019, by 0.0272 percent.

For the year ended June 30, 2020, the City recognized PERA Fund Municipal Fire Division pension expense of \$651,543. At June 30, 2020, 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	\$ 76,650	\$ 142,617
Net difference between projected and actual earnings on pension plan investments	72,172	-
Changes of assumptions	123,827	7,141
Changes in proportion and differences between the City's contributions and proportionate share of contributions	302,437	1,964
City's contributions subsequent to the measurement date	200,834	-
Total	\$ 775,920	\$ 151,722

\$200,834 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date June 30, 2019 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:		
2021	\$	(138,659)
2022		(194,931)
2023		(77,989)
2024		(11,785)
Total	\$	(423,364)

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

NOTE 11: PENSION PLAN - PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (Continued)

Actuarial assumptions. As described above, the PERA Fund member group pension liabilities and net pension liabilities are based on actuarial valuations performed as of June 30, 2018 for each of the membership groups. Then each PERA Fund member group pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2019 using generally accepted actuarial principles. There were no significant events or changes in benefit provisions that required an adjustment to the roll-forward liabilities as of June 30, 2019. These actuarial methods and assumptions were adopted by the PERA's Board of Trustees for use in the June 30, 2018, actuarial valuation.

Actuarial valuation date	June 30, 2018
Actuarial cost method	Entry Age Normal
Amortization method	Level Percentage of Pay
Amortization period	Solved for based on statutory rates
Asset valuation method	4 Year smoothed Market Value
Actuarial assumptions:	
Investment rate of return	7.25% 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	2.50% annual rate first 9 years, 2.75% all other years
Mortality assumption	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
Experience study dates	July 1, 2008 to June 30, 2017 (demographic) and July 1, 2010 through June 30, 2017 (economic)

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

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

NOTE 11: PENSION PLAN - PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (Continued)

The target asset allocation and most recent 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
Risk Reduction & Mitigation	21.37	2.37
Credit Oriented Fixed Income	15.00	5.47
Real Assets to include Real Estate Equity	20.00	6.48
Multi-Risk Allocations	1.30	
Total	100.00%	

Discount rate: The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumed that future contributions will be made in accordance with statutory rates. On this basis, the pension plan’s fiduciary net position together with the expected future contributions are sufficient to provide all projected future benefit payments of current plan members as determined in accordance with GASBS 67. Therefore, the 7.25% assumed long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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 Employer’s proportionate share of the net pension liability to changes in the discount rate. The following tables show the sensitivity of the net pension liability to changes in the discount rate. In particular, the tables present the City’s net pension liability in each PERA Fund Division that the City participates in, under the current single rate assumption, as if it were calculated using a discount rate one percentage point lower (6.25%) or one percentage point higher (8.25%) than the single discount rate.

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

NOTE 11: PENSION PLAN - PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (Continued)

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
PERA Fund Municipal General Division			
City's proportionate share of the net pension liability	\$ 25,126,707	\$ 16,613,363	\$ 9,569,709

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
PERA Fund Municipal Police Division			
City's proportionate share of the net pension liability	\$ 13,087,680	\$ 8,648,338	\$ 5,026,669

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
PERA Fund Municipal Fire Division			
City's proportionate share of the net pension liability	\$ 5,981,244	\$ 4,513,084	\$ 3,309,894

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued FY19 PERA financial report. The report is available at <http://www.pera.state.nm.us/publications.html>.

Payables to the pension plan. At June 30, 2020 there were no contributions due and payable to PERA for the City.

NOTE 12: 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 12: 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, 2019, 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 \$253,327 for the year ended June 30, 2020.

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

NOTE 12: 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, 2020, the City reported a liability of \$9,245,673 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The City's proportion of the net OPEB liability was based on actual contributions provided to the Fund for the year ending June 30, 2019. At June 30, 2020, the City's proportion was 0.28515 percent.

For the year ended June 30, 2020, the recognized OPEB benefit of \$661,190. At June 30, 2020 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	\$ -	\$ 2,984,056
Net difference between projected and actual earnings on pension plan investments	-	85,963
Changes in proportion and differences between contributions and proportionate share of contributions	456,946	351,582
City's contributions subsequent to the measurement date	253,327	-
Difference between expected and actual experience	-	2,326,680
Total	\$ 710,273	\$ 5,748,281

Deferred outflows of resources totaling \$253,327 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:		
2021	\$	(1,414,355)
2022		(1,414,355)
2023		(1,228,967)
2024		(767,865)
2025		(465,793)
Total	\$	(5,291,335)

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

NOTE 12: OTHER POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN (Continued)

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

Actuarial valuation date	June 30, 2019
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 12: 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	Target Allocation	Long-Term Rate of Return
U.S. core fixed income	20%	2.10%
U.S. equity - large cap	20%	7.10%
Non U.S. - emerging markets	15%	10.20%
Non U.S. - developed equities	12%	7.80%
Private equity	10%	11.80%
Credit and structured finance	10%	5.30%
Real estate	5%	4.90%
Absolute return	5%	4.10%
U.S. equity - small/mid cap	3%	7.10%

Discount Rate. The discount rate used to measure the Fund’s total OPEB liability is 4.16% as of June 30, 2019. 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, 2029. Thus, the 7.25% discount rate was used to calculate the net OPEB liability through 2029. Beyond 2029, the index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher (3.87%) was applied. Thus, 4.16% is the blended discount rate.

Sensitivity of the net OPEB liability to changes in the discount rate and healthcare cost trend rates. The following presents the net OPEB liability of the City, as well as what the City’s net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.16 percent) or 1-percentage-point higher (5.16 percent) than the current discount rate:

1% Decrease (3.16%)	Current Discount Rate (4.16%)	1% Increase (5.16%)
\$ 11,309,685	\$ 9,245,673	\$ 7,623,163

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

NOTE 12: 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:

1% Decrease	Current Trend Rates	1% Increase
\$ 7,697,618	\$ 9,245,673	\$ 10,485,108

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, 2020, the City did not have amounts payable to the NMRHCA.

NOTE 13: 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, 2020 for any open claims and lawsuits.

State of New Mexico
City of Alamogordo
Notes to Financial Statements

NOTE 14: COMMITMENTS

The City's commitments as of June 30, 2020 are as follows:

Contract	Project	Year Ending	Amount
Flood Control	EN0226	2021	\$ 3,688,480
Utility Relocation Corps PH 8	EN1609	2021	166,200
SMP 2018	EN1803	2021	117,972
SMP 2018	EN1803	2021	403,712
Repair 10th Street Bridge	EN1904	2021	4,255
Dry Canyon Eval/Improvements	EN2002	2022	4,228
Upgrade Tech Standards	EN2005	2022	47,617
Upgrade Tech Standards	EN2005	2022	59,865
Survey Control Monuments	EN2006	2021	10,044
Repairs to Fire Station 2	FD2004	2021	24,074
Install Futsall Court	FUTSAL	2021	42,156
Zia Therapy Buses	GC2003	2021	81,297
Alta Vista Roofing	HP1701	2021	94,189
Alta Vista Sidewalks	HP1801	2021	377,493
Parks Amenities	NB1809	2021	40,624
Playground Shade Structures	NB1810	2021	95,897
1MG Desal - Capital Outlay	PW1406	2020	19,481
Bonito Lake Restoration	PW1501	Ongoing	9,706,163
Landfill Cell Closure	PW1515	2021	113,283
Griggs Detention Basin	PW1603	2021	62,768
DR4199 - Bonito Lake	PW1605	Ongoing	24,891
Scenic Dr Ext - WSB to RR	PW1606	Ongoing	3,950,001
Griggs Basin State Grant	PW1701	2021	501,957
Telemetry Expansion	PW1710	2021	87,400
West Side Est Eval/Repair	PW1803	2021	17,928
SMP 2021	PW2001	2022	662,734
Water Plan/Permit Update	PW2004	2022	31,580
Oregon School Repairs	PW2005	2022	9,147
Relocate 10" Reuse Line	PW2006	2022	51,834
Chip Seal/Reclaim Roads	PW2007	2021	276,213
Landfill Archaeological	PW2008	2021	48,341
Radio Read Program	UB2006	2022	445,035
Total commitments			\$ 21,266,859

State of New Mexico
City of Alamogordo
Notes to Financial Statements

NOTE 15: 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, 2019, and has increased by \$438,167, for a balance of \$1,946,799. The effect of this change in accounting estimate is that net position and the change in net position have decreased by \$998,586, as of and for the year ended June 30, 2019.

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 \$975,911 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 16: RESTRICTED NET POSITION

The government-wide statement of net position reports \$37,868,836 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 17: FUND BALANCE

Fund balances on the modified accrual basis were classified as follows as of June 30, 2020:

	General Fund	Leisure Services Fund	2004 Capital Outlay GRT Fund	Nonmajor Governmental Funds	Total Governmental Funds
Fund balances					
Nonspendable					
Prepaid expenses	\$ 6,671	\$ 378	\$ -	\$ 189	\$ 7,238
Restricted for:					
Government operations	-	-	-	1,613,697	1,613,697
Public safety	-	-	-	691,859	691,859
Public works	-	-	-	3,807,768	3,807,768
Culture and recreation	-	-	-	228,318	228,318
Health and welfare	-	-	-	8,981	8,981
Capital projects	-	-	14,248,924	12,079,716	26,328,640
Debt service	-	-	-	4,571,467	4,571,467
Permanent fund	-	-	-	804,120	804,120
Unassigned (deficit)	13,081,265	(114,651)	-	(107,077)	12,859,537
Total fund balances	\$ 13,087,936	\$ (114,273)	\$ 14,248,924	\$ 23,699,038	\$ 50,921,625

NOTE 18: TAX ABATEMENTS

The City of Alamogordo had no tax abatements during the year ended June 30, 2020. The City is not subject to any tax abatement agreements entered into by other governmental entities.

NOTE 19: 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 20: 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.

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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	2020	2019	2018
Measurement Date	2019	2018	2017
City of Alamogordo's proportion of the net pension liability			
Municipal General	0.9597%	1.0112%	0.9192%
Municipal Police	1.1708%	1.1257%	1.1898%
Municipal Fire	0.6567%	0.6295%	0.5694%
City of Alamogordo's proportionate share of the net pension liability			
Municipal General	\$ 16,613,363	\$ 16,122,270	\$ 12,630,586
Municipal Police	8,648,338	7,680,700	6,610,256
Municipal Fire	4,513,084	4,029,335	3,257,791
	\$ 29,774,785	\$ 27,832,305	\$ 22,498,633
City of Alamogordo's covered payroll			
Municipal General	\$ 8,420,576	\$ 8,862,304	\$ 8,072,408
Municipal Police	2,515,241	2,469,059	2,452,647
Municipal Fire	842,919	831,512	690,057
	\$ 11,778,736	\$ 12,162,875	\$ 11,215,112
City of Alamogordo's proportionate share of the net pension liability as a percentage of its covered payroll			
Municipal General	197.29%	181.92%	156.47%
Municipal Police	343.84%	311.08%	269.52%
Municipal Fire	535.41%	484.58%	472.10%
Plan fiduciary net position as a percentage of the total pension liability			
Municipal General	70.52%	71.13%	73.74%
Municipal Police	70.52%	71.13%	73.74%
Municipal Fire	70.52%	71.13%	73.74%

* 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,

2017	2016	2015
2016	2015	2014

0.9228%	0.9651%	0.9957%
1.1819%	1.2572%	1.3996%
0.5710%	0.5622%	0.5592%

\$ 14,743,243	\$ 9,840,030	\$ 7,767,529
8,720,409	6,045,322	4,562,544
3,809,151	2,901,616	2,334,097
\$ 27,272,803	\$ 18,786,968	\$ 14,664,170

\$ 8,519,979	\$ 8,002,462	\$ 8,370,704
2,350,723	2,460,929	2,789,369
665,639	637,580	646,276
\$ 11,536,341	\$ 11,100,971	\$ 11,806,349

173.04%	122.96%	92.79%
370.97%	245.65%	163.57%
572.25%	455.10%	0.00%

69.18%	76.99%	81.29%
69.18%	76.99%	81.29%
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,	2020	2019	2018
Contractually required contribution			
Municipal General	\$ 870,553	\$ 804,165	\$ 846,350
Municipal Police	396,172	475,381	466,652
Municipal Fire	200,834	182,492	180,022
	<u>\$ 1,467,559</u>	<u>\$ 1,462,038</u>	<u>\$ 1,493,024</u>
Contributions in relation to the contractually required contribution			
Municipal General	\$ (870,553)	\$ (804,165)	\$ (846,350)
Municipal Police	(396,172)	(475,381)	(466,652)
Municipal Fire	(200,834)	(182,492)	(180,022)
	<u>\$ (1,467,559)</u>	<u>\$ (1,462,038)</u>	<u>\$ (1,493,024)</u>
Contribution deficiency (excess)			
Municipal General	\$ -	\$ -	\$ -
Municipal Police	-	-	-
Municipal Fire	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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>
Contributions as a percentage of covered payroll			
Municipal General	9.80%	9.55%	9.55%
Municipal Police	19.15%	18.90%	18.90%
Municipal Fire	21.90%	21.65%	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.

2017	2016	2015
\$ 770,915	\$ 813,658	\$ 764,235
463,550	444,287	465,116
149,397	144,111	138,036
<u>\$ 1,383,862</u>	<u>\$ 1,402,056</u>	<u>\$ 1,367,387</u>

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

\$ -	\$ -	\$ -
-	-	-
-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

\$ 8,072,408	\$ 8,519,979	\$ 8,002,462
2,452,647	2,350,723	2,460,929
690,057	665,639	637,580
<u>\$ 11,215,112</u>	<u>\$ 11,536,341</u>	<u>\$ 11,100,971</u>

9.55%	9.55%	9.55%
18.90%	18.90%	18.90%
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	2020	2019
Measurement Date	2019	2018
City of Alamogordo's proportion of the net OPEB liability	0.28515%	0.29296%
City of Alamogordo's proportionate share of the net OPEB liability	\$ 9,245,673	\$ 12,738,940
City of Alamogordo's covered-employee payroll	\$ 11,775,275	\$ 11,677,559
City of Alamogordo's proportionate share of the net OPEB liability as a percentage of its covered payroll	78.52%	108.18%
Plan fiduciary net position as a percentage of the total OPEB liability	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,	2020	2019
Contractually required contributions	\$ 253,327	\$ 252,470
Contributions in relation to the contractually required contribution	(253,327)	(252,470)
Contribution deficiency (excess)	\$ -	\$ -
City of Alamogordo's covered payroll	\$ 11,857,608	\$ 11,775,275
Contributions as a percentage of covered payroll	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 fiscal year 2019 CAFR available at <https://www.nmpera.org/financial-overview/comprehensive-annual-financial-report>.

Changes of assumptions. The Public Employees Retirement Association (PERA) of New Mexico Annual Actuarial Valuation as of June 30, 2018 report is available at <https://www.nmpera.org/financial-overview/retirement-fund-valuation-reports>. See the notes to the financial statements on page 100 which summarizes actuarial assumptions and methods effective with the June 30, 2018 valuation.

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 fiscal year 2019 audit available at <https://www.nmrhca.org/financial-audits/>.

Changes of assumptions. The NMRHCA Actuarial Valuation as of June 30, 2019 report is available at <https://www.nmrhca.org/actuarial-valuation-reports/>. See the notes to the financial statements beginning on page 25 which summarizes actuarial assumptions and methods effective with the June 30, 2019 valuation.

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 ¼ 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, 2020	Corrections Fund	Lodgers Tax- Promotional	Court Automation Fund	Lodger's Tax-City Fund
Assets				
Cash and cash equivalents	\$ 10,557	\$ 23,636	\$ -	\$ 825
Investments	-	171,692	-	38,740
Receivables				
Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Other, net	-	814	-	810
Prepaid expense	-	-	-	-
Total assets	\$ 10,557	\$ 196,142	\$ -	\$ 40,375
Liabilities, deferred inflows of resources, and fund balances				
Liabilities				
Accounts payable	\$ 3,680	\$ 974	\$ 959	\$ 3,804
Accrued payroll	-	1,203	-	3,658
Deposits held in trust for others	-	-	-	456
Unearned revenue	-	-	-	5,961
Due to other funds	-	-	-	-
Total liabilities	3,680	2,177	959	13,879
Deferred inflows of resources				
Unearned revenue - property taxes	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund balances				
Nonspendable	-	-	-	-
Spendable				
Restricted	6,877	193,965	-	26,496
Unassigned (deficit)	-	-	(959)	-
Total fund balances	6,877	193,965	(959)	26,496
Total liabilities, deferred inflows of resources, and fund balances	\$ 10,557	\$ 196,142	\$ -	\$ 40,375

Special Revenue

D.A.R.E Donations Fund	Court Administration Fund	Police Contingency Fund	Fire Protection Fund	H.I.D.T.A. Fund	Law Enforcement Fund
\$ 6,076	\$ 331	\$ 5,680	\$ 393,829	\$ -	\$ 32,692
16,211	-	53,951	168,477	-	-
-	-	-	-	-	-
-	-	-	-	1,463	-
-	-	-	-	-	-
-	-	-	189	-	-
<u>\$ 22,287</u>	<u>\$ 331</u>	<u>\$ 59,631</u>	<u>\$ 562,495</u>	<u>\$ 1,463</u>	<u>\$ 32,692</u>
\$ -	\$ 5,347	\$ 96,788	\$ 10,154	\$ -	\$ 41
-	14,735	-	-	177	419
-	-	-	-	-	-
-	4,955	-	-	-	-
-	-	-	-	3,210	-
-	25,037	96,788	10,154	3,387	460
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	189	-	-
22,287	-	-	552,152	-	32,232
-	(24,706)	(37,157)	-	(1,924)	-
<u>22,287</u>	<u>(24,706)</u>	<u>(37,157)</u>	<u>552,341</u>	<u>(1,924)</u>	<u>32,232</u>
\$ 22,287	\$ 331	\$ 59,631	\$ 562,495	\$ 1,463	\$ 32,692

(continued)

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

Special Revenue

June 30, 2020	State Highway Fund	Traffic Safety Fund	1984 Gross Receipts Fund	Transportation Fund
Assets				
Cash and cash equivalents	\$ 29,203	\$ 30,041	\$ 1,081,048	\$ 552,452
Investments	114,686	48,270	-	-
Receivables				
Taxes	-	-	338,684	188,164
Intergovernmental	4,020	-	-	169,872
Other, net	-	-	-	-
Prepaid expense	-	-	-	-
Total assets	\$ 147,909	\$ 78,311	\$ 1,419,732	\$ 910,488
Liabilities, deferred inflows of resources, and fund balances				
Liabilities				
Accounts payable	\$ 134	\$ -	\$ -	\$ 407,642
Accrued payroll	-	-	-	21,107
Deposits held in trust for others	-	-	-	-
Unearned revenue	-	-	-	-
Due to other funds	-	-	-	-
Total liabilities	134	-	-	428,749
Deferred inflows of resources				
Unearned revenue - property taxes	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund balances				
Nonspendable	-	-	-	-
Spendable				
Restricted	147,775	78,311	1,419,732	481,739
Unassigned (deficit)	-	-	-	-
Total fund balances	147,775	78,311	1,419,732	481,739
Total liabilities, deferred inflows of resources, and fund balances	\$ 147,909	\$ 78,311	\$ 1,419,732	\$ 910,488

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	
\$ 2,300	\$ 7,231	\$ 52,023	\$ 382	\$ 407,398	\$ 942,316	
-	-	89,511	-	2,686,185	-	
-	-	-	-	84,671	68,708	
-	80,938	-	13,886	-	-	
-	13,690	-	1,500	-	-	
-	-	-	-	-	-	
<u>\$ 2,300</u>	<u>\$ 101,859</u>	<u>\$ 141,534</u>	<u>\$ 15,768</u>	<u>\$ 3,178,254</u>	<u>\$ 1,011,024</u>	
\$ 384	\$ 9,344	\$ 369	\$ 1,857	\$ -	\$ -	
12,871	31,858	-	4,930	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
<u>13,255</u>	<u>41,202</u>	<u>369</u>	<u>6,787</u>	<u>-</u>	<u>-</u>	
-	-	-	-	-	35,525	
-	-	-	-	-	35,525	
-	-	-	-	-	-	
-	60,657	141,165	8,981	3,178,254	975,499	
(10,955)	-	-	-	-	-	
<u>(10,955)</u>	<u>60,657</u>	<u>141,165</u>	<u>8,981</u>	<u>3,178,254</u>	<u>975,499</u>	
\$ 2,300	\$ 101,859	\$ 141,534	\$ 15,768	\$ 3,178,254	\$ 1,011,024	

(continued)

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

June 30, 2020	Debt Service		Capital Projects	
	1994 and 1996 GRT Principal Fund	1994 Gross Receipts Tax Fund	Economic Development Fund	Grant Capital Improvements Fund
Assets				
Cash and cash equivalents	\$ 69,510	\$ 550,440	\$ 343,225	\$ 65,880
Investments	82,506	2,554,828	3,393,871	-
Receivables				
Taxes	-	338,684	163,342	-
Intergovernmental	-	-	-	104,776
Other, net	-	-	-	-
Prepaid expense	-	-	-	-
Total assets	\$ 152,016	\$ 3,443,952	\$ 3,900,438	\$ 170,656
Liabilities, deferred inflows of resources, and fund balances				
Liabilities				
Accounts payable	\$ -	\$ -	\$ 69,586	\$ 84,213
Accrued payroll	-	-	-	4,293
Deposits held in trust for others	-	-	-	-
Unearned revenue	-	-	-	-
Due to other funds	-	-	-	-
Total liabilities	-	-	69,586	88,506
Deferred inflows of resources				
Unearned revenue - property taxes	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund balances				
Nonspendable	-	-	-	-
Spendable				
Restricted	152,016	3,443,952	3,830,852	82,150
Unassigned (deficit)	-	-	-	-
Total fund balances	152,016	3,443,952	3,830,852	82,150
Total liabilities, deferred inflows of resources, and fund balances	\$ 152,016	\$ 3,443,952	\$ 3,900,438	\$ 170,656

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
\$ 1,102,639	\$ 85,010	\$ 21,967	\$ 19,843	\$ 616,666	\$ -
4,306,891	-	-	-	537,358	142,808
338,684	-	-	-	84,671	-
-	-	-	-	-	-
-	110	-	-	-	-
-	-	-	-	-	-
<u>\$ 5,748,214</u>	<u>\$ 85,120</u>	<u>\$ 21,967</u>	<u>\$ 19,843</u>	<u>\$ 1,238,695</u>	<u>\$ 142,808</u>
\$ 78	\$ -	\$ -	\$ 51,219	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>78</u>	<u>-</u>	<u>-</u>	<u>51,219</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
5,748,136	85,120	21,967	-	1,238,695	142,808
-	-	-	(31,376)	-	-
<u>5,748,136</u>	<u>85,120</u>	<u>21,967</u>	<u>(31,376)</u>	<u>1,238,695</u>	<u>142,808</u>
\$ 5,748,214	\$ 85,120	\$ 21,967	\$ 19,843	\$ 1,238,695	\$ 142,808

(continued)

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

June 30, 2020	Capital Projects			Permanent Fund
	2012 GRT Refunding and Improvement Revenue Bond Fund	2014A GO Bond Fund	2014B GO Bond - Streets Fund	Cemetery Perpetual Fund
Assets				
Cash and cash equivalents	\$ 141,128	\$ 129	\$ 226	\$ 4,575
Investments	552,463	89,813	174,054	799,545
Receivables				
Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Other, net	-	-	-	-
Prepaid expense	-	-	-	-
Total assets	\$ 693,591	\$ 89,942	\$ 174,280	\$ 804,120
Liabilities, deferred inflows of resources, and fund balances				
Liabilities				
Accounts payable	\$ 27,825	\$ -	\$ -	\$ -
Accrued payroll	-	-	-	-
Deposits held in trust for others	-	-	-	-
Unearned revenue	-	-	-	-
Due to other funds	-	-	-	-
Total liabilities	27,825	-	-	-
Deferred inflows of resources				
Unearned revenue - property taxes	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund balances				
Nonspendable	-	-	-	-
Spendable				
Restricted	665,766	89,942	174,280	804,120
Unassigned (deficit)	-	-	-	-
Total fund balances	665,766	89,942	174,280	804,120
Total liabilities, deferred inflows of resources, and fund balances	\$ 693,591	\$ 89,942	\$ 174,280	\$ 804,120

**Total Nonmajor
Governmental
Funds**

\$ 6,599,258
16,021,860

1,605,608
374,955
16,924
189
\$ 24,618,794

\$ 774,398
95,251
456
10,916
3,210
884,231

35,525
35,525

189

23,805,926
(107,077)
23,699,038

\$ 24,618,794

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, 2020	Corrections Fund	Lodgers Tax- Promotional	Court Automation Fund	Lodger's Tax-City Fund
Revenues				
Taxes				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	218,122	-	327,183
Intergovernmental				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	21,297	-
State capital grants	-	-	-	-
Charges for services	70,154	375	22,221	30,177
Investment income	-	5,336	-	1,874
Miscellaneous	-	235	-	10,691
Total revenues	70,154	224,068	43,518	369,925
Expenditures				
Current				
General government	-	215,371	35,744	-
Public safety	78,265	-	14,392	-
Public works	-	-	-	-
Culture and recreation	-	-	-	331,329
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Total expenditures	78,265	215,371	50,136	331,329
Excess (deficiency) of revenues over expenditures	(8,111)	8,697	(6,618)	38,596
Other financing sources (uses)				
Proceeds from sale of assets	-	-	-	-
Transfers in	38,866	6,695	15,513	-
Transfers (out)	(259)	(1,749)	(18,427)	(56,318)
Total other financing sources (uses)	38,607	4,946	(2,914)	(56,318)
Net change in fund balances	30,496	13,643	(9,532)	(17,722)
Fund balances - beginning of year	(23,619)	180,322	8,573	44,218
Fund balance - end of year	\$ 6,877	\$ 193,965	\$ (959)	\$ 26,496

Special Revenue

D.A.R.E Donations Fund	Court Administration Fund	Police Contingency Fund	Fire Protection Fund	H.I.D.T.A. Fund	Law Enforcement Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	14,834	-
-	-	-	743,582	-	61,778
-	-	-	-	-	-
3,731	14,229	2,985	-	-	-
504	-	1,678	6,452	-	-
-	-	348	-	-	-
4,235	14,229	5,011	750,034	14,834	61,778
-	351,823	-	3,202	-	-
5,528	54,880	3,860	479,431	16,758	30,351
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	12,140	-	58,788	-	-
-	-	-	43,827	-	-
-	-	-	2,579	-	-
5,528	418,843	3,860	587,827	16,758	30,351
(1,293)	(404,614)	1,151	162,207	(1,924)	31,427
-	-	-	-	-	-
-	404,002	-	-	-	-
-	(13,897)	-	-	-	-
-	390,105	-	-	-	-
(1,293)	(14,509)	1,151	162,207	(1,924)	31,427
23,580	(10,197)	(38,308)	390,134	-	805
\$ 22,287	\$ (24,706)	\$ (37,157)	\$ 552,341	\$ (1,924)	\$ 32,232

(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, 2020	State Highway Fund	Traffic Safety Fund	1984 Gross Receipts Fund	Transportation Fund
Revenues				
Taxes				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	2,016,871	504,218
Gasoline and motor vehicle	-	-	-	628,146
Other	-	-	-	-
Intergovernmental				
Federal operating grants	-	-	-	464,644
Federal capital grants	-	-	-	-
State operating grants	10,656	-	-	-
State capital grants	-	-	-	349,253
Charges for services	23,977	13,996	-	4,406
Investment income	3,565	1,500	-	-
Miscellaneous	-	-	-	357
Total revenues	38,198	15,496	2,016,871	1,951,024
Expenditures				
Current				
General government	-	-	24,031	-
Public safety	559	6,152	-	91,073
Public works	16,849	-	-	1,234,399
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	573,274
Debt service				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Total expenditures	17,408	6,152	24,031	1,898,746
Excess (deficiency) of revenues over expenditures	20,790	9,344	1,992,840	52,278
Other financing sources (uses)				
Proceeds from sale of assets	-	-	-	-
Transfers in	-	-	-	628,236
Transfers (out)	-	-	(1,123,563)	(142,613)
Total other financing sources (uses)	-	-	(1,123,563)	485,623
Net change in fund balances	20,790	9,344	869,277	537,901
Fund balances - beginning of year	126,985	68,967	550,455	(56,162)
Fund balance - end of year	\$ 147,775	\$ 78,311	\$ 1,419,732	\$ 481,739

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	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,098,131	
-	-	-	-	504,218	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	187,042	-	47,808	-	-	-
-	-	-	-	-	-	-
-	431,202	-	165,345	-	-	-
-	-	-	-	-	-	-
1,439	130,573	14,807	-	-	-	-
-	-	2,780	-	82,392	-	9
-	13,708	-	6,000	-	-	-
1,439	762,525	17,587	219,153	586,610	-	1,098,140
360,837	-	-	-	-	-	-
7,476	-	-	-	-	-	-
-	-	-	-	12,136	-	-
-	1,261,618	17,667	-	-	-	-
-	4,959	-	252,881	-	-	-
-	26,163	-	-	-	-	-
-	-	-	-	-	-	477,800
-	-	-	-	-	-	542,654
368,313	1,292,740	17,667	252,881	12,136	-	1,020,454
(366,874)	(530,215)	(80)	(33,728)	574,474	-	77,686
-	-	-	-	-	-	-
370,499	507,591	-	42,249	-	-	-
(36,368)	(2,379)	-	(14,727)	(396)	-	-
334,131	505,212	-	27,522	(396)	-	-
(32,743)	(25,003)	(80)	(6,206)	574,078	-	77,686
21,788	85,660	141,245	15,187	2,604,176	-	897,813
\$ (10,955)	\$ 60,657	\$ 141,165	\$ 8,981	\$ 3,178,254	\$ -	\$ 975,499

(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, 2020	Debt Service		Capital Projects	
	1994 and 1996 GRT Principal Fund	1994 Gross Receipts Tax Fund	Economic Development Fund	Grant Capital Improvement Fund
Revenues				
Taxes				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	2,016,871	1,008,435	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	4,979
State operating grants	-	-	-	-
State capital grants	-	-	-	797,874
Charges for services	-	-	6,000	-
Investment income	3,385	76,242	102,958	-
Miscellaneous	-	-	-	-
Total revenues	3,385	2,093,113	1,117,393	802,853
Expenditures				
Current				
General government	-	24,031	-	66,562
Public safety	1,697	-	-	2,800
Public works	-	-	-	-
Culture and recreation	-	-	548,273	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	627,775
Debt service				
Principal	2,172,050	-	-	-
Interest and other charges	502,817	-	-	-
Total expenditures	2,676,564	24,031	548,273	697,137
Excess (deficiency) of revenues over expenditures	(2,673,179)	2,069,082	569,120	105,716
Other financing sources (uses)				
Proceeds from sale of assets	-	-	-	-
Transfers in	2,675,211	-	-	-
Transfers (out)	-	(1,142,610)	-	-
Total other financing sources (uses)	2,675,211	(1,142,610)	-	-
Net change in fund balances	2,032	926,472	569,120	105,716
Fund balances - beginning of year	149,984	2,517,480	3,261,732	(23,566)
Fund balance - end of year	\$ 152,016	\$ 3,443,952	\$ 3,830,852	\$ 82,150

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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2,016,871	-	-	-	504,218	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	110	-	-	-	-
128,730	-	-	34,551	16,703	4,437
-	-	-	-	-	-
2,145,601	110	-	34,551	520,921	4,437
-	-	-	-	6,008	-
12,776	-	-	-	-	-
24,030	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
111,592	-	-	202,138	-	-
-	-	-	-	-	-
-	-	-	-	-	-
148,398	-	-	202,138	6,008	-
1,997,203	110	-	(167,587)	514,913	4,437
-	-	-	-	-	-
-	-	136,581	-	-	-
(913,617)	-	(136,581)	(147)	(168,660)	-
(913,617)	-	-	(147)	(168,660)	-
1,083,586	110	-	(167,734)	346,253	4,437
4,664,550	85,010	21,967	136,358	892,442	138,371
\$ 5,748,136	\$ 85,120	\$ 21,967	\$ (31,376)	\$ 1,238,695	\$ 142,808

(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, 2020	Capital Projects			Permanent Fund
	2012 GRT Refunding and Improvement Revenue Bond Fund	2014A GO Bond Fund	2014B Go Bond - Streets Fund	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	26,689	2,792	5,409	24,745
Miscellaneous	-	-	-	-
Total revenues	26,689	2,792	5,409	24,745
Expenditures				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	124,982	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	408,917	-	-	-
Debt service				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Total expenditures	533,899	-	-	-
Excess (deficiency) of revenues over expenditures	(507,210)	2,792	5,409	24,745
Other financing sources (uses)				
Proceeds from sale of assets	-	-	-	11,488
Transfers in	-	-	-	-
Transfers (out)	(27,540)	-	-	-
Total other financing sources (uses)	(27,540)	-	-	11,488
Net change in fund balances	(534,750)	2,792	5,409	36,233
Fund balances - beginning of year	1,200,516	87,150	168,871	767,887
Fund balance - end of year	\$ 665,766	\$ 89,942	\$ 174,280	\$ 804,120

**Total Nonmajor
Governmental
Funds**

\$	1,098,131
	8,571,702
	628,146
	545,305
	699,494
	19,813
	1,433,860
	1,147,127
	339,180
	532,731
	31,339
	<u>15,046,828</u>

1,087,609
805,998
1,412,396
2,158,887
257,840
2,020,787

2,693,677
1,048,050
<u>11,485,244</u>

<u>3,561,584</u>

11,488
4,825,443
<u>(3,799,851)</u>
<u>1,037,080</u>

4,598,664

<u>19,100,374</u>

\$	<u>23,699,038</u>
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**State of New Mexico
City of Alamogordo
Combining Statement of Net Position - Nonmajor Proprietary Funds**

June 30, 2020	Nonmajor Enterprise Funds		
	Solid Waste Fund	Bonito Lake Fund	Golf Course Fund
Assets			
Current assets			
Cash and cash equivalents	\$ 106,938	\$ 51,715	\$ 64
Investments	431,743	269,169	-
Receivables			
Intergovernmental	-	-	-
Customer, net	150,109	-	52
Inventory	-	-	-
Prepaid expenses	-	-	-
Total current assets	688,790	320,884	116
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	1,237,441	255,855	4,851,750
Less: accumulated depreciation	(769,181)	(237,511)	(2,835,965)
Total noncurrent assets	484,260	1,833,075	4,544,579
Total assets	1,173,050	2,153,959	4,544,695
Deferred outflows of resources			
Deferred outflows - pension	38,632	-	67,752
Deferred outflows - OPEB	4,592	-	9,595
Total deferred outflows of resources	43,224	-	77,347
Total assets and deferred outflows of resources	\$ 1,216,274	\$ 2,153,959	\$ 4,622,042

Nonmajor Enterprise Funds			
Airport Fund	Low Rent Public Housing Fund	Home Ownership Fund	Total Nonmajor Enterprise Funds
\$ 120,432	\$ 1,084,143	\$ 707,021	\$ 2,070,313
-	-	-	700,912
3,634	-	-	3,634
25,630	8,382	-	184,173
-	12,414	-	12,414
-	29,511	-	29,511
<u>149,696</u>	<u>1,134,450</u>	<u>707,021</u>	<u>3,000,957</u>
-	46,530	21,341	67,871
-	-	-	74,551
-	-	88,338	88,338
765,788	1,505,682	-	6,556,444
12,679,562	13,914,532	3,735	32,942,875
(5,149,405)	(11,759,441)	(3,735)	(20,755,238)
<u>8,295,945</u>	<u>3,707,303</u>	<u>109,679</u>	<u>18,974,841</u>
<u>8,445,641</u>	<u>4,841,753</u>	<u>816,700</u>	<u>21,975,798</u>
23,372	199,487	4,414	333,657
3,384	15,192	457	33,220
<u>26,756</u>	<u>214,679</u>	<u>4,871</u>	<u>366,877</u>
<u>\$ 8,472,397</u>	<u>\$ 5,056,432</u>	<u>\$ 821,571</u>	<u>\$ 22,342,675</u>

(continued)

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

June 30, 2020	Nonmajor Enterprise Funds		
	Solid Waste Fund	Bonito Lake Fund	Golf Course Fund
Liabilities			
Current liabilities			
Accounts payable	\$ 160,955	\$ -	\$ 7,267
Accrued payroll	7,654	-	11,481
Deposits held in trust for others	-	-	-
Unearned revenue	-	-	-
Long-term liabilities, current	10,327	-	23,340
Due to other funds	-	-	-
Total current liabilities	178,936	-	42,088
Noncurrent liabilities			
Net pension liability	173,154	-	343,217
Net OPEB liability	52,216	-	86,953
Total noncurrent liabilities	225,370	-	430,170
Total liabilities	404,306	-	472,258
Deferred inflows of resources			
Deferred inflows - pension	9,902	-	14,725
Deferred inflows - OPEB	35,909	-	78,879
Total deferred inflows of resources	45,811	-	93,604
Net position			
Net investment in capital assets	484,260	1,758,524	4,544,579
Unrestricted (deficit)	281,897	395,435	(488,399)
Total net position	766,157	2,153,959	4,056,180
Total liabilities, deferred inflows of resources, and net position	\$ 1,216,274	\$ 2,153,959	\$ 4,622,042

Nonmajor Enterprise Funds			
Airport Fund	Low Rent Public Housing Fund	Home Ownership Fund	Total Nonmajor Enterprise Funds
\$ 7,183	\$ 105,540	\$ 163	\$ 281,108
4,365	21,651	766	45,917
10,777	44,559	-	55,336
-	35,299	-	35,299
507	31,511	1,929	67,614
-	2,289	-	2,289
22,832	240,849	2,858	487,563
127,098	586,230	16,950	1,246,649
35,474	188,837	3,152	366,632
162,572	775,067	20,102	1,613,281
185,404	1,015,916	22,960	2,100,844
6,505	58,074	1,258	90,464
28,082	136,762	4,021	283,653
34,587	194,836	5,279	374,117
8,295,945	3,660,773	-	18,744,081
(43,539)	184,907	793,332	1,123,633
8,252,406	3,845,680	793,332	19,867,714
\$ 8,472,397	\$ 5,056,432	\$ 821,571	\$ 22,342,675

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

For the Year Ended June 30, 2020	Nonmajor Enterprise Funds		
	Solid Waste Fund	Bonito Lake Fund	Golf Course Fund
Operating revenues			
Charges for services	\$ 2,256,747	\$ -	\$ 1,412,661
Operating grants	-	-	-
Total operating revenues	2,256,747	-	1,412,661
Operating expenses			
Personnel services	154,321	-	325,593
Utilities	6,949	-	31,170
Contractual services	1,763,745	-	3,868
Supplies and purchased power	22,526	-	61,308
Repairs and maintenance	15,274	-	31,492
Depreciation expense	57,461	5,266	201,701
Miscellaneous expense	85,895	-	1,061,918
Total operating expenses	2,106,171	5,266	1,717,050
Operating income (loss)	150,576	(5,266)	(304,389)
Non-operating revenues (expenses)			
Investment income	13,642	10,683	-
Miscellaneous	192,173	740	299
Total non-operating revenues (expenses)	205,815	11,423	299
Income (loss) before contributions and transfers	356,391	6,157	(304,090)
Government contributions			
Capital grants	-	-	-
Transfers in	-	-	290,799
Transfers (out)	(132,414)	-	(79,841)
Change in net position	223,977	6,157	(93,132)
Net position - beginning of year	542,180	2,147,802	4,149,312
Net position - end of year	\$ 766,157	\$ 2,153,959	\$ 4,056,180

Nonmajor Enterprise Funds			
Airport Fund	Low Rent Public Housing Fund	Home Ownership Fund	Total Nonmajor Enterprise Funds
\$ 144,587	\$ 247,490	\$ -	\$ 4,061,485
10,275	736,381	-	746,656
154,862	983,871	-	4,808,141
108,571	498,696	17,358	1,104,539
28,675	-	-	66,794
-	111,343	1,511	1,880,467
24,604	111,519	552	220,509
12,434	105,958	940	166,098
375,101	304,727	-	944,256
31,388	142,390	1,586	1,323,177
580,773	1,274,633	21,947	5,705,840
(425,911)	(290,762)	(21,947)	(897,699)
-	3,894	2,722	30,941
978	4,350	-	198,540
978	8,244	2,722	229,481
(424,933)	(282,518)	(19,225)	(668,218)
-	102,631	-	102,631
86,354	-	-	377,153
(44,573)	(109)	-	(256,937)
(383,152)	(179,996)	(19,225)	(445,371)
8,635,558	4,025,676	812,557	20,313,085
\$ 8,252,406	\$ 3,845,680	\$ 793,332	\$ 19,867,714

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

For the Year Ended June 30, 2020	Nonmajor Enterprise Funds		
	Solid Waste Fund	Bonito Lake Fund	Golf Course Fund
Cash flows from operating activities			
Cash received from user charges	\$ 2,216,473	\$ -	\$ 1,412,609
Cash received from subsidy grants	-	-	-
Cash payments to employees for services	(139,460)	-	(285,806)
Cash payments to suppliers for goods and services	(1,887,817)	-	(1,188,905)
Net cash provided (used) by operating activities	189,196	-	(62,102)
Cash flows from noncapital financing activities			
Miscellaneous income	192,173	740	299
Transfers in (out)	(132,414)	-	210,958
Net cash provided (used) by noncapital financing activities	59,759	740	211,257
Cash flows from investing activities			
Sale (purchase) of investments	4,907	(11,776)	-
Interest on investments	13,642	10,683	-
Net cash provided (used) by investing activities	18,549	(1,093)	-
Cash flows from capital and related financing activities			
Acquisition of capital assets	(181,000)	-	(160,691)
Capital grants	-	-	-
Net cash provided (used) by capital and related financing activities	(181,000)	-	(160,691)
Net increase (decrease) in cash and cash equivalents	86,504	(353)	(11,536)
Cash and cash equivalents - beginning of year	20,434	52,068	11,600
Cash and cash equivalents - end of year	\$ 106,938	\$ 51,715	\$ 64

Nonmajor Enterprise Funds			
Airport Fund	Low Rent Public Housing Fund	Home Ownership Fund	Total Nonmajor Enterprise Funds
\$ 169,088	\$ 251,158	\$ -	\$ 4,049,328
10,275	893,749	-	904,024
(97,136)	(450,375)	(15,798)	(988,575)
(93,508)	(373,152)	(4,596)	(3,547,978)
(11,281)	321,380	(20,394)	416,799
978	4,350	-	198,540
41,781	(1,239)	(11)	119,075
42,759	3,111	(11)	317,615
-	96,521	111,081	200,733
-	3,894	2,722	30,941
-	100,415	113,803	231,674
(5,950)	(197,437)	-	(545,078)
82,335	102,631	-	184,966
76,385	(94,806)	-	(360,112)
107,863	330,100	93,398	605,976
12,569	800,573	634,964	1,532,208
\$ 120,432	\$ 1,130,673	\$ 728,362	\$ 2,138,184

(continued)

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

For the Year Ended June 30, 2020	Nonmajor Enterprise Funds		
	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)	\$ 150,576	\$ (5,266)	\$ (304,389)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	57,461	5,266	201,701
Noncash pension expense	18,550	-	46,123
Noncash OPEB benefit	(6,008)	-	(14,942)
Changes in assets, deferred outflows, and liabilities:			
Receivables	(40,274)	-	(52)
Inventory	-	-	-
Prepaid expenses	-	-	-
Subsequent contributions-pension	(30)	-	(74)
Subsequent contributions-OPEB	(7)	-	(14)
Accounts payable	6,572	-	851
Accrued payroll expenses	1,575	-	(349)
Accrued compensated absences	781	-	9,043
Unearned revenue	-	-	-
Customer deposits	-	-	-
Net cash provided (used) by operating activities	\$ 189,196	\$ -	\$ (62,102)

Nonmajor Enterprise Funds				
Airport Fund	Low Rent Public Housing Fund	Home Ownership Fund		Total Nonmajor Enterprise Funds
\$ (425,911)	\$ (290,762)	\$ (21,947)	\$	(897,699)
375,101	304,727	-		944,256
15,617	52,278	1,833		134,401
(5,057)	(23,912)	(844)		(50,763)
24,558	156,436	-		140,668
-	(1,187)	-		(1,187)
-	(2,416)	-		(2,416)
(25)	(84)	(3)		(216)
(4)	(23)	(1)		(49)
3,593	101,661	(7)		112,670
747	7,728	170		9,871
157	12,334	405		22,720
-	3,572	-		3,572
(57)	1,028	-		971
\$ (11,281)	\$ 321,380	\$ (20,394)	\$	416,799

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Internal Service Funds

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

June 30, 2020	Internal Service Fund	Self-Insured Fund	Liability/ Deductibles Fund	Total Internal Service Funds
Assets				
Current assets				
Cash and cash equivalents	\$ 75,354	\$ 81,636	\$ 289,914	\$ 446,904
Investments	-	451,456	668,668	1,120,124
Receivables				
Other, net	12,138	-	-	12,138
Inventory	147,346	-	-	147,346
Prepaid expenses	79,202	-	-	79,202
Total current assets	314,040	533,092	958,582	1,805,714
Total assets	314,040	533,092	958,582	1,805,714
Deferred outflows of resources				
Deferred outflow - pension	369,267	-	-	369,267
Deferred outflow - OPEB	58,559	-	-	58,559
Total deferred outflows of resources	427,826	-	-	427,826
Total assets and deferred outflows of resources	\$ 741,866	\$ 533,092	\$ 958,582	\$ 2,233,540

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

June 30, 2020	Internal Service Fund	Self-Insured Fund	Liability/ Deductibles Fund	Total Internal Service Funds
Liabilities				
Current liabilities				
Accounts payable	\$ 30,341	\$ -	\$ 33,589	\$ 63,930
Accrued payroll	58,648	-	-	58,648
Long-term liabilities, current	151,007	-	-	151,007
Total current liabilities	239,996	-	33,589	273,585
Noncurrent liabilities				
Net pension liability	1,960,848	-	-	1,960,848
Net OPEB liability	802,930	-	-	802,930
Total noncurrent liabilities	2,763,778	-	-	2,763,778
Total liabilities	3,003,774	-	33,589	3,037,363
Deferred inflows of resources				
Deferred inflows - pension	96,411	-	-	96,411
Deferred inflows - OPEB	474,395	-	-	474,395
Total deferred inflows of resources	570,806	-	-	570,806
Net position				
Unrestricted (deficit)	(2,832,714)	533,092	924,993	(1,374,629)
Total net position	(2,832,714)	533,092	924,993	(1,374,629)
Total liabilities, deferred inflows of resources, and net position	\$ 741,866	\$ 533,092	\$ 958,582	\$ 2,233,540

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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, 2020	Internal Service Fund	Self-Insured Fund	Liability/ Deductibles Fund	Total Internal Service Funds
Operating revenues				
Charges for services	\$ 205,368	\$ 50,000	\$ -	\$ 255,368
Total operating revenues	205,368	50,000	-	255,368
Operating expenses				
Personnel services	1,798,779	-	-	1,798,779
Utilities	36,737	-	-	36,737
Contractual Services	425,271	-	-	425,271
Supplies and purchased power	162,972	-	-	162,972
Repairs and maintenance	691,809	-	-	691,809
Miscellaneous expense	47,873	35,480	105,830	189,183
Total operating expenses	3,163,441	35,480	105,830	3,304,751
Operating income (loss)	(2,958,073)	14,520	(105,830)	(3,049,383)
Non-operating revenues (expenses)				
Investment income	-	14,033	20,903	34,936
Miscellaneous	192,226	20,032	18,933	231,191
Total non-operating revenues (expenses)	192,226	34,065	39,836	266,127
Income (loss) before transfers	(2,765,847)	48,585	(65,994)	(2,783,256)
Transfers in	2,500,976	-	330,000	2,830,976
Transfers (out)	(40,826)	(8,000)	-	(48,826)
Change in net position	(305,697)	40,585	264,006	(1,106)
Net position - beginning of year, as originally stated	227,741	492,507	660,987	1,381,235
Net position - restatement (note 2)	(2,754,758)	-	-	(2,754,758)
Net position - beginning of year, as restated	(2,527,017)	492,507	660,987	(1,373,523)
Net position - ending	\$ (2,832,714)	\$ 533,092	\$ 924,993	\$ (1,374,629)

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

For the Year Ended June 30, 2020	Internal Service Fund	Self-Insured Fund	Liability/ Deductibles Fund	Total Internal Service Funds
Cash flows from operating activities				
Cash received from user charges	\$ 210,843	\$ 50,000	\$ -	\$ 260,843
Cash payments to employees for services	(1,490,356)	-	-	(1,490,356)
Cash payments to suppliers for goods and services	(1,380,074)	(35,742)	(90,818)	(1,506,634)
Net cash (used) provided by operating activities	(2,659,587)	14,258	(90,818)	(2,736,147)
Cash flows from noncapital financing activities				
Miscellaneous income (expense)	192,226	20,032	18,933	231,191
Transfers in (out)	2,460,150	(8,000)	330,000	2,782,150
Net cash provided (used) by noncapital financing activities	2,652,376	12,032	348,933	3,013,341
Cash flows from investing activities				
Sale (purchase) of investments	-	(15,468)	(3,112)	(18,580)
Interest on investments	-	14,033	20,903	34,936
Net cash (used) provided by investing activities	-	(1,435)	17,791	16,356
Net (decrease) increase in cash and cash equivalents	(7,211)	24,855	275,906	293,550
Cash and cash equivalents - beginning of year	82,565	56,781	14,008	153,354
Cash and cash equivalents - end of year	\$ 75,354	\$ 81,636	\$ 289,914	\$ 446,904

(continued)

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

For the Year Ended June 30, 2020	Internal Service Fund	Self-Insured Fund	Liability/ Deductibles Fund	Total Internal Service Funds
Reconciliation of operating income (loss) to net cash provided (used) by operating activities				
Operating income (loss)	\$ (2,958,073)	\$ 14,520	\$ (105,830)	\$ (3,049,383)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Noncash pension expense	318,720	-	-	318,720
Noncash OPEB benefit	(51,591)	-	-	(51,591)
Changes in assets, deferred outflows, and liabilities:				
Receivables	5,475	-	-	5,475
Inventory	3,706	-	-	3,706
Prepaid expenses	(11,112)	-	-	(11,112)
Subsequent contributions-pension	(93,616)	-	-	(93,616)
Subsequent contributions-OPEB	(21,513)	-	-	(21,513)
Accounts payable	(8,006)	(262)	15,012	6,744
Accrued payroll expenses	5,416	-	-	5,416
Accrued compensated absences	151,007	-	-	151,007
Net cash provided (used) by operating activities	\$ (2,659,587)	\$ 14,258	\$ (90,818)	\$ (2,736,147)

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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, 2020	Component Unit
Assets	
Current assets	
Cash and cash equivalents	\$ 83,284
Investments	3,117,877
Receivables	
Customer, net	53,151
Other, net	3,912
Total current assets	3,258,224
Noncurrent assets	
Restricted investments	975,911
Capital assets, not being depreciated	1,526,005
Capital assets, being depreciated	7,022,930
Less: accumulated depreciation	(3,962,311)
Total noncurrent assets	5,562,535
Total assets	8,820,759
Deferred outflows of resources	
Deferred outflows - pension	75,954
Deferred outflows - OPEB	9,651
Total deferred outflows of resources	85,605
Total assets and deferred outflows of resources	\$ 8,906,364

June 30, 2020

Component Unit

Liabilities

Current liabilities		
Accounts payable	\$	33,999
Accrued payroll		16,502
Deposits held in trust for others		4,142
Unearned revenue		6,491
Long-term liabilities, current		10,002
Total current liabilities		71,136
Noncurrent liabilities		
Long-term liabilities, net of current portion		1,946,799
Net pension liability		374,154
Net OPEB liability		103,798
Total noncurrent liabilities		2,424,751
Total liabilities		2,495,887
Deferred inflows of resources		
Deferred inflows - pension		19,388
Deferred inflows - OPEB		83,395
Total deferred inflows of resources		102,783
Net position		
Net investment in capital assets		4,586,624
Unrestricted		1,721,070
Total net position		6,307,694
Total liabilities, deferred inflows of resources, and net position	\$	8,906,364

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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, 2020	Component Unit
Operating revenues	
Charges for services	\$ 1,752,754
Total operating revenues	1,752,754
Operating expenses	
Personnel services	399,984
Contractual Services	288,462
Supplies and purchased power	94,439
Repairs and maintenance	249,092
Depreciation expense	511,183
Miscellaneous expense	1,358,303
Total operating expenses	2,901,463
Operating income (loss)	(1,148,709)
Non-operating revenues (expenses)	
Investment income	127,248
Miscellaneous	25,521
Total non-operating revenues (expenses)	152,769
Income (loss) before contributions and transfers	(995,940)
Transfers (out)	(2,646)
Change in net position	(998,586)
Net position - beginning of year	7,306,280
Net position - ending	\$ 6,307,694

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

For the year ended June 30, 2020	Component Unit
Cash flows from operating activities	
Cash received from user charges	\$ 2,059,157
Cash payments to employees for services	(364,622)
Cash payments to suppliers for goods and services	(1,575,468)
Net cash provided by operating activities	119,067
Cash flows from noncapital financing activities	
Miscellaneous income	25,521
Transfers in (out)	(2,646)
Net cash provided by noncapital financing activities	22,875
Cash flows from investing activities	
(Purchases) sales of investments	(140,262)
Interest on investments	127,248
Net cash (used) by investing activities	(13,014)
Cash flows from capital and related financing activities	
Acquisition of capital assets	(775,544)
Capital grants	(650)
Net cash (used) by capital and related financing activities	(776,194)
Net (decrease) in cash and cash equivalents	(647,266)
Cash and cash equivalents - beginning of year	730,550
Cash and cash equivalents - end of year	\$ 83,284

For the year ended June 30, 2020**Component Unit**

Reconciliation of operating income (loss) to net cash provided by operating activities	
Operating income (loss)	\$ (1,148,709)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities	
Depreciation	511,183
Noncash pension expense	46,871
Noncash OPEB benefit	(15,184)
Change in landfill liability	438,167
Changes in assets, liabilities and deferred outflows of resources	
Receivables	310,628
Subsequent contributions-pension	(75)
Subsequent contributions-OPEB	(14)
Accounts payable	(23,339)
Accrued payroll expenses	5,963
Accrued compensated absences	(2,199)
Customer deposits	(4,225)
Net cash provided by operating activities	\$ 119,067

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Fiduciary Funds

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

June 30, 2020	Police Court Bond Fund	Army Corp of Engineers Escrow Fund	State Judicial Fund	Total Custodial Funds
Assets				
Cash and cash equivalents	\$ 7,938	\$ 1,000	\$ 2,171	\$ 11,109
Total assets	\$ 7,938	\$ 1,000	\$ 2,171	\$ 11,109
Liabilities				
Accounts payable	\$ -	\$ -	\$ 2,561	\$ 2,561
Total liabilities	-	-	2,561	2,561
Net position				
Restricted	7,938	1,000	-	8,938
Unrestricted (deficit)	-	-	(390)	(390)
Total net position	7,938	1,000	(390)	8,548
Total liabilities and net position	\$ 7,938	\$ 1,000	\$ 2,171	\$ 11,109

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

For the Year Ended June 30, 2020	Police Court Bond Fund	Army Corp of Engineers Escrow Fund	State Judicial Fund	Total Custodial Funds
Additions				
Court fees	\$ -	\$ -	\$ 35,413	\$ 35,413
Bond deposits received	1,000	-	-	1,000
Payments from other entity	-	1,000	-	1,000
Total additions	\$ 1,000	\$ 1,000	\$ 35,413	\$ 37,413
Deductions				
Professional services	\$ -	\$ -	\$ 38,116	\$ 38,116
Bond payments returned	3,500	-	-	3,500
Total deductions	3,500	-	38,116	41,616
Net increase in fiduciary net position	(2,500)	1,000	(2,703)	(4,203)
Net position - beginning of year, as originally stated	-	-	-	-
Net position - restatement (see note 2)	10,438	-	2,313	12,751
Net position - beginning of year, as restated	10,438	-	2,313	12,751
Net position, end of year	\$ 7,938	\$ 1,000	\$ (390)	\$ 8,548

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Supporting Schedules

State of New Mexico
City of Alamogordo
Schedule of Collateral Pledged by Depository For Public Funds
June 30, 2020

Name of Depository	Description of Pledged Collateral	Maturity	CUSIP Number	Value June 30, 2020
Bank of the West				
	FHMS K107 A2 1.639%	2/25/2030	3137FRZA2	\$ 52,432
	G2SF MA2753 3.00%	4/20/2045	36179RBW8	4,168
	GNMA2 ARM Multiple, 3.00%	1/20/2043	36179MYH7	7,390
Total Bank of the West				63,990

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	36,716
	FNMA Pool #890306 4.00%	4/1/2026	31410LDK5	153,049
	FNMA Pool #MA2829 2.50%	12/1/2026	31418CEB6	961,350
	FHLMC Pool #G18614 2.50%	10/1/2031	3128MMVG5	895,873
	FNMA Pool #MA1059 3.50%	5/1/2032	31418AE95	567,318
	FNMA Pool #MA2531 3.50%	2/1/2036	31418BY59	870,502
	FNMA Pool #MA2643 3.00%	6/1/2036	31418B5D4	23,138
	FNMA Pool #256724 5.00%	5/1/2037	31371ND51	21,974
	FNMA Pool #888737 5.50%	10/1/2037	31410GLS0	489,783
	FNMA Pool #AL9014 3.00%	1/1/2044	3138ERAQ3	518,224
	FNMA Pool #AL0128 3.461%	4/1/2041	3138EGEA8	2,585,250
Total First National Bank				7,123,177

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, 2020

Name of Depository	Description of Pledged Collateral	Maturity	CUSIP Number	Value June 30, 2020
First National Bank of Alamogordo, Housing Authority				
	FNMA Pool #890263, 4.00%	11/1/2025	31410LB84	\$ 33,818
	FNMA Pool #MA2612, 2.50%	5/1/2026	31418B3W4	363,295
	FNMA Pool #MA2869, 2.50%	1/1/2027	31418CFK5	745,765
	FHLMC Pool #G18459, 2.50%	3/1/2028	3128MMQM8	448,314
	FHLMC Pool #C91247, 5.00%	4/1/2029	3128P7L43	100,853
	FNMA Pool #MA0711, 3.50%	4/1/2031	31417YYH4	98,516
Total First National Bank of Alamogordo, Housing Authority				1,790,562

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	89,083
	GNMA 15YR, 3.00%	3/15/2027	36176XE21	8,501
	FNR 2012-145 DC, 1.50%	1/25/2028	3136AA2L8	446,507
	FNR 2012-145DC, 1.50%	1/25/2028	3136AA2LB	22,050
	FGLMC 15YR, 2.50%	6/1/2028	31307DB62	75,887
	FNMA 15YR, 3.50%	10/1/2028	3138ELUS0	305,437
	FNMA 15YR, 3.00%	7/1/2029	31410LN57	60,108
	FGLMC 15YR, 2.50%	1/1/2030	3128ME4V0	101,583
	FGLMC 15YR, 2.50%	8/1/2031	3132KFNN8	87,392
	GNR 2018-153 WJ, 3.00%	11/20/2045	38381AZ58	238,333
	FNR 2019-28 CA, 3.00%	8/25/2048	3136B4UV8	192,147
Total First Savings Bank				1,627,028

Name and location of safekeeper for above pledged collateral:
Federal Reserve Bank, Beresford, South Dakota

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State of New Mexico
City of Alamogordo
Schedule of Collateral Pledged by Depository For Public Funds
June 30, 2020

Name of Depository	Description of Pledged Collateral	Maturity	CUSIP Number	Value June 30, 2020
Pioneer Bank				
	FHLMCP 4.06%	11/1/2034	31349UDH8	\$ 21,765
	FNMA 3.00%	10/1/2026	313BASYU0	19,206
Total Pioneer Bank				40,971

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	1,231,747
Total Washington Federal				1,231,747

Name and location of safekeeper for above pledged collateral:
WaFd Bank, Seattle, Washington

Wells Fargo (Checking Account Collateral)				
	FMAC FEPC 3.50%	8/1/2047	3132A5HF5	2,758,828
	FNMA FNMS 3.50%	2/1/2048	31418CUA0	9,477
Total Wells Fargo				2,768,305

Name and location of safekeeper for above pledged collateral:
Bank of New York Mellon, New York, New York

Total pledged collateral				\$ 14,645,780
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**State of New Mexico
City of Alamogordo
Schedule of Deposits and Investments
June 30, 2020**

Bank Account Type/Name	Bank '34	Bank of the West	First National Bank	First Savings Bank
General Operating Account - Checking	\$ -	\$ -	13,277,542	\$ -
Home Ownership Operating - Interest Bearing	-	-	21,341	-
Home Ownership Reserve - Interest Bearing	-	-	595,915	-
Low Rent Operating - Interest Bearing	-	-	996,402	-
Security Deposit - Interest Bearing	-	-	46,530	-
Money Market Investment - Interest Bearing - HA	-	-	-	-
General Operating Account - Interest Bearing	-	-	-	-
Escrow Account - Checking	-	-	-	-
US Treasuries/Agency Bonds	-	-	-	-
Fixed Income Securities	-	-	-	-
Money Market Accounts	-	-	-	-
Certificates of Deposit - Interest Bearing	250,000	272,103	-	3,268,888
State Investment Council	-	-	-	-
NMFA Cash Accounts	-	-	-	-
NMFA Investment Accounts**	-	-	-	-
Total	250,000	272,103	14,937,730	3,268,888
Reconciling items	-	-	(70,161)	-
Reconciled balance	\$ 250,000	\$ 272,103	\$ 14,867,569	\$ 3,268,888

***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
\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ 13,277,542
-	-	-	-	-	-	21,341
-	-	-	-	-	-	595,915
-	-	-	-	-	-	996,402
-	-	-	-	-	-	46,530
-	-	-	207,653	-	-	207,653
-	-	-	828,968	-	-	828,968
-	-	-	1,001	-	-	1,001
5,406,424	-	-	-	-	-	5,406,424
29,902,982	-	-	-	-	-	29,902,982
8,640,358	-	-	-	-	-	8,640,358
-	272,970	1,397,824	-	-	-	5,461,785
-	-	-	-	5,600	-	5,600
-	-	-	-	-	611,731	611,731
-	-	-	-	-	1,106,470	1,106,470
43,949,764	272,970	1,397,824	1,037,622	5,600	1,718,201	67,110,702
-	-	-	-	-	-	(70,161)
<u>\$ 43,949,764</u>	<u>\$ 272,970</u>	<u>\$ 1,397,824</u>	<u>\$ 1,037,622</u>	<u>\$ 5,600</u>	<u>\$ 1,718,201</u>	<u>67,040,541</u>
Plus: petty cash						6,105
Less: restricted cash and cash equivalents per statement of net position						(1,529,703)
Less: cash and cash equivalents per statement of fiduciary net position						(11,109)
Less: investments per statement of net position						(46,172,774)
Less: restricted investments per statement of net position						(257,057)
Less: component unit cash and cash equivalents per statement of net position						(83,284)
Less: component unit investments per statement of net position						(3,117,877)
Less: component unit restricted investments per statement of net position						(975,911)
Cash and cash equivalents per statement of net position						<u>\$ 14,898,931</u>

**State of New Mexico
City of Alamogordo
Financial Data Schedule
June 30, 2020**

Line Item Number	Description	Low Rent Public Housing Program NM004000001		Total
		14.850	2. State/Local	
111	Cash - Unrestricted	\$ 987,596	\$ 595,915	\$ 1,583,511
113	Cash - Other Restricted	-	21,341	21,341
114	Cash - Tenant Security Deposits	46,530	-	46,530
100	Total Cash	1,034,126	617,256	1,651,382
121	Accounts Receivable - PHA projects	-	-	-
126	Accounts Receivable - Tenants - Dwelling Rents	17,419	-	17,419
126.1	Allowance for Doubtful Accounts - Dwelling Rents	(9,037)	-	(9,037)
120	Total Receivables, Net of Allowance for Doubtful Accounts	8,382	-	8,382
131	Investments - Unrestricted	96,547	111,106	207,653
130	Total Investments	96,547	111,106	207,653
142	Prepaid Expenses and Other Assets	\$ 29,511	\$ -	\$ 29,511
143	Inventories	13,793	-	13,793
143.1	Allowance for Obsolete Inventories	(1,379)	-	(1,379)
145	Assets Held for Sale	-	88,338	88,338
150	Total Current Assets	1,180,980	816,700	1,997,680
161	Land	1,324,708	-	1,324,708
162	Buildings	13,600,202	-	13,600,202
164	Furniture, Equipment & Machinery - Administration	267,655	3,735	271,390
166	Accumulated Depreciation	(11,759,441)	(3,735)	(11,763,176)
160	Total Capital Assets, Net of Accumulated Depreciation	3,660,774	-	3,660,774
180	Total Non-Current Assets	3,660,774	-	3,660,774
190	Total Assets	4,841,754	816,700	5,658,454
200	Deferred Outflows of Resources	214,679	4,871	219,550
290	Total Assets and Deferred Outflows of Resources	\$ 5,056,433	\$ 821,571	\$ 5,878,004

(continued)

**State of New Mexico
City of Alamogordo
Financial Data Schedule
June 30, 2020**

Line Item Number	Description	Low Rent Public Housing Program NM004000001		Total
		14.850	2. State/Local	
<i>(Continued)</i>				
312	Accounts Payable <= 90 Days	\$ 57,105	\$ 163	\$ 57,268
321	Accrued Wage/Payroll Taxes Payable	21,651	766	22,417
	Accrued Compensated Absences -			
322	Current Portion	31,512	1,929	33,441
341	Tenant Security Deposits	44,559	-	44,559
342	Deferred Revenues	35,299	-	35,299
346	Accrued Liabilities - Other	6,821	-	6,821
310	Total Current Liabilities	240,850	2,858	243,708
357	Accrued Pension and OPEB Liabilities	775,067	20,102	795,169
350	Total Non-Current Liabilities	775,067	20,102	795,169
300	Total Liabilities	1,015,917	22,960	1,038,877
400	Deferred Inflows of Resources	194,836	5,279	200,115
508.1	Net investment in capital assets	3,660,774	-	3,660,774
512.1	Unrestricted Net Position	184,906	793,332	978,238
513	Total Equity/Net Position	3,845,680	793,332	4,639,012
600	Total Liabilities, Deferred Inflows of Resources, and Equity/Net Position	\$ 5,056,433	\$ 821,571	\$ 5,878,004

**State of New Mexico
City of Alamogordo
Financial Data Schedule
June 30, 2020**

Line Item Number	Description	Low Rent Public Housing Program NM004000001		Capital Fund Program	Total
		14.850	2. State/Local	14.872	
70300	Net Tenant Rental Revenue	\$ 242,716	\$ -	\$ -	\$ 242,716
70400	Tenant Revenue - Other	4,637	-	-	4,637
70500	Total Tenant Revenue	247,353	-	-	247,353
70600	HUD PHA Operating Grants	736,381	-	-	736,381
70610	Capital Grants	-	-	102,631	102,631
71100	Investment Income - Unrestricted	3,894	2,722	-	6,616
71500	Other Revenue	4,487	-	-	4,487
70000	Total Revenue	992,115	2,722	102,631	1,097,468
91100	Administrative Salaries	202,178	11,314	-	213,492
91200	Auditing Fees	9,000	1,000	-	10,000
91400	Advertising and Marketing	56	-	-	56
91500	Employee Benefit Contributions - Administrative	92,091	3,871	-	95,962
91600	Office Expenses	22,767	799	-	23,566
91800	Travel	-	-	-	-
91900	Other Operating - Administrative	90,128	511	-	90,639
91000	Total Operating - Administrative	416,220	17,495	-	433,715
93100	Water	4,586	188	-	4,774
93200	Electricity	11,078	141	-	11,219
93300	Gas	1,464	-	-	1,464
93600	Sewer	3,049	171	-	3,220
93800	Other Utilities Expense	60,329	-	-	60,329
93000	Total Utilities	80,506	500	-	81,006
94100	Ordinary Maintenance & Operation - Labor	134,650	-	-	134,650
94200	Ordinary Maintenance & Operation - Materials & Other	94,576	-	-	94,576
94300	Ordinary Maintenance & Operation Contracts	63,278	193	-	63,471
94500	Employee Benefit Contributions - Ordinary Maintenance	13,816	-	-	13,816
94000	Total Maintenance	306,320	193	-	306,513
96110	Property Insurance	50,682	-	-	50,682
96120	Liability Insurance	8,221	1,541	-	9,762
96130	Workmen's Compensation	17,825	621	-	18,446
96140	All Other Insurance	48,461	45	-	48,506
96100	Total Insurance Premiums	125,189	2,207	-	127,396

(continued)

**State of New Mexico
City of Alamogordo
Financial Data Schedule
June 30, 2020**

Line Item Number	Description	Low Rent Public Housing Program NM004000001		Capital Fund Program	Total
		14.850	2. State/Local	14.872	
<i>(Continued)</i>					
96210	Compensated Absences	38,136	1,552	-	39,688
96400	Bad Debt - Tenant Rents	3,644	-	-	3,644
96000	Total Other General	41,780	1,552	-	43,332
96900	Total Operating Expenses	970,015	21,947	-	991,962
97000	Excess Operating Revenue Over Operating Expenses	22,100	(19,225)	102,631	105,506
97400	Depreciation Expense	304,727	-	-	304,727
90000	Total Expenses	\$ 1,274,742	\$ 21,947	\$ -	\$ 1,296,689
10000	Excess (Deficiency) of Operating Revenue Over (Under) Expenses	(282,627)	(19,225)	102,631	(199,221)
11030	Beginning Equity	4,025,676	812,557	-	4,838,233
11040-10	Prior Period Adjustments	-	-	-	-
11040-20	Equity Transfers	102,631	-	(102,631)	-
11040-30	Prior Year Voids	-	-	-	-
11040-40	Return of Funds to HUD	-	-	-	-
	Ending Equity (deficit)	\$ 3,845,680	\$ 793,332	\$ -	\$ 4,639,012
<i>(Continued)</i>					
11190	Unit Months Available	2,640	-	-	2,640
11210	Number of Unit Months Leased	2,295	-	-	2,295
11620	Building Purchases	\$ 102,631	\$ -	\$ -	\$ 102,631

**State of New Mexico
City of Alamogordo
Schedule of Joint Powers Agreements
For the Year Ended June 30, 2020**

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	Total Estimated Project Amount and Amount Applicable to Party	Amount contributed By City During Current Fiscal Year	Audit Responsibility	Fiscal Agent and Responsible Reporting Entity
8/19/2010- Indefinite	\$ 185,237.90	\$118,644.87 or 64.05%	Otero County	Otero County
1/14/1986- Indefinite	As budgeted per each department	As budgeted per each department	City of Alamogordo Otero County	City of Alamogordo Otero County
8/30/2010- Indefinite	As budgeted per each department	As budgeted per each department	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
8/9/1996- Indefinite	As budgeted per each department	As budgeted per each department	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
5/8/1995- Indefinite	As budgeted per each department	As budgeted per each department	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, 2020**

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 and 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)
11 AFSCME - Collective Bargaining Unit	City of Alamogordo and AFSCME Local 3818	City of Alamogordo	Employee Personnel Policy
12 AFSCME - Wages and Recreational Facilities Benefits	City of Alamogordo and AFSCME Local 3818	City of Alamogordo	Employee Increases and Compensation Benefits

Beginning and Ending Dates	Total Estimated Project Amount and Amount Applicable to Party	Amount contributed By City During Current Fiscal Year	Audit Responsibility	Fiscal Agent and Responsible Reporting Entity
6/2/1995- Indefinite	As budgeted per each 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
9/30/1993- Indefinite	As budgeted per each 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
6/5/2019- 12/31/2020	Lump sum of \$8,000 for Landfill and lump sum of \$4,500 for the Greenhouse Gas Service.		City of Alamogordo	City of Alamogordo
9/13/2016 - 6/30/2020	N/A	N/A	City of Alamogordo	City of Alamogordo
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

(continued)

**State of New Mexico
City of Alamogordo
Schedule of Joint Powers Agreements
For the Year Ended June 30, 2020**

Joint Power Agreement	Participants	Responsible Party	Description
13 APSOA - Collectively Bargaining Unit	Alamogordo Public Safety Officers Association and City of Alamogordo	City of Alamogordo	Employee Personnel Policy
14 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	Total Estimated Project Amount and Amount Applicable to Party	Amount contributed By City During Current Fiscal Year	Audit Responsibility	Fiscal Agent and Responsible Reporting Entity
9/15/2016 - 6/30/2020	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, 2020

	Congregate Meals (8023)	Home Delivered Meals (8024)	Transportation (8025)
Revenues and other support			
Contributions	\$ -	\$ -	\$ -
Governmental grants and contracts:			
NCNMEDD - Non Metro AAA	-	-	-
Title IIIB	-	-	30,692
Title IIIC-1	104,308	-	-
Title IIIC-2	-	30,946	-
State funds - program	69,686	106,479	38,154
Other grants and contracts:			
Otero County	-	-	-
United Way	-	-	-
Local match (transfer from City)	163,312	155,561	73,762
Program service revenue	-	-	-
Miscellaneous	-	-	-
Total revenue and other support	337,306	292,986	142,608
Expenses			
Program services	416,725	396,946	188,219
Total expenses	416,725	396,946	188,219
Excess (deficiency) of revenue over expenses	\$ (79,419)	\$ (103,960)	\$ (45,611)
Units provided	49,523	36,938	9,351

Homemaker (8026)	Total	Physical Fitness/Other	Total
\$ -	\$ -	\$ 112,387	\$ 112,387
-	-	21,640	21,640
-	30,692	-	30,692
-	104,308	-	104,308
-	30,946	21,096	52,042
-	214,319	140,693	355,012
-	-	54,550	54,550
-	-	10,241	10,241
3,953	396,588	111,003	507,591
-	-	17,432	17,432
-	-	4,221	4,221
3,953	776,853	493,263	1,270,116
10,087	1,011,977	283,248	1,295,225
10,087	1,011,977	283,248	1,295,225
\$ (6,134)	\$ (235,124)	\$ 210,015	\$ (25,109)
-	95,812	19,453	115,265

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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, 2020, 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, 2020, as listed in the table of contents. and have issued our report thereon dated December 14, 2020.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 2020-001 and 2020-002.

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, L.L.C.

Carr, Riggs & Ingram, LLC
Albuquerque, New Mexico
December 14, 2020

**REPORT ON COMPLIANCE FOR THE MAJOR 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 the Major Federal Program

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 the City's major federal program for the year ended June 30, 2020. The City's major federal program is 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 the City's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about 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 the major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on the 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 program for the year ended June 30, 2020.

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 the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the 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 14, 2020

**State of New Mexico
City of Alamogordo
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2020**

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
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	
<i>Passed through the New Mexico Department of Transportation</i>	
Minimum Penalties for Repeat Offenders for Driving While Intoxicated ENDDWI	19-AL-64-001
Subtotal Minimum Penalties for Repeat Offenders for Driving While Intoxicated	
Subtotal - Pass through New Mexico Department of Transportation	
Total U.S. Department of Transportation	
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	2019-20-64012
COVID-19 - Special Programs for the Aging: Title III Part B - Supportive Services & Senior Center	2019-2064012FFRCA
COVID-19 - Special Programs for the Aging: Title III Part B - Supportive Services & Senior Center	2019-2064012CARES
Special Programs for the Aging: Title III Part C-I - Nutrition Services	2019-20-64012
Special Programs for the Aging: Title III- Part C-II - Nutrition Services Home Delivered	2019-20-64012
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	2019-20-64012
Subtotal - Pass through North Central New Mexico Economic District	
Total U.S. Department of Health and Human Services	

See accompanying notes to schedule of expenditures of federal awards.

Federal CFDA Number	Federal Expenditures	Program/ Cluster Subtotal	Funds Provided to Subrecipients	Noncash Assistance
14.850	\$ 736,381		\$ -	\$ -
14.872	149,598		-	-
	885,979		-	-
16.738	2,559		-	-
	2,559		-	-
20.608	1,278		-	-
		1,278	-	-
	1,278		-	-
	1,278		-	-
93.044	33,876		-	-
93.044	25,756		-	-
93.044	26,923		-	-
93.045	58,885		-	-
93.045	18,929		-	-
93.053	53,607		-	-
		217,976	-	-
93.043	20,297			
	238,273		-	-
	238,273		-	-

(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, 2020**

Federal Grantor or Pass- Through Grantor / Program Title	Grant/Pass Thru Number
Corporation for National Community Service	
<i>Passed through the New Mexico Aging & Long Term Services Department</i>	
Retired and Senior Volunteer Program	19-624-4000-00014
Total Corporation for National Community Service	
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	
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
Hazard Mitigation Grant	PDMC-PL-06-NM-2012
Total U.S. Department of Homeland Security	
United States Army Corps of Engineers	
Griggs Field Detention Basin -USACE	Cost Share Agreement
Total United States Army Corps of Engineers	
Total Federal Financial Assistance	

See accompanying notes to schedule of expenditures of federal awards.

Federal CFDA Number	Federal Expenditures	Program/ Cluster Subtotal	Funds Provided to Subrecipients	Noncash Assistance
94.002	\$ 47,808		\$ -	\$ -
	47,808		-	-
95.001	18,549		-	-
	18,549		-	-
97.036	6,802,910		-	-
97.039	142		-	-
	6,803,052		-	-
12.U01	74,418		-	-
	74,418		-	-
	\$ 8,071,916		\$ -	\$ -

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, 2020

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, our 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	\$ 8,115,324
Total expenditures funded by other sources	39,873,056
<hr/>	
Total expenditures	\$ 47,988,380
<hr/>	

**State of New Mexico
City of Alamogordo
Schedule of Findings and Questioned Costs
June 30, 2020**

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? | None noted |
| b. Significant deficiencies identified not considered to be material weaknesses? | None noted |
| c. Noncompliance material to the financial statements? | None Noted |

Federal Awards:

- | | | | | | |
|--|------------------------------------|-----------------|--------|------------------------------------|--|
| 1. Type of auditors’ report issued on compliance for major programs | Unmodified | | | | |
| 2. Internal control over major programs: | | | | | |
| a. Material weaknesses identified? | None Noted | | | | |
| 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: | | | | | |
| <table style="margin-left: auto; margin-right: auto; border-collapse: collapse;"> <tr> <td style="text-align: center; padding: 0 10px;">CFDA
Number</td> <td style="text-align: center; padding: 0 10px;">Federal Program</td> </tr> <tr> <td style="text-align: center; border-top: 1px solid black; padding-top: 2px;">97.036</td> <td style="text-align: center; border-top: 1px solid black; padding-top: 2px;">Disaster Grant – Public Assistance</td> </tr> </table> | CFDA
Number | Federal Program | 97.036 | Disaster Grant – Public Assistance | |
| CFDA
Number | Federal Program | | | | |
| 97.036 | Disaster Grant – Public Assistance | | | | |
| 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, 2020

SECTION II – FINANCIAL STATEMENT FINDINGS

None Noted

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

2020-001 — Travel and Per Diem (Other Matter)

Condition: Within six travel transactions tested, there was one transaction where the traveler changed their lodging plans without informing the City. As a result, the City paid for a night of lodging in the amount of \$70.48 which was not utilized by the traveler.

Criteria: Model accounting policies recommend that the City only expend money for goods and services received.

Effect: The City paid for an unnecessary night of lodging in the amount of \$70.48.

Cause: The traveler opted not to stay at the lodging on the original travel request. The City had no policy in place to ensure that the traveler either followed the travel request or updated their plan.

Auditors' Recommendation: CRI recommend that the City amend their travel policy to ensure that travelers update their travel request and amend/cancel reservations to avoid the unnecessary payment of funds.

Views of Responsible Officials and Planned Corrective Action: The City acknowledges that this type of situation is not addressed in the current travel policy. The City Finance Director will look to recommend changes to the City's travel policy to include measures that will ensure travelers update their itineraries in a timely fashion. Changes will be recommended by June 30, 2021.

State of New Mexico
City of Alamogordo
Schedule of Findings and Questioned Costs
June 30, 2020

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

2020-002 — Internal Controls over Reconciliation of the SEFA (Other Matter)

Condition: The City's process for reconciling the year-end SEFA to the trial balance resulted in an overstatement of Federal expenditures of \$43,408.46. This amount represents excess costs for a Federal program that was paid from City funds.

Criteria: 2 CFR 200.510, 2 CFR 200.502, and 2 CFR 200.303 require that the SEFA include only expenditures from federal sources.

Effect: The year-end SEFA was incorrect and listed expenditures paid by the City totaling \$43,408.46 as federal expenditures.

Cause: The City manages a large number of Federal awards that require significant time and attention. As each award must be monitored for activity to be shown on the SEFA, it can be difficult to properly identify the matching amounts and allocations for each one and record that information in a manageable way.

Auditors' Recommendation: CRI recommends that each program director receive training on how this information should be accounted for and how to best communicate that information to the Grant Manager. The SEFA should then be fully reconciled to the trial balance on a monthly or quarterly basis to ensure that the yearend reconciliation contains all necessary information.

Views of Responsible Officials and Planned Corrective Action: The City is continuously looking for ways to improve its oversight and reporting capabilities. The complexity of this award has been a challenge for all City staff who have worked on it. The Finance Director will investigate what situations led to this difference and work with City staff to improve the reconciliation and SEFA process.

**State of New Mexico
City of Alamogordo
Schedule of Findings and Questioned Costs
June 30, 2020**

SECTION IV – FEDERAL AWARD FINDINGS

None noted

SECTION V – SUMMARY OF PRIOR YEAR FINDINGS

FS 2019-001 — Internal Controls over Recognition of Construction in Progress (Material Weakness) - Resolved

FS 2019-002 — Internal Controls over Utility Billings Cancelled Bills (Significant Deficiency) – Resolved

FS 2019-003 — Internal Controls over Reconciliation of the SEFA (Significant Deficiency) – Resolved

NM 2017-001 Travel and Per Diem – Resolved

NM 2018-006 Internal Controls and Lien Policy on Delinquent Utility Accounts – Resolved

NM 2019-001 — Travel and Per Diem Policy (Other noncompliance) – Resolved

NM 2019-002 — Reconciliation of Quarterly Reports. (Other noncompliance) – Resolved

NM 2019-003 — Exceeded Budgetary Authority. (Other noncompliance) – Resolved

**State of New Mexico
City of Alamogordo
Other Disclosures
June 30, 2020**

EXIT CONFERENCE

An exit conference was held on December 14, 2020. 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
Sue Ashe	Accounting Manager
Petria Bengoechea	City Attorney

Representing Carr, Riggs & Ingram, LLC:

Alan D. "A.J." Bowers, Jr., CPA, CITP	Partner
Benjamin A. Martinez, CPA	Senior 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.