



**State of New Mexico**

**City of Alamogordo**

**Financial Statements and  
Supplementary Information**

**For the Year Ended June 30, 2022**

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## **Introductory Section**

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City of Alamogordo  
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**State of New Mexico  
City of Alamogordo  
Official Roster  
June 30, 2022**

<u>Name</u>	<u>City Commission</u>	<u>Title</u>
Susan Payne		Mayor-At-Large
Dusty Wright		Mayor Pro-Tem/Commissioner
Nick Paul		Commissioner
Stephen Burnett		Commissioner
Karl Melton		Commissioner
Josh Rardin		Commissioner
Sharon McDonald		Commissioner
<u>Administration</u>		
Brian Cesar		City Manager
Stephanie Hernandez		Assistant City Manager
Petria Bengoechea		City Attorney
Evelyn Huff		Finance Director
Rachel Hughs		City Clerk
Sue Ashe		Accounting Manager

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## **Financial Section**



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## **INDEPENDENT AUDITORS' REPORT**

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

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

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, 2022, 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 also have audited the financial statements of the City's discretely presented component unit presented as supplementary information, as defined by the Governmental Accounting Standards Board, as of and for the year ended June 30, 2022, as listed in the table of contents.

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, 2022, 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, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flow, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## ***Emphasis of Matter***

### *Change in Accounting Principle*

As described in Note 2 to the financial statements, the City adopted new accounting guidance during the year, GASB Statement No. 87, Leases. Our opinion is not modified with respect to this matter.

## ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 14 through 22, the GASB required pension schedules on pages 110 through 113, the GASB required other post-employment benefit schedules on pages 114 through 117, and the notes to the required supplementary information on page 118 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

### ***Supplementary 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 accompanying combining and individual nonmajor fund financial statements, 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, 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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, 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 as a whole.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and other disclosures but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2022 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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

Carr, Riggs & Ingram, LLC  
Albuquerque, New Mexico  
December 15, 2022

**State of New Mexico**  
**City of Alamogordo**  
**Management's Discussion and Analysis**  
**June 30, 2022**

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, 2022. We encourage readers to consider the information presented here in conjunction with the financial statements of the City and additional information provided.

**Financial Highlights**

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$198,116,660 (net position). The City's net position that is restricted for capital projects and other purposes is \$42,787,970. The City's net investment in capital assets is \$154,804,023. The City has an overall unrestricted net position as of June 30, 2022 of \$524,667.
- Change in net position for the year ended June 30, 2022 was an increase of \$17,275,815 as a result of operations. The increase is primarily due to an increase in revenues of 20%.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$17,128,177 or 126% of total general fund expenditures.
- The City's total debt outstanding at June 30, 2022 is \$45,686,586.

**Overview of the Financial Statements**

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

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

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

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

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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, the state and local fiscal recovery special revenue fund, and the 1994 and 1996 GRT principal debt service 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 state and local fiscal recovery special revenue fund to demonstrate compliance with these budgets.

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**City of Alamogordo**  
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**June 30, 2022**

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

**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 water and sewer 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 51 through 108 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 126 through 171 of this report.

**Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$198,116,660 at the close of the most recent fiscal year. The City had revenues that exceeded expenditures during the year in the amount of \$17,275,815 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 \$154,804,023 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, 2022**

City of Alamogordo's Net Position

Governmental Activities	June 30, 2022			June 30, 2021			Percent Change
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total	
Current and other assets	\$ 68,073,597	\$ 25,288,052	\$ 93,361,649	\$ 59,723,201	\$ 14,241,519	\$ 73,964,720	26.22%
Net capital assets	75,879,875	122,594,952	198,474,827	75,711,783	122,931,569	198,643,352	-0.08%
Total assets	143,953,472	147,883,004	291,836,476	135,434,984	137,173,088	272,608,072	7.05%
Deferred outflows of resources	4,781,846	1,162,076	5,943,922	10,116,124	2,195,658	12,311,782	-51.72%
Total assets and deferred outflows of resources	\$ 148,735,318	\$ 149,045,080	\$ 297,780,398	\$ 145,551,108	\$ 139,368,746	\$ 284,919,854	4.51%
Current liabilities	\$ 9,679,825	\$ 6,956,498	\$ 16,636,323	\$ 5,537,680	\$ 6,153,313	\$ 11,690,993	42.30%
Long-term liabilities	46,497,119	21,212,577	67,709,696	60,717,049	24,446,044	85,163,093	-20.49%
Total liabilities	56,176,944	28,169,075	84,346,019	66,254,729	30,599,357	96,854,086	-12.91%
Deferred inflows of resources	12,487,425	2,830,294	15,317,719	6,014,886	1,210,037	7,224,923	112.01%
Net investment in capital assets	51,139,428	103,664,595	154,804,023	48,795,198	102,903,608	151,698,806	2.05%
Restricted for							
Capital projects	28,124,224	-	28,124,224	26,758,353	-	26,758,353	0.00%
Other purposes	14,663,746	-	14,663,746	12,407,652	-	12,407,652	0.00%
Unrestricted (deficit)	(13,856,449)	14,381,116	524,667	(14,679,710)	4,655,744	(10,023,966)	-105.23%
Total net position	80,070,949	118,045,711	198,116,660	73,281,493	107,559,352	180,840,845	9.55%
Total liabilities, deferred inflows of resources, and net position	\$ 148,735,318	\$ 149,045,080	\$ 297,780,398	\$ 145,551,108	\$ 139,368,746	\$ 284,919,854	4.51%

**Changes in Net Position**

The City's total revenues of \$67,143,798 and expenses of \$49,867,983 resulted in a change in net position of \$17,275,815 as a result of City operations. Comparative information for changes in net position is shown on the next page.

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

	June 30, 2022			June 30, 2021			Percent Change
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total	
<b>Revenues</b>							
Program revenues							
Charges for services	\$ 2,996,062	\$ 16,087,654	\$ 19,083,716	\$ 2,798,175	\$ 15,320,703	\$ 18,118,878	5%
Operating grants and contributions	1,696,175	1,090,796	2,786,971	1,845,292	884,355	2,729,647	2%
Capital grants and contributions	1,410,355	7,752,927	9,163,282	656,966	802,738	1,459,704	528%
General revenues							
Property taxes	4,584,155	-	4,584,155	4,452,954	-	4,452,954	3%
Other taxes	33,417,602	-	33,417,602	28,696,183	-	28,696,183	16%
Investment income (loss)	(3,375,219)	100,161	(3,275,058)	258,111	39,872	297,983	-1199%
Transfers in (out)	(1,918,175)	1,918,833	658	(3,680,137)	3,685,541	5,404	0%
Miscellaneous income	1,354,436	28,036	1,382,472	358,404	7,631	366,035	100%
Gain from sale of assets	-	-	-	11,275	-	11,275	-100%
<b>Total revenues</b>	<b>40,165,391</b>	<b>26,978,407</b>	<b>67,143,798</b>	<b>35,397,223</b>	<b>20,740,840</b>	<b>56,138,063</b>	<b>20%</b>
<b>Expenses</b>							
General government	12,722,344	-	12,722,344	9,030,459	-	9,030,459	41%
Public safety	9,087,181	-	9,087,181	8,161,872	-	8,161,872	11%
Public works	5,644,735	-	5,644,735	4,840,483	-	4,840,483	17%
Health and welfare	4,944,455	-	4,944,455	4,526,395	-	4,526,395	9%
Culture and recreation	61,061	-	61,061	214,907	-	214,907	-72%
Interest and other charges	916,159	-	916,159	1,041,807	-	1,041,807	-12%
Water and sewer	-	10,390,099	10,390,099	-	10,086,482	10,086,482	3%
Solid waste collection	-	2,199,411	2,199,411	-	2,174,234	2,174,234	1%
Bonito Lake	-	1,194	1,194	-	5,926	5,926	-80%
Desert Lakes golf course	-	1,933,758	1,933,758	-	1,654,022	1,654,022	17%
White Sands regional airport	-	634,134	634,134	-	565,173	565,173	12%
Public housing - rental program	-	1,324,539	1,324,539	-	1,388,053	1,388,053	-5%
Public housing - home ownership	-	8,913	8,913	-	13,781	13,781	-35%
<b>Total expenses</b>	<b>33,375,935</b>	<b>16,492,048</b>	<b>49,867,983</b>	<b>27,815,923</b>	<b>15,887,671</b>	<b>43,703,594</b>	<b>14%</b>
Increase in net position	6,789,456	10,486,359	17,275,815	7,581,300	4,853,169	12,434,469	39%
Net position - beginning	73,281,493	107,559,352	180,840,845	65,700,193	102,706,183	168,406,376	7%
Net position - ending	\$ 80,070,949	\$ 118,045,711	\$ 198,116,660	\$ 73,281,493	\$ 107,559,352	\$ 180,840,845	10%

**Financial Analysis of the Government's Funds**

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

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

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**Management's Discussion and Analysis**  
**June 30, 2022**

**Financial Analysis of the Government's Funds (Continued)**

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$59,799,302, an increase of \$3,912,640 in comparison with the prior year. Approximately 27.8 percent of this total amount, \$16,640,619, 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 125.6% of the total general fund expenditures or approximately 15 months of operating equity.

**Budgetary Highlights**

The final budget for the general fund's revenue increased by \$4,629,865 from the original budget. Budget amendments to expenditures increased the budget \$1,152,367 during the year within the general fund departments. The actual expenditures were \$1,439,063 less than the final budgeted amounts, and actual revenues were \$6,264 more than the final budgeted amounts. This resulted in a favorable budget variance of \$1,445,327.

The final budget for the state and local fiscal recovery special revenue fund's revenue increased by \$3,952,892 from the original budget. Budget amendments to expenditures increased the budget \$3,952,892 during the year within the state and local fiscal recovery special revenue fund. The actual expenditures were \$3,874,707 less than the final budgeted amounts, and actual revenues were \$23,186 more than the final budgeted amounts. This resulted in a favorable budget variance of \$3,897,893.

**Capital Asset and Debt Administration**

***Capital Assets***

The City's investment in capital assets for its governmental activities as of June 30, 2022, amounts to \$75,879,875 for governmental activities and \$122,594,952 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, 2022.

**State of New Mexico**  
**City of Alamogordo**  
**Management's Discussion and Analysis**  
**June 30, 2022**

**Capital Asset and Debt Administration (Continued)**

<b>Governmental Activities</b>			
<b>Asset Description</b>	<b>Carrying Amount</b>	<b>Accumulated Depreciation</b>	<b>Net Position Balance</b>
Capital assets not being depreciated			
Land	\$ 10,403,857	\$ -	\$ 10,403,857
Construction in progress	13,158,849	-	13,158,849
<b>Total capital assets not being depreciated</b>	<b>23,562,706</b>	<b>-</b>	<b>23,562,706</b>
Capital assets being depreciated			
Buildings and improvements	32,625,053	21,726,419	10,898,634
Mechanized equipment	16,139,044	10,981,573	5,157,471
Unscheduled property	5,129,317	4,185,598	943,719
Infrastructure	196,186,944	160,914,020	35,272,924
Right of use asset-equipment	61,677	17,256	44,421
<b>Total capital assets being depreciated</b>	<b>250,142,035</b>	<b>197,824,866</b>	<b>52,317,169</b>
<b>Total capital assets</b>	<b>\$ 273,704,741</b>	<b>\$ 197,824,866</b>	<b>\$ 75,879,875</b>

<b>Business-type Activities</b>			
<b>Asset Description</b>	<b>Carrying Amount</b>	<b>Accumulated Depreciation</b>	<b>Net Position Balance</b>
Capital assets not being depreciated			
Land	\$ 7,003,434	\$ -	\$ 7,003,434
Construction in progress	7,959,961	-	7,959,961
<b>Total capital assets not being depreciated</b>	<b>14,963,395</b>	<b>-</b>	<b>14,963,395</b>
Capital assets being depreciated			
Buildings and improvements	37,164,969	22,069,050	15,095,919
Mechanized equipment	10,717,910	7,447,680	3,270,230
Unscheduled property	4,605,082	2,343,562	2,261,520
Infrastructure	128,709,130	41,843,664	86,865,466
Right of use asset-equipment	188,798	50,376	138,422
<b>Total capital assets being depreciated</b>	<b>181,385,889</b>	<b>73,754,332</b>	<b>107,631,557</b>
<b>Total capital assets</b>	<b>\$ 196,349,284</b>	<b>\$ 73,754,332</b>	<b>\$ 122,594,952</b>

Additional information on the City's capital assets can be found in Note 7 on page 81 through 84 of this report.

**State of New Mexico  
City of Alamogordo  
Management’s Discussion and Analysis  
June 30, 2022**

**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	
	2022	2021	2022	2021	2022	2021
General obligation bonds	\$ 9,505,000	\$ 9,670,000	\$ 4,685,000	\$ 5,125,000	\$ 14,190,000	\$ 14,795,000
Revenue bonds/loans	-	-	-	5,591,632	-	5,591,632
Other loans/notes payable	15,560,000	17,683,000	14,122,877	9,351,279	29,682,877	27,034,279
Bond discounts	(137,539)	(151,135)	-	-	(137,539)	(151,135)
Bond premiums	169,860	183,912	142,519	161,731	312,379	345,643
Compensated absences	1,091,333	1,123,824	359,032	273,240	1,450,365	1,397,064
Lease liabilities	49,759	-	138,745	-	188,504	-
<b>Total long-tem debt</b>	<b>\$ 26,238,413</b>	<b>\$ 28,509,601</b>	<b>\$ 19,448,173</b>	<b>\$ 20,502,882</b>	<b>\$ 45,686,586</b>	<b>\$ 49,012,483</b>

Additional information on the City’s debt can be found in Note 8 on page 84 through 91 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 32,000 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.

The following economic factors currently affect the City of Alamogordo and were considered in developing the 2022-2023 fiscal year budget.

- **Gross Receipts Tax** - During FY2022 the City of Alamogordo was extremely cautious in projecting the GRT proceeds. The City used an adjusted three year average to project the FY2023 GRT proceeds and assumed no growth. This allowed the City to develop a balanced budget at the beginning of the year and not to have to make deep cuts later in the year.
- **Salary and Benefits** – The City of Alamogordo engaged and participated in an in-depth salary and compensation study for all positions. The recommendations of the study were implemented in late FY2022 and included increases in the hourly rate of some positions and the development of a step systems based on years of service. These increase will affect the City’s budget every year going forward
- **Spending Control** – The City of Alamogordo has been very diligent in FY2021 and FY2022 in implementing spending controls especially in funds that had declining cash balances. The City has been using a “flat budgeting” model for two years, allowing funds to balance their budgets while increasing their reserves. The budget for FY2023 allowed for increases in spending due to proper cash controls being in place

**State of New Mexico**  
**City of Alamogordo**  
**Management's Discussion and Analysis**  
**June 30, 2022**

**Economic Factors and Next Year's Budget and Rates (Continued)**

- Lodger's Tax – Holloman Air Force Base was used as a location to house refugees from Afghanistan. Thousands of support personnel were brought in and most were lodged in hotel rooms throughout Alamogordo. The City saw a sharp increase in Lodger's Tax revenue, which helped offset the losses felt during the pandemic. The Lodger's Tax funds will be able to use these revenues in the coming two years to continue programs and make capital improvements.
- Inflation – Like all municipalities, the City of Alamogordo has felt the negative effects of inflation. Several capital projects have been postponed or cancelled all together due to rising costs of materials. Most capital expenditure budgets have to be revisited to add funds or decrease quantities to account for these increases.
- Supply Chain Issues – The City of Alamogordo continues to face shortages and delays due to production and supply chain issues. Most departments have felt this while trying to make vehicle purchases, many of which are still on back order. Fewer capital vehicle purchases will be approved going forwards.
- Renewal of Revenue – Departments such as Alamogordo Family Recreation Center, Sgt. Willie Estrada Memorial Civic Center, Alamogordo Public Library and Alamogordo Senior Center have seen a renewal of the admissions and rental revenue diminished by the pandemic.

**Request for Information**

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

## **Basic Financial Statements**

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

<b>June 30, 2022</b>	<b>Primary Government</b>			<b>Component Unit</b>
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	<b>Otero- Greentree Regional Landfill</b>
<b>Assets</b>				
Current assets				
Cash and cash equivalents	\$ 7,086,419	\$ 11,411,019	\$ 18,497,438	\$ 29,463
Investments	52,383,749	8,890,734	61,274,483	2,515,242
Receivables				
Taxes	5,702,314	-	5,702,314	-
Customer, net	-	3,551,689	3,551,689	103,594
Other, net	332,729	-	332,729	6,667
Lease, current	99,678	92,309	191,987	6,766
Inventory	173,803	693,514	867,317	-
Prepaid expenses	258,362	40,331	298,693	-
Internal balances	426,458	(426,458)	-	-
Total current assets	66,463,512	24,253,138	90,716,650	2,661,732
Noncurrent assets				
Restricted cash and cash equivalents	951,331	68,075	1,019,406	-
Restricted investments	-	74,551	74,551	1,110,418
Assets held for sale	-	88,338	88,338	-
Lease receivables, net of current portion	658,754	803,950	1,462,704	8,296
Capital assets, not being depreciated	23,562,706	14,963,395	38,526,101	2,129,376
Capital assets, being depreciated	250,080,358	181,197,091	431,277,449	8,069,628
Right to use assets, being amortized	61,677	188,798	250,475	50,297
Less accumulated depreciation	(197,807,610)	(73,703,956)	(271,511,566)	(5,020,792)
Less accumulated amortization	(17,256)	(50,376)	(67,632)	(10,056)
Total noncurrent assets	77,489,960	123,629,866	201,119,826	6,337,167
Total assets	143,953,472	147,883,004	291,836,476	8,998,899
<b>Deferred outflows of resources</b>				
Deferred outflows - pension	2,268,603	495,331	2,763,934	33,421
Deferred outflows - OPEB	2,106,610	507,961	2,614,571	40,402
Deferred outflows - extinguishment of debt	406,633	158,784	565,417	-
Total deferred outflows of resources	4,781,846	1,162,076	5,943,922	73,823
Total assets and deferred outflows of resources	\$ 148,735,318	\$ 149,045,080	\$ 297,780,398	\$ 9,072,722

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

June 30, 2022	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Otero- Greentree Regional Landfill
<b>Liabilities</b>				
Current liabilities				
Accounts payable	\$ 1,266,726	\$ 1,809,910	\$ 3,076,636	\$ 82,735
Accrued payroll	777,410	109,297	886,707	17,180
Deposits held in trust for others	23,731	555,349	579,080	4,087
Unearned revenue	3,937,465	1,890,848	5,828,313	3,673
Accrued interest	173,686	88,322	262,008	-
Lease liabilities, current	16,474	50,224	66,698	9,959
Long-term liabilities, current	3,484,333	2,452,548	5,936,881	18,419
<b>Total current liabilities</b>	<b>9,679,825</b>	<b>6,956,498</b>	<b>16,636,323</b>	<b>136,053</b>
Noncurrent liabilities				
Lease liabilities, net of current portion	33,285	88,521	121,806	30,178
Long-term liabilities, net of current portion	22,704,321	16,856,880	39,561,201	1,911,751
Net pension liability	16,211,880	3,091,939	19,303,819	203,241
Net OPEB liability	7,547,633	1,175,237	8,722,870	87,371
<b>Total noncurrent liabilities</b>	<b>46,497,119</b>	<b>21,212,577</b>	<b>67,709,696</b>	<b>2,232,541</b>
<b>Total liabilities</b>	<b>56,176,944</b>	<b>28,169,075</b>	<b>84,346,019</b>	<b>2,368,594</b>
<b>Deferred inflows of resources</b>				
Deferred inflows - leases	758,432	896,259	1,654,691	15,062
Deferred inflows - pension	6,938,089	949,960	7,888,049	137,789
Deferred inflows - OPEB	4,790,904	984,075	5,774,979	88,425
<b>Total deferred inflows of resources</b>	<b>12,487,425</b>	<b>2,830,294</b>	<b>15,317,719</b>	<b>241,276</b>
<b>Net position</b>				
Net investment in capital assets	51,139,428	103,664,595	154,804,023	5,178,316
Restricted for				
Debt service	4,827,388	-	4,827,388	-
Capital projects	28,124,224	-	28,124,224	-
Special revenue	8,999,364	-	8,999,364	-
Permanent fund	836,994	-	836,994	-
Unrestricted (deficit)	(13,856,449)	14,381,116	524,667	1,284,536
<b>Total net position</b>	<b>80,070,949</b>	<b>118,045,711</b>	<b>198,116,660</b>	<b>6,462,852</b>
<b>Total liabilities, deferred inflows of resources, and net position</b>	<b>\$ 148,735,318</b>	<b>\$ 149,045,080</b>	<b>\$ 297,780,398</b>	<b>\$ 9,072,722</b>

*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, 2022**

**Program Revenues**

Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government</b>				
<b>Governmental activities</b>				
General government	12,722,344	\$ 2,036,849	\$ 78,185	1,296,986
Public safety	9,087,181	277,670	724,764	-
Public works	5,644,735	23,821	23,892	113,369
Culture and recreation	4,944,455	657,722	759,919	-
Health and welfare	61,061	-	109,415	-
Interest and other charges	916,159	-	-	-
<b>Total governmental activities</b>	<b>33,375,935</b>	<b>2,996,062</b>	<b>1,696,175</b>	<b>1,410,355</b>
<b>Business-type activities</b>				
Water and sewer	10,390,099	11,420,892	-	7,506,547
Solid waste	2,199,411	2,471,183	-	-
Bonito lake	1,194	-	-	-
Golf course	1,933,758	1,658,338	-	-
Airport	634,134	163,673	348,799	196,445
Low rent public housing	1,324,539	373,568	741,997	49,935
Home ownership	8,913	-	-	-
<b>Total business-type activities</b>	<b>16,492,048</b>	<b>16,087,654</b>	<b>1,090,796</b>	<b>7,752,927</b>
<b>Total primary government</b>	<b>\$ 49,867,983</b>	<b>\$ 19,083,716</b>	<b>\$ 2,786,971</b>	<b>\$ 9,163,282</b>
<b>Component unit</b>				
Otero - Greentree Regional Landfill	\$ 1,739,706	\$ 1,547,718	\$ -	\$ -

**General revenues and transfers**

Taxes  
Property  
Gross receipts  
Gasoline and motor vehicle  
Other  
Investment income (loss)  
Miscellaneous  
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.*

<b>Net (Expense) Revenue and Changes in Net Position</b>			
<b>Primary Government</b>			<b>Component Unit</b>
<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	<b>Otero - Greentree Regional Landfill</b>
\$ (9,310,324)	\$ -	\$ (9,310,324)	\$ -
(8,084,747)	-	(8,084,747)	-
(5,483,653)	-	(5,483,653)	-
(3,526,814)	-	(3,526,814)	-
48,354	-	48,354	-
(916,159)	-	(916,159)	-
<u>(27,273,343)</u>	<u>-</u>	<u>(27,273,343)</u>	<u>-</u>
-	8,537,340	8,537,340	-
-	271,772	271,772	-
-	(1,194)	(1,194)	-
-	(275,420)	(275,420)	-
-	74,783	74,783	-
-	(159,039)	(159,039)	-
-	(8,913)	(8,913)	-
-	<u>8,439,329</u>	<u>8,439,329</u>	<u>-</u>
<u>(27,273,343)</u>	<u>8,439,329</u>	<u>(18,834,014)</u>	<u>-</u>
-	-	-	<u>(191,988)</u>
4,584,155	-	4,584,155	-
31,604,309	-	31,604,309	-
699,558	-	699,558	-
1,113,735	-	1,113,735	-
(3,375,219)	100,161	(3,275,058)	33,111
1,354,436	28,036	1,382,472	18,853
(1,918,175)	1,918,833	658	(658)
<u>34,062,799</u>	<u>2,047,030</u>	<u>36,109,829</u>	<u>51,306</u>
6,789,456	10,486,359	17,275,815	(140,682)
73,281,493	107,559,352	180,840,845	6,603,534
<u>\$ 80,070,949</u>	<u>\$ 118,045,711</u>	<u>\$ 198,116,660</u>	<u>\$ 6,462,852</u>

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

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

<b>June 30, 2022</b>	<b>General Fund</b>	<b>State and Local Fiscal Recovery Special Revenue Fund</b>	<b>1994 and 1996 GRT Principal Debt Service Fund</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 933,953	\$ 472,593	\$ 162,266
Investments	12,802,433	3,425,300	-
Receivables			
Taxes	3,135,694	-	-
Other, net	229,598	-	-
Prepaid expense	9,578	-	-
Due from other funds	806,361	-	-
<b>Total assets</b>	<b>\$ 17,917,617</b>	<b>\$ 3,897,893</b>	<b>\$ 162,266</b>
<b>Liabilities, deferred inflows of resources, and fund balances</b>			
<b>Liabilities</b>			
Accounts payable	\$ 84,916	\$ -	\$ -
Accrued payroll	530,996	-	-
Deposits held in trust for others	4,694	-	-
Unearned revenue	8,270	3,874,707	-
Due to other funds	-	-	-
<b>Total liabilities</b>	<b>628,876</b>	<b>3,874,707</b>	<b>-</b>
<b>Deferred inflows of resources</b>			
Unavailable revenue - property taxes	150,986	-	-
<b>Total deferred inflows of resources</b>	<b>150,986</b>	<b>-</b>	<b>-</b>
<b>Fund balances</b>			
Nonspendable	9,578	-	-
Spendable			
Restricted	-	23,186	162,266
Unassigned (deficit)	17,128,177	-	-
<b>Total fund balances</b>	<b>17,137,755</b>	<b>23,186</b>	<b>162,266</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 17,917,617</b>	<b>\$ 3,897,893</b>	<b>\$ 162,266</b>

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

<b>2004 Capital Outlay GRT Capital Projects Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 113,686	\$ 5,778,958	\$ 7,461,456
14,443,929	20,582,686	51,254,348
760,278	1,806,342	5,702,314
-	81,861	311,459
-	-	9,578
-	-	806,361
<u>\$ 15,317,893</u>	<u>\$ 28,249,847</u>	<u>\$ 65,545,516</u>
\$ 60,635	\$ 363,393	\$ 508,944
-	166,702	697,698
-	19,037	23,731
-	54,488	3,937,465
-	379,903	379,903
<u>60,635</u>	<u>983,523</u>	<u>5,547,741</u>
-	47,487	198,473
-	47,487	198,473
-	-	9,578
15,257,258	27,706,395	43,149,105
-	(487,558)	16,640,619
<u>15,257,258</u>	<u>27,218,837</u>	<u>59,799,302</u>
<u>\$ 15,317,893</u>	<u>\$ 28,249,847</u>	<u>\$ 65,545,516</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, 2022**

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

Fund balances - total governmental funds	\$ 59,799,302
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported in the funds	75,835,454
Right to use assets, net of accumulated amortization, used in governmental activities are not financial resources and, therefore, are not reported in the funds	38,034
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	(1,532,888)
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	198,473
Lease receivables in the governmental activities are not current financial resources and therefore are not reported in the funds	758,432
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	406,633
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	2,077,221
Deferred inflows - pension	(6,521,848)
Deferred outflows - OPEB	1,895,760
Deferred inflows - OPEB	(4,313,698)
Deferred inflows - leases	(758,432)
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	(173,686)
Accrued compensated absences	(940,326)
Bond discounts, net of accumulated amortization	137,539
Bond premiums, net of accumulated amortization	(169,860)
Current portion of long term debt payable	(2,393,000)
Lease liabilities	(40,360)
Long term portion of long term debt payable	(22,672,000)
Net pension liability	(14,799,446)
Net OPEB Liability	(6,760,355)
Net position - governmental activities	\$ 80,070,949

*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**

<b>For the Year Ended June 30, 2022</b>	<b>General Fund</b>	<b>State and Local Fiscal Recovery Special Revenue Fund</b>	<b>1994 and 1996 GRT Principal Debt Service Fund</b>
<b>Revenues</b>			
Taxes			
Property	\$ 3,409,501	\$ -	\$ -
Gross receipts	17,344,554	-	-
Gasoline and motor vehicle	-	-	-
Other	-	-	-
Intergovernmental			
Federal operating grants	-	78,185	-
Federal capital grants	-	-	-
State operating grants	-	-	-
State capital grants	-	-	-
Charges for services	1,894,195	-	-
Investment income (loss)	(3,693,916)	23,186	566
Miscellaneous	975,746	-	-
<b>Total revenues</b>	<b>19,930,080</b>	<b>101,371</b>	<b>566</b>
<b>Expenditures</b>			
Current			
General government	3,803,899	28,588	-
Public safety	9,073,795	-	1,698
Public works	105,977	-	-
Culture and recreation	-	-	-
Health and welfare	-	-	-
Capital outlay	641,372	49,597	-
Debt service			
Principal	9,237	-	10,182,000
Interest and other charges	114	-	451,140
<b>Total expenditures</b>	<b>13,634,394</b>	<b>78,185</b>	<b>10,634,838</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>6,295,686</b>	<b>23,186</b>	<b>(10,634,272)</b>
<b>Other financing sources (uses)</b>			
Debt proceeds	-	-	8,059,000
Proceeds from leases	7,881	-	-
Proceeds from sale of assets	16,778	-	-
Transfers in	372,265	-	2,587,438
Transfers (out)	(6,489,232)	-	-
<b>Total other financing sources (uses)</b>	<b>(6,092,308)</b>	<b>-</b>	<b>10,646,438</b>
<b>Net change in fund balances</b>	<b>203,378</b>	<b>23,186</b>	<b>12,166</b>
<b>Fund balances - beginning of year</b>	<b>16,934,377</b>	<b>-</b>	<b>150,100</b>
<b>Fund balances - end of year</b>	<b>\$ 17,137,755</b>	<b>\$ 23,186</b>	<b>\$ 162,266</b>

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

<b>2004 Capital Outlay GRT Capital Projects Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ -	\$ 1,132,672	\$ 4,542,173
4,563,122	9,696,633	31,604,309
-	699,558	699,558
-	1,113,735	1,113,735
-	138,298	216,483
-	113,549	113,549
-	1,479,692	1,479,692
-	1,296,806	1,296,806
-	830,987	2,725,182
130,921	154,387	(3,384,856)
-	141,898	1,117,644
<b>4,694,043</b>	<b>16,798,215</b>	<b>41,524,275</b>
-	2,658,363	6,490,850
-	536,656	9,612,149
79,345	2,012,342	2,197,664
-	4,067,730	4,067,730
-	113,484	113,484
2,936,074	2,894,206	6,521,249
-	167,681	10,358,918
-	508,259	959,513
<b>3,015,419</b>	<b>12,958,721</b>	<b>40,321,557</b>
<b>1,678,624</b>	<b>3,839,494</b>	<b>1,202,718</b>
-	-	8,059,000
-	21,132	29,013
-	13,625	30,403
-	6,771,178	9,730,881
(2,573,010)	(6,077,133)	(15,139,375)
<b>(2,573,010)</b>	<b>728,802</b>	<b>2,709,922</b>
(894,386)	4,568,296	3,912,640
<b>16,151,644</b>	<b>22,650,541</b>	<b>55,886,662</b>
<b>\$ 15,257,258</b>	<b>\$ 27,218,837</b>	<b>\$ 59,799,302</b>

*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, 2022**

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

Net change in fund balances - total governmental funds	\$ 3,912,640
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	(531,320)
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	6,521,249
Book value of disposed/deleted assets	(467,268)
Depreciation expense	(6,166,002)
Transfer of capital assets from business-type activities	254,219
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	(41,982)
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	1,205,936
Pension expense	(1,201,609)
Contributions subsequent to the measurement date - OPEB	213,454
OPEB benefit	775,424
The issuance of long-term debt (e.g. bonds, notes, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities	
Decrease in accrued interest	105,913
Proceeds of new debt payable	(8,059,000)
Principal payments on debt payable	10,358,918
Amortization of bond discounts	(13,596)
Amortization of deferred loss on extinguishment of debt	(62,559)
Amortization of bond premiums	14,052
Lease proceeds	(29,013)
Change in net position of governmental activities	\$ 6,789,456

*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**

<b>For the Year Ended June 30, 2022</b>	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variances</b>
	<b>Original</b>	<b>Final</b>		<b>Favorable (Unfavorable)</b>
				<b>Final to Actual</b>
<b>Revenues</b>				
Taxes				
Property	\$ 3,376,728	\$ 3,453,710	\$ 3,409,501	\$ (44,209)
Gross receipts	13,186,389	16,982,439	17,344,554	362,115
Charges for services	2,222,141	2,070,562	1,894,195	(176,367)
Investment income (loss)	51,343	51,343	(62,970)	(114,313)
Miscellaneous	88,296	996,708	975,746	(20,962)
<b>Total revenues</b>	<b>18,924,897</b>	<b>23,554,762</b>	<b>23,561,026</b>	<b>6,264</b>
<b>Expenditures</b>				
Current				
General government	6,371,831	6,937,335	6,809,655	127,680
Public safety	11,220,203	11,193,562	10,596,229	597,333
Public works	130,000	135,804	105,977	29,827
Capital outlay	400,000	1,007,700	323,477	684,223
<b>Total expenditures</b>	<b>18,122,034</b>	<b>19,274,401</b>	<b>17,835,338</b>	<b>1,439,063</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>802,863</b>	<b>4,280,361</b>	<b>5,725,688</b>	<b>1,445,327</b>
<b>Other financing sources (uses)</b>				
Designated cash (budgeted cash increase)	6,787,845	5,139,921	-	(5,139,921)
Proceeds from sale of assets	-	-	16,778	16,778
Transfers in	750,000	1,132,180	372,265	(759,915)
Transfers (out)	(8,340,708)	(10,552,462)	(6,489,232)	4,063,230
<b>Total other financing sources (uses)</b>	<b>(802,863)</b>	<b>(4,280,361)</b>	<b>(6,100,189)</b>	<b>(1,819,828)</b>
<b>Net change in fund balances</b>	<b>-</b>	<b>-</b>	<b>(374,501)</b>	<b>(374,501)</b>
<b>Fund balances - beginning of year</b>	<b>-</b>	<b>-</b>	<b>14,917,248</b>	<b>14,917,248</b>
<b>Fund balances - end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 14,542,747</b>	<b>\$ 14,542,747</b>
<b>Net change in fund balance (non-GAAP budgetary basis)</b>			<b>\$ (374,501)</b>	
<b>Adjustments to revenues for taxes, grants, charges for services, and investments</b>			<b>(3,623,065)</b>	
<b>Adjustments to expenditures for salaries and other expenses</b>			<b>4,200,944</b>	
<b>Net change in fund balance (GAAP)</b>			<b>\$ 203,378</b>	

*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**  
**State and Local Fiscal Recovery Special Revenue Fund**

<b>For the Year Ended June 30, 2022</b>	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variances</b>
	<b>Original</b>	<b>Final</b>		<b>Favorable (Unfavorable)</b>
				<b>Final to Actual</b>
<b>Revenues</b>				
Intergovernmental				
Federal operating grants	\$ -	\$ 3,952,892	\$ 3,952,892	\$ -
Investment income	-	-	23,186	23,186
<b>Total revenues</b>	<b>-</b>	<b>3,952,892</b>	<b>3,976,078</b>	<b>23,186</b>
<b>Expenditures</b>				
Current				
General government	-	500,000	28,588	471,412
Capital outlay	-	3,452,892	49,597	3,403,295
<b>Total expenditures</b>	<b>-</b>	<b>3,952,892</b>	<b>78,185</b>	<b>3,874,707</b>
Excess (deficiency) of revenues over expenditures	-	-	3,897,893	3,897,893
Net change in fund balances	-	-	3,897,893	3,897,893
Fund balances - beginning of year	-	-	-	-
<b>Fund balances - end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,897,893</b>	<b>\$ 3,897,893</b>
Net change in fund balance (non-GAAP budgetary basis)			\$ 3,897,893	
Adjustments to revenues for grants			(3,874,707)	
No adjustments to expenditures			-	
<b>Net change in fund balance (GAAP)</b>			<b>\$ 23,186</b>	

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

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

<b>June 30, 2022</b>	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Water and Sewer Fund</b>	<b>Nonmajor Enterprise Funds</b>	<b>Total Enterprise Funds</b>
<b>Assets</b>			
Current assets			
Cash and cash equivalents	\$ 9,339,802	2,071,217	\$ 11,411,019
Investments	7,975,736	914,998	8,890,734
Receivables			
Customer, net	3,361,752	189,937	3,551,689
Other, net	-	-	-
Lease, current	-	92,309	92,309
Inventory	687,913	5,601	693,514
Prepaid expenses	4,601	35,730	40,331
Due from other funds	-	16	16
Total current assets	21,369,804	3,309,808	24,679,612
Noncurrent assets			
Restricted cash and cash equivalents	-	68,075	68,075
Restricted investments	-	74,551	74,551
Assets held for sale	-	88,338	88,338
Lease receivables, net of current portion	-	803,950	803,950
Capital assets, not being depreciated	8,338,984	6,624,411	14,963,395
Capital assets, being depreciated	146,455,029	34,742,062	181,197,091
Right to use assets, being amortized	188,798	-	188,798
Less accumulated depreciation	(50,802,323)	(22,901,633)	(73,703,956)
Less right to use amortization	(50,376)	-	(50,376)
Total noncurrent assets	104,130,112	19,499,754	123,629,866
Total assets	125,499,916	22,809,562	148,309,478
Deferred outflows of resources			
Deferred outflows - pension	311,218	184,113	495,331
Deferred outflows - OPEB	363,180	144,781	507,961
Deferred outflows - extinguishment of debt	158,784	-	158,784
Total deferred outflows of resources	833,182	328,894	1,162,076
Total assets and deferred outflows of resources	\$ 126,333,098	\$ 23,138,456	\$ 149,471,554

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

**Governmental  
Activities**

---

**Internal Service  
Funds**

---

\$ 576,294  
1,129,401

-  
21,270  
-  
173,803  
248,784

---

2,149,552

-  
-  
-  
-  
-  
-  
9,399

(3,012)

---

6,387

---

2,155,939

191,382  
210,850

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402,232

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\$ 2,558,171

(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**

<b>June 30, 2022</b>	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Water and Sewer Fund</b>	<b>Nonmajor Enterprise Funds</b>	<b>Total Enterprise Funds</b>
<b>Liabilities</b>			
Current liabilities			
Accounts payable	\$ 1,536,756	\$ 273,154	\$ 1,809,910
Accrued payroll	79,424	29,873	109,297
Deposits held in trust for others	497,973	57,376	555,349
Unearned revenue	1,875,614	15,234	1,890,848
Accrued interest	88,322	-	88,322
Lease liabilities, current	50,224	-	50,224
Long-term liabilities, current	2,356,450	96,098	2,452,548
Due to other funds	6,571	419,903	426,474
<b>Total current liabilities</b>	<b>6,491,334</b>	<b>891,638</b>	<b>7,382,972</b>
Noncurrent liabilities			
Lease liabilities, net of current portion	88,521	-	88,521
Long-term liabilities, net of current portion	16,856,880	-	16,856,880
Net pension liability	2,218,741	873,198	3,091,939
Net OPEB liability	829,616	345,621	1,175,237
<b>Total noncurrent liabilities</b>	<b>19,993,758</b>	<b>1,218,819</b>	<b>21,212,577</b>
<b>Total liabilities</b>	<b>26,485,092</b>	<b>2,110,457</b>	<b>28,595,549</b>
Deferred inflows of resources			
Deferred inflows - leases	-	896,259	896,259
Deferred inflows - pension	665,388	284,572	949,960
Deferred inflows - OPEB	695,154	288,921	984,075
<b>Total deferred inflows of resources</b>	<b>1,360,542</b>	<b>1,469,752</b>	<b>2,830,294</b>
Net position			
Net investment in capital assets	85,200,078	18,464,840	103,664,918
Unrestricted (deficit)	13,287,386	1,093,407	14,380,793
<b>Total net position</b>	<b>98,487,464</b>	<b>19,558,247</b>	<b>118,045,711</b>
<b>Total liabilities, deferred inflows of resources, and net position</b>	<b>\$ 126,333,098</b>	<b>\$ 23,138,456</b>	<b>\$ 149,471,554</b>

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

**Governmental  
Activities**

---

**Internal Service  
Funds**

---

\$	757,782
	79,712
	-
	-
	-
	2,964
	151,007
	-
	<u>991,465</u>

	6,435
	-
	1,412,434
	<u>787,278</u>
	<u>2,206,147</u>
	<u>3,197,612</u>

	-
	416,241
	<u>477,206</u>
	<u>893,447</u>

	-
	<u>(1,532,888)</u>
	<u>(1,532,888)</u>

\$	<u><u>2,558,171</u></u>
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*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**

<b>For the Year Ended June 30, 2022</b>	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Water and Sewer Fund</b>	<b>Nonmajor Enterprise Funds</b>	<b>Total Enterprise Funds</b>
Operating revenues			
Charges for services	\$ 11,420,892	\$ 4,666,762	\$ 16,087,654
Operating grants	-	1,090,796	1,090,796
<b>Total operating revenues</b>	<b>11,420,892</b>	<b>5,757,558</b>	<b>17,178,450</b>
Operating expenses			
Personnel services	2,453,701	1,008,628	3,462,329
Utilities	748,709	69,066	817,775
Contractual services	447,343	3,258,587	3,705,930
Supplies and purchased power	820,260	290,020	1,110,280
Repairs and maintenance	519,632	182,737	702,369
Depreciation expense	4,774,606	1,022,482	5,797,088
Miscellaneous expense	336,611	270,429	607,040
<b>Total operating expenses</b>	<b>10,100,862</b>	<b>6,101,949</b>	<b>16,202,811</b>
<b>Operating income (loss)</b>	<b>1,320,030</b>	<b>(344,391)</b>	<b>975,639</b>
Non-operating revenues (expenses)			
Interest expense	(289,237)	-	(289,237)
Investment income	90,907	9,254	100,161
Miscellaneous	9,377	18,659	28,036
<b>Total non-operating revenues (expenses)</b>	<b>(188,953)</b>	<b>27,913</b>	<b>(161,040)</b>
<b>Income (loss) before contributions and transfers</b>	<b>1,131,077</b>	<b>(316,478)</b>	<b>814,599</b>
Government contributions			
Capital grants	7,506,547	246,380	7,752,927
Transfers in	2,796,991	139,870	2,936,861
Transfers (out)	(741,227)	(276,801)	(1,018,028)
<b>Change in net position</b>	<b>10,693,388</b>	<b>(207,029)</b>	<b>10,486,359</b>
<b>Net position - beginning of year</b>	<b>87,794,076</b>	<b>19,765,276</b>	<b>107,559,352</b>
<b>Net position - end of year</b>	<b>\$ 98,487,464</b>	<b>\$ 19,558,247</b>	<b>\$ 118,045,711</b>

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

<b>Governmental Activities</b>	
<b>Internal Service Funds</b>	
\$ 270,880	-
<u>270,880</u>	
1,401,177	
42,413	
1,112,282	
1,019,716	
489,856	
3,012	
<u>216,273</u>	
<u>4,284,729</u>	
<u>(4,013,849)</u>	
-	
9,637	
<u>236,792</u>	
<u>246,429</u>	
<u>(3,767,420)</u>	
-	
3,236,100	
<u>-</u>	
<u>(531,320)</u>	
<u>(1,001,568)</u>	
<u>\$ (1,532,888)</u>	

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

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

<b>For the Year Ended June 30, 2022</b>	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Water and Sewer Fund</b>	<b>Nonmajor Enterprise Funds</b>	<b>Total Enterprise Funds</b>
<b>Cash flows from operating activities</b>			
Cash received from user charges	\$ 10,474,337	\$ 4,689,736	\$ 15,164,073
Cash received from subsidy grants	-	1,090,796	1,090,796
Cash payments to employees for services	(2,590,441)	(1,071,650)	(3,662,091)
Cash payments to suppliers for goods and services	(2,427,296)	(3,978,954)	(6,406,250)
<b>Net cash provided (used) by operating activities</b>	<b>5,456,600</b>	<b>729,928</b>	<b>6,186,528</b>
<b>Cash flows from noncapital financing activities</b>			
Miscellaneous income	9,377	18,659	28,036
Transfers in (out)	2,062,335	282,951	2,345,286
<b>Net cash provided (used) by noncapital financing activities</b>	<b>2,071,712</b>	<b>301,610</b>	<b>2,373,322</b>
<b>Cash flows from investing activities</b>			
Sales (purchases) of investments	(1,504,536)	(6,432)	(1,510,968)
Interest on investments	90,907	9,254	100,161
<b>Net cash provided (used) by investing activities</b>	<b>(1,413,629)</b>	<b>2,822</b>	<b>(1,410,807)</b>
<b>Cash flows from capital and related financing activities</b>			
Acquisition of capital assets	(4,579,966)	(1,095,634)	(5,675,600)
Capital grants	7,538,182	259,359	7,797,541
Interest paid	83,244	-	83,244
Proceeds from issuance of long-term debt	6,308,447	-	6,308,447
Principal payments on bonds, loans, and notes payable	(7,568,481)	-	(7,568,481)
<b>Net cash provided (used) by capital and related financing activities</b>	<b>1,781,426</b>	<b>(836,275)</b>	<b>945,151</b>
<b>Net increase in cash and cash equivalents</b>	<b>7,896,109</b>	<b>198,085</b>	<b>8,094,194</b>
<b>Cash and cash equivalents - beginning of year</b>	<b>1,443,693</b>	<b>1,941,207</b>	<b>3,384,900</b>
<b>Cash and cash equivalents - end of year</b>	<b>\$ 9,339,802</b>	<b>\$ 2,139,292</b>	<b>\$ 11,479,094</b>

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

**Governmental  
Activities**

---

**Internal  
Service Funds**

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\$ 264,248  
 -  
 (1,511,513)  


---

 (2,347,617)  


---

 (3,594,882)

236,792  
 3,236,100  


---

---

 3,472,892

(9,286)  
 9,637  


---

 351  


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-  
 -  
 -  
 -  


---

 -

-  


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 (121,639)  
 697,933  


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 \$ 576,294  


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(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**

<b>For the Year Ended June 30, 2022</b>	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Water and Sewer Fund</b>	<b>Nonmajor Enterprise Funds</b>	<b>Total Enterprise Funds</b>
Reconciliation of operating (loss) to net cash provided (used) by operating activities			
Operating (loss)	\$ 1,320,030	\$ (344,391)	\$ 975,639
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities			
Depreciation	4,774,606	1,022,482	5,797,088
Noncash pension expense	17,711	6,936	24,647
Noncash OPEB benefit	(155,134)	(72,811)	(227,945)
Changes in assets, liabilities and deferred outflows of resources			
Receivables, net	(911,698)	22,594	(889,104)
Inventory	(92,654)	-	(92,654)
Prepaid expenses	393	(3,179)	(2,786)
Subsequent contributions-pension	(9,187)	(3,597)	(12,784)
Subsequent contributions-OPEB	(3,026)	(1,421)	(4,447)
Accounts payable	537,520	95,064	632,584
Accrued payroll expenses	(45,034)	(19,991)	(65,025)
Accrued compensated absences	57,930	27,862	85,792
Unearned revenue	-	840	840
Customer deposits	(34,857)	(460)	(35,317)
<b>Net cash provided (used) by operating activities</b>	<b>\$ 5,456,600</b>	<b>\$ 729,928</b>	<b>\$ 6,186,528</b>

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

**Governmental  
Activities**

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**Internal  
Service Funds**

---

\$ (4,013,849)

3,012  
10,406  
(91,164)

(6,632)  
4,200  
(179,560)  
(5,398)  
(1,778)  
708,283  
10,089  
(32,491)

-  
-

---

**\$ (3,594,882)**

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

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

<b>June 30, 2022</b>	<b>Custodial Funds</b>
Assets	
Cash and cash equivalents	\$ 11,990
Total assets	\$ 11,990
Liabilities	
Accounts payable	\$ 2,765
Total liabilities	2,765
Net position	
Restricted	9,638
Unrestricted (deficit)	(413)
Total net position	9,225
Total liabilities and net position	\$ 11,990

*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**

<b>For the Year Ended June 30, 2022</b>	<b>Custodial Funds</b>
Additions	
Court fees	\$ 31,496
<b>Total additions</b>	<b>\$ 31,496</b>
Deductions	
Professional services	\$ 30,822
<b>Total deductions</b>	<b>30,822</b>
Net increase in fiduciary net position	674
Net position - beginning of year	8,551
<b>Net position - end of year</b>	<b>\$ 9,225</b>

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

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

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

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

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

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

***Reporting Entity***

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

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

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

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Reporting Entity (Continued)***

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

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

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

***Discretely Presented Component Unit***

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

It was mutually agreed and covenanted between the entities that:

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

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

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Discretely Presented Component Unit (Continued)***

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

***Government-wide and Fund Financial Statements***

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

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

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Government-wide and Fund Financial Statements (Continued)***

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

***Measurement Focus, Basis of Accounting, and Financial Statement Presentation***

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes, net of estimated refunds, are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

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

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

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

*Government-wide Financial Statements*

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

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

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

*Fund Financial Statements*

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

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

The City reports the following major governmental funds:

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

The *State and Local Fiscal Recovery Fund* is a special revenue fund that is used to account for federal monies to respond to the effects of the Coronavirus pandemic known as novel COVID-19. Authority for creation of this fund is under section 602 of the Social Security Act, as added by section 9901 of the American Rescue Plan Act (ARPA).

**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 *1994 and 1996 GRT Principal Fund* is a debt service fund used to accounts for the servicing of principal and interest payments for any debt pledged with Gross Receipts Tax revenues.

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 10<sup>th</sup> and April 10<sup>th</sup>. Property taxes uncollected after November 10<sup>th</sup> and April 10<sup>th</sup> 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)***

*Lease receivables*

The City's lease receivable is measured at the present value of lease payments expected to be received during the lease term. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable.

*Prepaid Expenses*

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

*Restricted Assets*

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

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

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

*Capital Assets*

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Pursuant to the implementation of GASB Statement No. 34, as a Phase 2 government, the historical cost of infrastructure assets, (retroactive to June 30, 1980) are included as part of the governmental capital assets reported in the government wide statements. Information Technology Equipment including software is being capitalized and included in furniture, fixtures and equipment in accordance with NMAC 2.20.1.9 C (5). Donated capital assets are recorded at acquisition value at the date of donation, of which none were received for the year ended June 30, 2022.

**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)***

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.

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

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

*Right-of-Use Assets*

The City has recorded right to use lease assets as a result of implementing GASB 87. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use assets are amortized on a straight-line basis over the life of the related lease.

*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 \$565,417.

The City, including the component unit, has four types of items that qualify for reporting in this category related to reporting under GASB 68 and four types that qualify for reporting under GASB 75, which total \$2,797,355 and \$2,654,973, 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.

**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)***

*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 \$198,473 related to property taxes considered “unavailable”. In addition, the City, including the component unit, 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 qualify related to reporting under GASB 75. The deferred inflows of resources total \$8,025,838 and \$5,863,404, 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.

Lastly, the City has one type of item present on the statement of net position that qualifies for reporting in this category that arises as a result of the implementation of GASB 87. The deferred inflow of resources for lease receivables totaled \$1,669,753 as of June 30, 2022 and will be amortized on a straight-line basis over the terms of the underlying leases.

*Accrued Payroll*

Accrued payroll is comprised of the payroll expenditures based on amounts earned by the employees through June 30, 2022, 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.

**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)***

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 advanced funded grants for which eligible expenditures have not yet been incurred and 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, 2022.

*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.

**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)***

*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.

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 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, 2022, the City had nonspendable fund balance categorized in the governmental funds balance sheet in the amount of \$9,578 as related to prepaid expenses.

*Restricted and Committed Fund Balance* – At June 30, 2022, the restricted fund balance on the governmental funds balance sheet totals \$43,149,105 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, 2022. The details of these fund balance items are located on the governmental funds balance sheet as detailed in Note 17.

**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)***

*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 1/12<sup>th</sup> of the General Fund budgetary basis expenditures of \$1,135,411 and the City’s self-imposed reserve of \$211,286 for the year ended June 30, 2022. As these amounts are an accumulation of resources and not a true restriction or commitment of expenditures, they are reflected within the unassigned fund balance of the general fund.

*Net Position*

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

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

*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 55-56 and 121-125.

*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.

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

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Revenues and Expenditures/Expenses (Continued)***

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.

***Use of Estimates***

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

***Subsequent Events***

Management has evaluated subsequent events through the date that the financial statements were available to be issued, December 15, 2022 and determined there were no events that occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

***Recently Issued and Implemented Accounting Pronouncements***

The City implemented GASB Statement No. 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.

**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)***

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 implementation of this Statement had a material impact on the City's reporting in the current fiscal year. See Note 2 for further information.

The City also implemented GASB 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 implementation of this Statement had no impact on the City's reporting in the current fiscal year.

The City implemented 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 implementation of this Statement had no impact on the City's reporting in the current fiscal year.

The City implemented GASB 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 implementation of this Statement had no impact on the City's reporting in the current fiscal year.

In October 2021, GASB issued Statement No. 98, *The Annual Comprehensive Financial Report*. This Statement establishes the term annual comprehensive financial report and its acronym ACFR. This new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. The implementation of this Statement had no impact on the City's reporting in the current fiscal year.

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

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.

**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)***

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.)

In March 2020, the 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, the 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 15, 2022. Earlier application is encouraged.

In May 2022, GASB issued Statement No. 99, Omnibus 2022. The requirements of this Statement establishes or amends accounting and financial reporting requirements for specific issues related to financial guarantees, derivative instruments, leases, public-public and public-private partnerships (PPPs), subscription-based information technology arrangements (SBITAs), the transition from the London Interbank Offered Rate (LIBOR), the Supplemental Nutrition Assistance Program (SNAP) (formerly, food stamps), nonmonetary transactions, pledges of future revenues, the focus of government-wide financial statements, and terminology. The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections*. The requirements of this Statement will enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for reporting periods beginning after June 15, 2023. 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 2022, GASB issued Statement No. 101, *Compensated Absences*. The requirements of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. The requirements of this Statement are effective for reporting periods beginning after December 15, 2023. Earlier application is encouraged.

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

**NOTE 2: RESTATEMENTS TO FUND BALANCE AND NET POSITION**

During fiscal year 2022, the City implemented GASB Statement No. 87, *Leases*. The City was required to record right-of-use assets and lease liabilities in the amount of \$268,587 in the government wide and business-type activities financial statements, as detailed in Notes 7 and 8. Additionally, the City was required to record lease receivables and deferred inflow-revenues, of \$1,494,619 in the government wide and business-type activities financial statements, as detailed in Note 5.

**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.

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

**NOTE 3: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

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

	<b>Excess (deficiency) of revenues over expenditures</b>	
	<b>Original Budget</b>	<b>Final Budget</b>
<b>Budgeted governmental funds</b>		
General Fund	\$ 802,863	\$ 4,280,361
American Rescue Plan Act Fund	-	-
1994 and 1996 GRT Principal Fund	(2,671,880)	(10,721,703)
2004 Capital Outlay GRT Fund Capital Projects Fund	1,698,330	(5,152,163)
Other governmental funds	(2,426,249)	(7,438,804)
<b>Budgeted proprietary funds</b>		
Water and Sewer Fund	(793,801)	(10,027,105)
Nonmajor proprietary funds	(824,331)	477,714
Internal Service Fund	(3,630,322)	(5,450,843)
<b>Component unit</b>		
Otero - Greentree Regional Landfill	(590,189)	(3,298,401)

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, 2022 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.

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

**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, 2022.

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

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

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

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

*Custodial Credit Risk – Deposits.* Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk, other than following state statutes as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978). At June 30, 2022, \$23,115,023 of the City's bank balance of \$25,941,699 was subject to custodial credit risk. Of this amount, \$12,722,705 was uninsured and collateralized by collateral held by the pledging bank's trust department, not in the City's name and \$10,392,318 of the City's deposits was uninsured and uncollateralized at June 30, 2022.

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

**NOTE 4: DEPOSITS AND INVESTMENTS (Continued)**

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.

	<b>Bank '34</b>	<b>Bank of the West</b>	<b>First National Bank</b>	<b>First National Bank Housing Authority**</b>	<b>First Savings</b>
Amount of deposits	\$ 250,000	\$ 281,070	\$ 14,648,694	\$ 1,709,327	\$ 3,349,494
FDIC/SIPC coverage	(250,000)	(250,000)	(250,000)	-	(250,000)
Total uninsured public funds	-	31,070	14,398,694	1,709,327	3,099,494
Collateralized by securities held by pledging institutions or by its trust department or agent in other than the City's name	-	31,070	6,560,372	1,709,327	1,547,168
Uninsured and uncollateralized	\$ -	\$ -	\$ 7,838,322	\$ -	\$ 1,552,326
Collateral requirement (50%)	\$ -	\$ 15,535	\$ 7,199,347	\$ 1,709,327	\$ 1,549,747
Pledged securities	-	126,631	6,560,372	1,982,593	1,547,168
Over (under) collateralized	\$ -	\$ 111,096	\$ (638,975)	\$ 273,266	\$ (2,579)
	<b>Moreton Capital Markets*</b>	<b>Pioneer Bank</b>	<b>Washington Federal Bank</b>	<b>Wells Fargo Bank</b>	<b>Total</b>
Amount of deposits	\$ 1,076,676	\$ 282,965	\$ 1,457,327	\$ 2,886,146	\$ 25,941,699
FDIC/SIPC coverage	(1,076,676)	(250,000)	(250,000)	(250,000)	(2,826,676)
Total uninsured public funds	-	32,965	1,207,327	2,636,146	23,115,023
Collateralized by securities held by pledging institutions or by its trust department or agent in other than the City's name	-	32,965	1,207,327	1,634,476	12,722,705
Uninsured and uncollateralized	\$ -	\$ -	\$ -	\$ 1,001,670	\$ 10,392,318
Collateral requirement (50%)	\$ -	\$ 16,483	\$ 603,664	\$ 1,318,073	\$ 12,412,176
Pledged securities	-	72,234	1,237,696	1,634,476	13,161,170
Over (under) collateralized	\$ -	\$ 55,751	\$ 634,032	\$ 316,403	\$ 748,994

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

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

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

**NOTE 4: DEPOSITS AND INVESTMENTS (Continued)**

The collateral pledged is listed on pages 175-177 of this report. The types of collateral allowed are limited to direct obligations of the United States Government, all bonds issued by any agency, city or political subdivision of the State of New Mexico, or revenue bonds that are underwritten by a member of the financial industry regulatory authority, known as FINRA, and are rated BAA or above by a nationally recognized bond rating service.

**Reconciliation to the Statement of Net Position**

Cash and cash equivalents per statement of net position	\$ 18,497,438
Investments per statement of net position	61,274,483
Restricted cash and cash equivalents per statement of net position	1,019,406
Restricted investments per statement of net position	74,551
Component unit cash and cash equivalents per statement of net position	29,463
Component unit investments per statement of net position	2,515,242
Component unit restricted investments per statement of net position	1,110,418
Cash and cash equivalents per statement of fiduciary net position	11,990
<hr/>	
Total cash, cash equivalents and investments	84,532,991
Plus outstanding checks	464,476
Less outstanding deposits	(176,516)
Less investments at Moreton Capital Markets	(57,660,011)
Plus NMFA investment accounts	(402,451)
Plus NMFA cash accounts	(809,680)
Less petty cash	(7,110)
<hr/>	
Bank balance of deposits	\$ 25,941,699
<hr/>	

**Investments**

The City's investments at June 30, 2022, include the following:

<b>Investment Type</b>	<b>Weighted Average Maturities</b>	<b>Fair Value</b>	<b>Rating*</b>
	25 day WAM (R) and		
New MexiGROW LGIP	77 day WAM (F)	\$ 7,035	AAAm
U.S. Treasury/Agency Bonds	1 to 10 years	24,413,815	A-1+
Fixed Income Securities	0 to 10 years	33,648,647	Not Rated
		<hr/>	
		\$ 58,069,497	
		<hr/>	

\* Based off Standard & Poor's rating

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

**NOTE 4: DEPOSITS AND INVESTMENTS (Continued)**

The City has presented certificates of deposit in the amount of \$5,620,857 and \$1,284,340 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 \$58,069,497. 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, 2022:

<b>Investment Type</b>	<b>Fair Value</b>	<b>Investment Maturities</b>		
		<b>Not subject to Interest Rate Risk</b>	<b>Less than 1 Year</b>	<b>1-5 Years</b>
New MexiGROW LGIP	\$ 7,035	\$ -	\$ 7,035	\$ -
U.S. Treasury/Agency Bonds	24,413,815	-	402,451	24,011,364
Fixed Income Securities	33,648,647	-	7,451,162	26,197,485
<b>Total investments</b>	<b>\$ 58,069,497</b>	<b>\$ -</b>	<b>\$ 7,860,648</b>	<b>\$ 50,208,849</b>

*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 42.04% of the investment portfolio and the Fixed Income Securities represents 57.95%. 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).

*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

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

**NOTE 4: DEPOSITS AND INVESTMENTS (Continued)**

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 \$7,035 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.

The City maintained a balance of \$58,062,462 in investments at June 30, 2022 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, 2022:

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
U.S. Treasury/Agency Bonds	\$ -	\$ 24,413,815	\$ -	\$ 24,413,815
Fixed Income Securities	-	33,648,647	-	33,648,647
<b>Total investments</b>	<b>\$ -</b>	<b>\$ 58,062,462</b>	<b>\$ -</b>	<b>\$ 58,062,462</b>

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

**NOTE 5: RECEIVABLES**

Receivables as of June 30, 2022, are as follows for the governmental activities:

	General Fund	2004 Capital Outlay GRT Fund	Nonmajor Governmental Funds	Total Governmental Funds
Taxes				
Property	\$ 213,510	\$ -	\$ 67,374	\$ 280,884
Gross receipts	2,922,184	760,278	1,609,592	5,292,054
Gasoline and oil taxes	-	-	129,376	129,376
Other				
Charges for services	937,526	-	87,840	1,025,366
Allowance - uncollectable charges for services	(708,058)	-	(27,482)	(735,540)
Miscellaneous	987,629	-	191,374	1,179,003
Allowance - uncollectable miscellaneous	(987,499)	-	(169,871)	(1,157,370)
<b>Totals</b>	<b>\$ 3,365,292</b>	<b>\$ 760,278</b>	<b>\$ 1,888,203</b>	<b>\$ 6,013,773</b>

In accordance with GASB Statement No. 33, property tax revenues in the amount of \$198,473 that were not collected within the period of availability have been reclassified as deferred inflows of resources in the governmental fund financial statements.

Receivables as of June 30, 2022, are as follows for the business-type activities:

	Water and Sewer Fund	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Fund
Customer				
Charges for services	\$ 3,482,540	\$ 201,925	\$ 3,684,465	\$ -
Allowance - uncollectable charges for services	(120,788)	(11,988)	(132,776)	-
Other				
Miscellaneous	-	-	-	54,392
Allowance - uncollectable miscellaneous	-	-	-	(33,122)
<b>Totals</b>	<b>\$ 3,361,752</b>	<b>\$ 189,937</b>	<b>\$ 3,551,689</b>	<b>\$ 21,270</b>

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

**NOTE 5: RECEIVABLES (Continued)**

Receivables as of June 30, 2022, are as follows for the component unit:

	<b>Component Unit Otero-Greentree Regional Landfill</b>	
Customer		
Charges for services	\$	115,924
Allowance - uncollectable charges for services		(12,330)
Other		
Miscellaneous		6,667
<b>Totals</b>	<b>\$</b>	<b>110,261</b>

**Lease Receivable**

The City has recorded a lease receivables as a result of implementation of GASB 87, for the governmental funds, business-type activities and the Component Unit of the City. The lease receivables are initially measured at an amount equal to the initial measurement of the related deferred inflow of resources.

The City, as part of their governmental funds, entered into agreements to lease their land and water towers. The terms of the lease agreements range from 23 months to 252 months, with a discount rate of 0.50% and 1.75%, which was set by the New Mexico Department of Finance and Administration.

During the year ended June 30, 2022, the following changes occurred in lease receivables reported on the statement of net position for governmental funds:

	<b>Balance June 30, 2021 (Restated)</b>			<b>Increases</b>		<b>Decreases</b>		<b>Balance June 30, 2022</b>		<b>Due Within One Year</b>	
Triple A Replat D Block	\$	120,198	\$	-	\$	62,593	\$	57,605	\$	57,605	
Verizon Tower Lease		280,353				13,615		266,738		13,440	
2101 South Walker Ave.		211,063		-		8,686		202,377		8,527	
Downtown Ventures		-		251,836		20,124		231,712		20,106	
<b>Total lease receivable</b>	<b>\$</b>	<b>611,614</b>	<b>\$</b>	<b>251,836</b>	<b>\$</b>	<b>105,018</b>	<b>\$</b>	<b>758,432</b>	<b>\$</b>	<b>99,678</b>	

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

**NOTE 5: RECEIVABLES (Continued)**

**Lease Receivable (Continued)**

The future minimum lease payments for governmental funds to be received as of June 30, 2022 is as follows:

<b>Fiscal Year Ending June 30,</b>	<b>Payment</b>	<b>Interest</b>	<b>Total Lease Receivable</b>
2023	\$ 99,678	\$ 12,071	\$ 111,749
2024	42,814	11,186	54,000
2025	43,569	10,431	54,000
2026	44,338	9,662	54,000
2027	45,120	9,880	55,000
2028-2032	237,827	33,173	271,000
2033-2037	149,435	14,564	163,999
2038-2042	95,651	3,350	99,001
	<u>\$ 758,432</u>	<u>\$ 104,317</u>	<u>\$ 862,749</u>

The City's airport, as part of their business-type activities, entered into lease agreements to lease their land and hanger sites. The terms of the lease agreements range from 5 years to 25 years with a discount rate of 0.50% and 1.75%, which was set by the New Mexico Department of Finance and Administration.

**State of New Mexico**  
**City of Alamogordo**  
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**NOTE 5: RECEIVABLES (Continued)**

**Lease Receivable (Continued)**

During the year ended June 30, 2022, the following changes occurred in lease receivables reported on the statement of net position for business type activities:

	Balance June 30, 2021 (Restated)	Increases	Decreases	Balance June 30, 2022	Due Within One Year
Hanger Site A-1	\$ 3,982	\$ -	\$ 394	\$ 3,588	\$ 331
Lease E6-C	1,329	-	132	1,197	111
Lease E9-B	2,525	-	250	2,275	210
Lease AE-3C	1,307	-	129	1,178	109
Lease AE-8C	2,534	-	512	2,022	502
Lease E2-A	3,919	-	388	3,531	326
Lease E6-B	5,895	-	1,191	4,704	1,167
Lease E4-A	3,704	-	748	2,956	733
Lease E4-D	4,305	-	870	3,435	852
Lease E8-A	8,230	-	753	7,477	622
Lease E13-B	-	6,273	1,065	5,208	1,026
Lease E2-C	-	1,829	371	1,458	360
Lease E4-B	1,688	-	341	1,347	334
Lease E6-D	-	3,811	774	3,037	751
Lease A-2	-	101,775	2,500	99,275	3,277
Lease E10-B	7,376	-	730	6,646	614
Lease W2-A	12,467	-	1,234	11,233	1,038
Lease W2-C	7,083	-	1,035	6,048	989
Lease W2-B	6,080	-	1,234	4,846	1,198
Lease W4-A	463,658	-	47,940	415,718	44,822
Lease E9-C	1,495	-	302	1,193	296
Lease E2-B and FF1-A	3,603	-	526	3,077	503
Lease E7-A	9,457	-	1,910	7,547	1,873
Lease E9-A1	5,096	-	744	4,352	712
Lease E6-A	1,100	-	222	878	218
Lease E4-C	964	-	195	769	191
Lease E9-A2	2,124	-	429	1,695	421
Lease E1-A	81,606	-	8,079	73,527	6,792
Lease E13-A1	5,860	-	752	5,108	713
Lease E-12-B3	11,132	-	1,151	9,981	1,076
Lease E12-A	3,876	-	783	3,093	767
Lease W3-A	211,779	-	20,966	190,813	17,626
Lease E10-A	8,831	-	1,784	7,047	1,749
<b>Total lease receivable</b>	<b>\$ 883,005</b>	<b>\$ 113,688</b>	<b>\$ 100,434</b>	<b>\$ 896,259</b>	<b>\$ 92,309</b>

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

**NOTE 5: RECEIVABLES (Continued)**

**Lease Receivable (Continued)**

The future minimum lease payments for business-type activities to be received as of June 30, 2022 is as follows:

Fiscal Year Ending June 30,	Payment	Interest	Total Lease Receivable
2023	\$ 92,309	\$ 10,624	\$ 102,933
2024	93,293	9,641	102,934
2025	94,286	8,651	102,937
2026	95,294	7,648	102,942
2027	84,643	6,626	91,269
2028-2032	371,907	18,649	390,556
2033-2037	20,941	4,812	25,753
2038-2042	22,041	2,959	25,000
2043-2047	21,545	954	22,499
	<u>\$ 896,259</u>	<u>\$ 70,564</u>	<u>\$ 966,823</u>

The City's discretely presented component unit, Otero-Greentree Regional Landfill entered into lease agreements to lease their land. The terms of the lease agreements range from 2 years to 3 years with a discount rate of .50%, which was set by the New Mexico Department of Finance and Administration.

During the year ended June 30, 2022, the following changes occurred in lease receivables reported on the statement of net position for the discretely presented component unit:

	Balance June 30, 2021	Increases	Decreases	Balance June 30, 2022	Due Within One Year
Grease Trap - Arrearages	\$ -	\$ 1,641	\$ -	\$ 1,641	\$ 819
Grease Trap - Annual	-	19,346	5,925	13,421	5,947
Total lease receivable	\$ -	\$ 20,987	\$ 5,925	\$ 15,062	\$ 6,766

The future minimum lease payments for the discretely presented component unit to be received as of June 30, 2022 is as follows:

Fiscal Year Ending June 30,	Payment	Interest	Total Lease Receivable
2023	\$ 6,766	\$ 62	\$ 6,828
2024	6,798	28	6,826
2025	1,498	1	1,499
	<u>\$ 15,062</u>	<u>\$ 91</u>	<u>\$ 15,153</u>

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

**NOTE 5: RECEIVABLES (Continued)**

**Lease Receivable (Continued)**

A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

**NOTE 6: TRANSFERS AND INTERFUND BALANCES**

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

<b>Fund</b>	<b>Transfers Out</b>	<b>Transfers In</b>
Government Wide Fixed Assets	\$ -	\$ 254,219
General	6,489,232	372,265
Internal Service	-	3,236,100
Corrections	236	-
Lodger's Tax - Promotional	1,336	3,958
Court Automation	10,493	-
Lodger's Tax- City	68,678	-
Grant Capital Improvement	-	15,414
Court Administration	15,776	431,290
Cemetery Perpetual Care	-	-
Leisure Services	608,267	3,573,276
1984 Gross Receipts Tax	838,512	-
Transportation Fund	137,121	442,669
New Mexico C.D.B.G	-	97,337
1986 Gross Receipt Tax	1,551,208	-
ESGRT 0.0625%	751,470	-
General Obligation Fund	440,000	-
99 GRT Flood Control	17,687	1,205,054
1994 and 1996 GRT Principle Fund	-	2,587,438
Municipal Infrastructure	136,224	-
Community Development/Infrastructure Acquisition	36,911	396,947
1994 Gross Receipts Tax	1,447,177	-
Alamo Senior Center	-	589,482
Retired and Senior Volunteer Program	16,037	15,751
Water and Sewer	741,227	2,796,991
Solid Waste	135,004	-
Golf Course	89,513	122,758
Airport	52,284	17,112
Otero Greentree Regional Landfill	658	-
2004 Capital Outlay GRT	2,573,010	-
<b>Total Transfers</b>	<b>\$ 16,158,061</b>	<b>\$ 16,158,061</b>

**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, 2022 is as follows:

	Due from Other Funds	Due to Other Funds
General Fund	\$ 806,361	\$ -
H.I.D.T.A. Fund	-	6,295
Grant Capital Improvements Fund	-	249,435
New Mexico CDBG Fund	-	124,173
Water and Sewer Fund	-	6,571
Golf Course Fund	-	409,060
Low Rent Public Housing Fund	-	10,822
Housing Home Ownership Fund	16	21
	<u>\$ 806,377</u>	<u>\$ 806,377</u>

**NOTE 7: CAPITAL ASSETS**

A summary of capital assets and changes occurring during the year ended June 30, 2022 follows. Land and construction in progress are not subject to depreciation.

Governmental activities	Balance June 30, 2021	Balance June 30, 2021 *restated	Additions	Transfers	Deletions	Balance June 30, 2022
Capital assets not being depreciated						
Land	\$ 10,800,834	\$ -	\$ 44,244	\$ -	\$ (441,221)	\$ 10,403,857
Construction in progress	8,840,046		5,530,785		(1,211,982)	13,158,849
Total capital assets not being depreciated	19,640,880	-	5,575,029	-	(1,653,203)	23,562,706
Capital assets being depreciated						
Buildings and improvements	32,192,819	-	344,349	100,000	(12,115)	32,625,053
Mechanized equipment	14,360,846	-	1,045,110	1,080,068	(346,980)	16,139,044
Unscheduled property	5,039,593	-	146,355	-	(56,631)	5,129,317
Infrastructure	195,597,327	-	589,617	-	-	196,186,944
Right of use asset- equipment	-	28,906	32,771	-	-	61,677
Total capital assets being depreciated	247,190,585	28,906	2,158,202	1,180,068	(415,726)	250,142,035
Total capital assets	266,831,465	28,906	7,733,231	1,180,068	(2,068,929)	273,704,741
Accumulated depreciation						
Buildings and improvements	20,465,229	-	1,173,305	100,000	(12,115)	21,726,419
Mechanized equipment	9,549,718	-	952,986	825,849	(346,980)	10,981,573
Unscheduled property	3,875,852	-	340,330	-	(30,584)	4,185,598
Infrastructure	157,228,883	-	3,685,137	-	-	160,914,020
Right of use asset- equipment	-	-	17,256	-	-	17,256
Total accumulated depreciation	191,119,682	-	6,169,014	925,849	(389,679)	197,824,866
Net capital assets	\$ 75,711,783	\$ 28,906	\$ 1,564,217	\$ 254,219	\$ (1,679,250)	\$ 75,879,875

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

**NOTE 7: CAPITAL ASSETS (Continued)**

Depreciation expense for the year ended June 30, 2022 was charged to governmental activities as follows:

General government	\$ 1,611,377
Public safety	4,141
Public works	3,504,989
Culture and recreation	1,031,251
<b>Total</b>	<b>\$ 6,151,758</b>

The City has lease liabilities associated with the right of use assets as of June 30, 2022, which are further described in Note 8. Amortization of right of use assets totaled \$17,256 for the year ended June 30, 2022 was charged to governmental activities.

<b>Business-type activities</b>	<b>Balance June 30, 2021</b>	<b>Balance June 30, 2021 *restated</b>	<b>Additions</b>	<b>Transfers</b>	<b>Deletions</b>	<b>Balance June 30, 2022</b>
<b>Capital assets not being depreciated</b>						
Land	\$ 7,003,434	\$ -	\$ -	\$ -	\$ -	\$ 7,003,434
Construction in progress	26,340,526	-	4,552,292	-	(22,932,857)	7,959,961
<b>Total capital assets not being depreciated</b>	<b>33,343,960</b>	<b>-</b>	<b>4,552,292</b>	<b>-</b>	<b>(22,932,857)</b>	<b>14,963,395</b>
<b>Capital assets being depreciated</b>						
Buildings and improvements	37,141,363	-	123,606	(100,000)	-	37,164,969
Mechanized equipment	11,209,482	-	806,212	(1,099,719)	(198,065)	10,717,910
Unscheduled property	4,562,868	-	119,477	-	(77,263)	4,605,082
Infrastructure	105,891,676	-	22,817,454	-	-	128,709,130
Right of use asset- equipment	-	239,681	-	-	(50,883)	188,798
<b>Total capital assets being depreciated</b>	<b>158,805,389</b>	<b>239,681</b>	<b>23,866,749</b>	<b>(1,199,719)</b>	<b>(326,211)</b>	<b>181,385,889</b>
<b>Total capital assets</b>	<b>192,149,349</b>	<b>239,681</b>	<b>28,419,041</b>	<b>(1,199,719)</b>	<b>(23,259,068)</b>	<b>196,349,284</b>
<b>Accumulated depreciation</b>						
Buildings and improvements	21,245,840	-	923,210	(100,000)	-	22,069,050
Mechanized equipment	7,682,317	-	869,339	(845,500)	(258,476)	7,447,680
Unscheduled property	1,984,012	-	380,678	-	(21,128)	2,343,562
Infrastructure	38,305,611	-	3,538,053	-	-	41,843,664
Right of use asset- equipment	-	-	101,259	-	(50,883)	50,376
<b>Total accumulated depreciation</b>	<b>69,217,780</b>	<b>-</b>	<b>5,812,539</b>	<b>(945,500)</b>	<b>(330,487)</b>	<b>73,754,332</b>
<b>Net capital assets</b>	<b>\$122,931,569</b>	<b>\$ 239,681</b>	<b>\$ 22,606,502</b>	<b>\$ (254,219)</b>	<b>\$ (22,928,581)</b>	<b>\$ 122,594,952</b>

During the year ended June 30, 2022, the business-type activities transferred \$254,219 of mechanized equipment to the governmental activities.

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

**NOTE 7: CAPITAL ASSETS (Continued)**

Depreciation expense for the year ended June 30, 2022 was charged to business-type activities as follows:

Water and Sewer Fund	\$	4,688,797
Solid Waste Fund		57,945
Bonito Lake Fund		1,194
Golf Course Fund		249,126
Airport Fund		415,033
Low Rent Public Housing Fund		299,185
<b>Total</b>	<b>\$</b>	<b>5,711,280</b>

The City has lease liabilities associated with the right of use assets as of June 30, 2022, which are further described in Note 8. Amortization of right of use assets totaled \$101,259 for the year ended June 30, 2022 was charged to business-type activities.

<b>Component unit</b>	<b>Balance June 30, 2021</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance June 30, 2022</b>
<b>Capital assets not being depreciated</b>				
Land	\$ 1,526,005	\$ -	\$ -	\$ 1,526,005
Construction in progress	46,390	556,981	-	603,371
<b>Total capital assets not being depreciated</b>	<b>1,572,395</b>	<b>556,981</b>	<b>-</b>	<b>2,129,376</b>
<b>Capital assets being depreciated</b>				
Buildings and improvements	280,004	-	-	280,004
Mechanized equipment	4,158,580	881,868	19,651	5,060,099
Unscheduled property	123,285	120,077	-	243,362
Infrastructure	2,486,163	-	-	2,486,163
Right of use asset- equipment	-	50,297	-	50,297
<b>Total capital assets being depreciated</b>	<b>7,048,032</b>	<b>1,052,242</b>	<b>19,651</b>	<b>8,119,925</b>
<b>Total capital assets</b>	<b>8,620,427</b>	<b>1,609,223</b>	<b>19,651</b>	<b>10,249,301</b>
<b>Accumulated depreciation</b>				
Buildings and improvements	156,028	5,907	-	161,935
Mechanized equipment	3,180,172	389,406	19,652	3,589,230
Unscheduled property	98,396	8,078	-	106,474
Infrastructure	1,041,933	121,220	-	1,163,153
Right of use asset- equipment	-	10,056	-	10,056
<b>Total accumulated depreciation</b>	<b>4,476,529</b>	<b>534,667</b>	<b>19,652</b>	<b>5,030,848</b>
<b>Net capital assets</b>	<b>\$ 4,143,898</b>	<b>\$ 1,074,556</b>	<b>\$ (1)</b>	<b>\$ 5,218,453</b>

\*The notes require a restatement due to the implementation of GASB 87. There is no impact on the financial statements.

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

**NOTE 7: CAPITAL ASSETS (Continued)**

Depreciation expense for the year ended June 30, 2022 was charged to the component unit as follows:

Otero - Greentree Regional Landfill	\$	524,611
Total	\$	524,611

The City has lease liabilities associated with the right of use assets as of June 30, 2022, which are further described in Note 8. Amortization of right of use assets totaled \$10,056 for the year ended June 30, 2022 was charged to the component unit.

**NOTE 8: LONG-TERM LIABILITIES**

**Governmental Activities**

During the year ended June 30, 2022, the following changes occurred in the liabilities reported in the government-wide statement of net position:

	Balance June 30, 2021	Balance June 30, 2021 *restated	Additions	Deletions	Balance June 30, 2022	Due Within One Year
General obligation bonds	\$ 9,670,000	\$ -	\$ -	\$ 165,000	\$ 9,505,000	\$ 185,000
NMFA loans	17,683,000	-	8,059,000	10,182,000	15,560,000	2,208,000
Bond discounts	(151,135)	-	-	(13,596)	(137,539)	-
Bond premiums	183,912	-	-	14,052	169,860	-
Compensated absences	1,123,824	-	1,197,242	1,229,733	1,091,333	1,091,333
Lease liabilities	-	28,906	32,771	11,918	49,759	16,474
Total long-term liabilities	\$ 28,509,601	\$ 28,906	\$ 9,289,013	\$ 11,589,107	\$ 26,238,413	\$ 3,500,807

\*The notes require a restatement due to the implementation of GASB 87. There is no impact on the financial statements.

**General Obligation Bonds**

At June 30, 2022, the City had three general revenue bond outstanding which have been approved by the voters and issued for various municipal improvements. These bonds are liquidated by property tax revenues and paid out of the debt service fund. The general obligation bonds are as follows:

Description	Date of Issue	Due Date	Interest Rate	Original Amount of Issue	Outstanding June 30, 2022
Series 2014A GO Bond	12/24/2014	8/1/2034	4.00-4.50%	\$ 6,000,000	\$ 5,430,000
Series 2014B GO Bond	12/24/2014	8/1/2034	2.00-4.00%	4,500,000	4,075,000
Total General obligation bonds					\$ 9,505,000

**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, 2022, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2023	\$ 185,000	\$ 369,144	\$ 554,144
2024	215,000	362,744	577,744
2025	245,000	355,194	600,194
2026	270,000	346,444	616,444
2027	305,000	336,319	641,319
2028-2032	3,675,000	1,426,589	5,101,589
2033-2035	4,610,000	303,767	4,913,767
	<u>\$ 9,505,000</u>	<u>\$ 3,500,201</u>	<u>\$ 13,005,201</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, 2022
NMFA Various Street Projects	6/1/2012	6/1/2031	0.27-3.96%	\$ 7,640,000	\$ -
NMFA GRT Ref/Imp	6/1/2012	6/1/2027	0.200-3.520%	8,130,000	-
NMFA Ref/Flood/Nat	12/1/2016	6/1/2029	0.700-2.510%	6,870,000	3,938,000
NMFA Adv Ref & Defeas	12/1/2016	6/1/2028	0.670-2.130%	5,150,000	3,015,000
NMFA Adv Ref & Defeas	12/1/2016	6/1/2028	0.670-2.130%	2,770,000	1,550,000
NMFA Refunding	1/7/2022	6/1/2027	0.18-0.0840%	3,603,000	2,987,000
NMFA Refunding	1/7/2022	6/1/2031	0.18-1.220%	4,456,000	4,070,000
<b>Total NMFA loans</b>					<b>\$ 15,560,000</b>

**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, 2022, including interest payments, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2023	\$ 2,208,000	\$ 198,933	\$ 2,406,933
2024	2,172,000	182,472	2,354,472
2025	2,189,000	136,336	2,325,336
2026	2,196,000	143,442	2,339,442
2027	2,237,000	118,941	2,355,941
2028-2031	4,558,000	138,262	4,696,262
	<u>\$ 15,560,000</u>	<u>\$ 918,386</u>	<u>\$ 16,478,386</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, 2022, compensated absences decreased \$32,491 from the prior year accrual. Compensated absences are liquidated by the respective funds in which they are accrued.

**Lease Liabilities- Governmental Funds**

The City has entered into agreements to lease equipment. The lease agreements have been recorded at the present value of the future lease payments as of the date of their inception or, for leases existing prior to the implementation year at the remaining terms of the agreement, using the facts and circumstances available at July 1, 2021.

Lease liabilities, right-of-use assets, and lease terms are as follows at June 30, 2022:

	Effective Date	End Date	Monthly Payments	Borrowing Rate	Lease Liability	Right-to-Use Lease Asset, net amortization
Xerox VersaLink Copier C405/DN	1/4/2022	4/4/2027	61	0.75%	\$ 3,463	\$ 3,002
Xerox VersaLink Copier B400DN	1/10/2019	12/1/2023	189	0.50%	3,392	3,385
Xerox VersaLink Copier C605.XLM	8/23/2021	6/6/2026	135	0.50%	6,424	6,273
HP 77650Z Copier 77650Z	10/19/2021	10/3/2026	155	0.75%	7,938	7,557
Xerox VersaLink B405-B/W/MFP	2/6/2018	1/1/2023	62	0.50%	434	431
Xerox XERC Copier 8056/H2	3/30/2022	3/30/2027	198	0.75%	13,654	9,351
Xerox 8030T 1 Xerox 8030T 1	9/18/2018	7/18/2023	132	0.50%	1,708	1,705
Xerox 8030T 2 Xerox 8030T 2	9/18/2018	7/18/2023	132	0.50%	1,708	1,705
Xerox 8030T 3 Xerox 8030T 3	9/18/2018	7/18/2023	132	0.50%	1,708	1,705
HP 77650Z+ Copier 77650Z+	5/21/2021	4/21/2026	198	0.50%	9,030	9,010
HP M553dn Color Printer M553dn	8/26/2020	12/26/2022	50	0.50%	300	297
<b>Total</b>					<u>\$ 49,759</u>	<u>\$ 44,421</u>

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Notes to Financial Statements**

**NOTE 8: LONG-TERM LIABILITIES (Continued)**

**Lease Liabilities- Governmental Funds (Continued)**

Lease debt service requirements to maturity are as follows:

Year Ending June 30,	Principal	Interest	Total
2023	\$ 16,474	\$ 247	\$ 253,144
2024	10,341	166	10,507
2025	8,865	108	8,973
2026	8,527	51	8,578
2027	5,552	9	5,561
<b>Totals</b>	<b>\$ 49,759</b>	<b>\$ 581</b>	<b>\$ 286,763</b>

**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, 2022:

	Balance June 30, 2021	Balance June 30, 2021 *restated	Additions	Deletions	Balance June 30, 2022	Due Within One Year
General obligation bonds	\$ 5,125,000	\$ -	\$ -	\$ 440,000	\$ 4,685,000	\$ 470,000
Revenue bonds	5,591,632	-	-	5,591,632	-	-
NMFA loans	9,351,279	-	6,308,447	1,536,849	14,122,877	1,623,516
Bond premiums	161,731	-	-	19,212	142,519	-
Compensated absences	273,240	-	359,032	273,240	359,032	359,032
Lease liabilities	-	239,681	-	100,936	138,745	50,224
<b>Total long-term liabilities</b>	<b>\$ 20,502,882</b>	<b>\$ 239,681</b>	<b>\$ 6,667,479</b>	<b>\$ 7,961,869</b>	<b>\$ 19,448,173</b>	<b>\$ 2,502,772</b>

\*The notes require a restatement due to the implementation of GASB 87. There is no impact on the financial statements.

At June 30, 2022, 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, 2022
Series 2017 GO Bond (2009 Escrow)	11/30/2017	8/1/2029	2.375-3.00%	\$ 5,455,000	\$ 4,685,000

**State of New Mexico  
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**NOTE 8: LONG-TERM LIABILITIES (Continued)**

**Business-Type Activities (Continued)**

**General Obligation Bonds**

The annual requirements to amortize the general obligation bond as of June 30, 2022, including interest payments, is as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2023	\$ 470,000	\$ 120,050	\$ 590,050
2024	500,000	105,500	605,500
2025	530,000	90,050	620,050
2026	565,000	73,625	638,625
2027	595,000	56,225	651,225
2028-2030	2,025,000	73,406	2,098,406
	<u>\$ 4,685,000</u>	<u>\$ 518,856</u>	<u>\$ 5,203,856</u>

**Revenue Bonds**

At June 30, 2022, 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, 2022
NMFA Refund Bond 1998	6/1/2012	6/1/2031	0.26-3.80%	\$ 9,812,674	\$ -

**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, 2022
NMFA Drinking Water	5/1/2013	5/1/2032	1.75%	\$ 4,805,293	\$ 2,704,151
NMFA Westside	11/1/2006	5/1/2026	3.28-4.18%	730,453	199,838
NMFA WTB	6/1/2011	6/1/2030	0.00%	1,127,000	457,562
NMFA Drinking Water	5/1/2014	5/1/2025	2.00%	855,320	678,932
NMFA Desalination	5/1/2014	5/1/2035	2.00%	1,136,250	920,396
NMFA Refunding & Projects	12/1/2016	6/1/2025	0.670-1.350%	2,715,000	929,000
NMFA 2016 Jt Utility	12/6/2019	6/1/2029	1.19-1.64%	3,207,212	2,400,551
NMFA Adv Ref & Defease	1/7/2022	6/1/2031	0.18-1.22%	5,505,000	5,029,000
NMFA Water Reservoir	4/16/2021	5/1/2039	0.25-1.00%	2,151,300	803,447
Total NMFA loans					<u>\$ 14,122,877</u>

**State of New Mexico  
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**NOTE 8: LONG-TERM LIABILITIES (Continued)**

**Business-Type Activities (Continued)**

The annual requirements to amortize the loan payable as of June 30, 2022, including interest payments, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2023	\$ 1,623,516	\$ 173,735	\$ 1,797,251
2024	1,693,079	155,017	1,848,096
2025	1,716,638	138,177	1,854,815
2026	1,417,689	118,109	1,535,798
2027	1,380,740	100,893	1,481,633
2028-2032	5,378,491	252,115	5,630,606
2033-2037	856,573	40,117	896,690
2037-2039	56,151	2,572	58,723
	<u>\$ 14,122,877</u>	<u>\$ 980,735</u>	<u>\$ 15,103,612</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, 2022, compensated absences increased \$85,792 in business-type funds from the prior year. Compensated absences are liquidated by the respective funds in which they are accrued.

**Lease Liabilities- Business-Type Activities**

The City, business-type activities has entered into agreements to lease equipment. The lease agreements have been recorded at the present value of the future lease payments as of the date of their inception or, for leases existing prior to the implementation year at the remaining terms of the agreement, using the facts and circumstances available at July 1, 2021.

Lease liabilities, right-of-use assets, and lease terms are as follows at June 30, 2022:

	Effective Date	End Date	Monthly Payments	Borrowing Rate	Lease Liability	Right-to-Use Lease Asset, net amortization
2 Expanse Kiosks	6/24/2021	4/24/2026	\$ 1,700	0.50%	\$ 77,440	\$ 77,279
Water Easement WM-245 Snake Tanl	11/19/2019	9/19/2024	1,500	0.50%	40,265	40,183
Water Easement WO-54 Well	9/30/2018	7/30/2023	1,000	0.50%	12,962	12,935
Water Tower Lease No. 71068311	11/16/1992	6/1/2041	42	1.75%	8,078	8,025
<b>Total</b>					<u>\$ 138,745</u>	<u>\$ 138,422</u>

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

**NOTE 8: LONG-TERM LIABILITIES (Continued)**

**Lease Liabilities- Business-Type Activities (Continued)**

Lease debt service requirements to maturity are as follows:

Year Ending June 30,	Principal	Interest	Total
2023	\$ 50,224	\$ 676	\$ 253,144
2024	39,455	444	39,899
2025	25,130	270	25,400
2026	17,343	158	17,501
2027	388	112	500
2028-32	2,045	455	2,500
2033-37	2,231	279	2,510
2038-41	1,929	70	1,999
<b>Totals</b>	<b>\$ 138,745</b>	<b>\$ 2,464</b>	<b>\$ 343,453</b>

**Component Unit Activities**

During the year ended June 30, 2022, the following changes occurred in the liabilities reported in the government-wide statement of net position:

	Balance June 30, 2021	Additions	Deletions	Balance June 30, 2022	Due Within One Year
Compensated absences	\$ 10,476	\$ 18,419	\$ 10,476	\$ 18,419	\$ 18,419
Post-closure liability	1,975,440	-	63,689	1,911,751	-
Lease liabilities	-	50,297	10,160	40,137	9,959
<b>Total long-term liabilities</b>	<b>\$ 1,985,916</b>	<b>\$ 68,716</b>	<b>\$ 84,325</b>	<b>\$ 1,970,307</b>	<b>\$ 28,378</b>

**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, 2022, compensated absences increased \$7,943 in the component unit from the prior year.

**Lease Liabilities- Component Unit Activities**

The discretely presented component unit has entered into agreements to lease equipment. The lease agreements have been recorded at the present value of the future lease payments as of the date of their inception or, for leases existing prior to the implementation year at the remaining terms of the agreement, using the facts and circumstances available at July 1, 2021.

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Notes to Financial Statements**

**NOTE 8: LONG-TERM LIABILITIES (Continued)**

**Lease Liabilities- Component Unit Activities (Continued)**

Lease liabilities, right-of-use assets, and lease terms are as follows at June 30, 2022:

	Effective Date	End Date	Monthly Payments	Borrowing Rate	Lease Liability	Right-to-Use Lease Asset, net amortization
Mining Lease-1	7/15/2021	7/15/2025	792	0.50%	\$ 632	\$ 636
Mining Lease-2	7/15/2021	7/15/2025	49,505	0.50%	39,505	39,605
<b>Total</b>					<b>\$ 40,137</b>	<b>\$ 40,241</b>

Lease debt service requirements to maturity are as follows:

Year Ending June 30,	Principal	Interest	Total
2023	\$ 9,959	\$ 201	\$ 253,144
2024	10,009	151	10,160
2025	10,059	101	10,160
2026	10,110	51	10,161
<b>Totals</b>	<b>\$ 40,137</b>	<b>\$ 160,987</b>	<b>\$ 1,064,423</b>

**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

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**NOTE 9: RISK MANAGEMENT (Continued)**

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, 2022, 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.

**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.

<b>Governmental Funds</b>	
<b>Nonmajor Funds</b>	
Court Administration Fund	\$ (16,509)
Police Contingency Fund	(46,687)
H.I.D.T.A. Fund	(6,295)
Community Development/ Infrastructure Acquisition Fund	(8,842)
Alamo Senior Center Fund	(32,642)
Leisure Services Fund	(116,437)
Grant Captial Improvements Fund	(254,017)
New Mexico CDBG Fund	(6,129)
<b>Total nonmajor funds</b>	<b>\$ (487,558)</b>
<b>Total governmental funds</b>	<b>\$ (487,558)</b>
<b>Internal Service Funds</b>	
Internal service fund	\$ (3,202,905)
<b>Total internal service funds</b>	<b>\$ (3,202,905)</b>
<b>Fiduciary Funds</b>	
State judicial fund	\$ (413)
<b>Total fiduciary funds</b>	<b>\$ (413)</b>

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**Notes to Financial Statements**

**NOTE 10: OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES (Continued)**

There were no business type funds with a deficit fund balance as of June 30, 2022.

- 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, 2022.
- 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, 2022.

**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.

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

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

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

**TIER II.** The retirement age and service credit requirements for normal retirement for PERA state and municipal general members hired increased effective July 1, 2013 with the passage of Senate Bill 27 in the 2013 Legislative Session. Under the new requirements (Tier II), general members are eligible to retire at any age if the member has at least eight years of service credit and the sum of the member's age and service credit equals at least 85 or at age 67 with 8 or more years of service credit. General members hired on or before June 30, 2013 (Tier I) remain eligible to retire at any age with 25 or more years of service credit. Under Tier II, police and firefighters in Plans 3, 4 and 5 are eligible to retire at any age with 25 or more years of service credit. State police and adult correctional officers, peace officers and municipal juvenile detention officers will remain in 25-year retirement plans, however, service credit will no longer be enhanced by 20%. All public safety members in Tier II may retire at age 60 with 6 or more years of service credit. Generally, under Tier II pension factors were reduced by 0.5%, employee Contribution increased 1.5 percent and effective July 1, 2014 employer contributions were raised 0.05 percent. The computation of final average salary increased as the average of salary for 60 consecutive months.

**Contributions.** See PERA's Comprehensive Annual Financial Report for a summary of various statutory PERA coverage rates, for both Tier I and Tier II, on page 36 of the annual audit report at <http://www.nmpera.org/financial-overview/retirement-fund-valuation-reports/>. The PERA coverage options that apply to the City are: Municipal General Division, Municipal Fire Division and Municipal Police Division. Statutorily required contributions to the pension plan from the City were \$1,600,902 and there was \$984,789 employer paid member benefits that were "picked up" by the employer for the year ended June 30, 2022.

**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, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020. The total pension liability was rolled forward from the valuation date to the plan year ending June 30, 2021 using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date of June 30, 2021. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2021. 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.

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Notes to Financial Statements**

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

**For PERA Fund Municipal General Division**, at June 30, 2022, City reported a liability of \$10,813,786 for its proportionate share of the net pension liability. At June 30, 2021, the City's proportion was 0.959803 percent, which increased from its proportion measured as of June 30, 2020, by 0.018103 percent.

For the year ended June 30, 2022, the City recognized PERA Fund Municipal General Division pension expense of \$1,052,483. At June 30, 2022, the City reported PERA Fund Municipal General Division deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 269,193	\$ 37,023
Net difference between projected and actual earnings on pension plan investments	-	4,443,845
Changes of assumption	3,556	-
Changes in proportion and differences between the City's contributions and proportionate share of contributions	209,779	293,314
City's contributions subsequent to the measurement date	887,464	-
<b>Total</b>	<b>\$ 1,369,992</b>	<b>\$ 4,774,182</b>

\$887,464 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date June 30, 2021 will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year ended June 30:</b>	
2023	\$ (773,360)
2024	(788,591)
2025	(906,092)
2026	(1,823,611)
Thereafter	-
<b>Total</b>	<b>\$ (4,291,654)</b>

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Notes to Financial Statements**

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

**For PERA Fund Municipal Police Division**, at June 30, 2022, the City reported a liability of \$4,435,315 for its proportionate share of the net pension liability. At June 30, 2021, the City's proportion was 0.857627 percent, which decreased from its proportion measured as of June 30, 2020, by 0.012173 percent.

For the year ended June 30, 2022, the City recognized PERA Fund Municipal Police Division pension expense of \$22,735. At June 30, 2022, the City reported PERA Fund Municipal Police Division deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 335,317	\$ -
Net difference between projected and actual earnings on pension plan investments	-	1,607,743
Changes of assumption	1,727	-
Changes in proportion and differences between the City's contributions and proportionate share of contributions	62,547	1,016,319
City's contributions subsequent to the measurement date	363,997	-
<b>Total</b>	<b>\$ 763,588</b>	<b>\$ 2,624,062</b>

\$363,997 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date June 30, 2021 will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year ended June 30:</b>	
2023	\$ (604,162)
2024	(634,740)
2025	(330,120)
2026	(655,449)
Thereafter	-
<b>Total</b>	<b>\$ (2,224,471)</b>

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Notes to Financial Statements**

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

**For PERA Fund Municipal Fire Division**, at June 30, 2022, the City reported a liability of \$4,257,959 for its proportionate share of the net pension liability. At June 30, 2021, the City's proportion was 0.701447 percent, which decreased from its proportion measured as of June 30, 2020, by 0.040647 percent.

For the year ended June 30, 2022, the City recognized PERA Fund Municipal Fire Division pension expense of \$616,958. At June 30, 2022, the City reported PERA Fund Municipal Fire Division deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 63,795	\$ 5,910
Net difference between projected and actual earnings on pension plan investments	-	621,684
Changes of assumptions	630	-
Changes in proportion and differences between the City's contributions and proportionate share of contributions	249,909	-
City's contributions subsequent to the measurement date	349,441	-
<b>Total</b>	<b>\$ 663,775</b>	<b>\$ 627,594</b>

\$349,441 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date June 30, 2021 will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year ended June 30:</b>	
2023	\$ 48,484
2024	(26,509)
2025	(81,288)
2026	(253,947)
Thereafter	-
<b>Total</b>	<b>\$ (313,260)</b>

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

**Actuarial assumptions.** The total pension liability in the June 30, 2021 actuarial valuation was determined using the following significant actuarial assumptions, applied to all periods included in the measurement:

Actuarial valuation date	June 30, 2020
Actuarial cost method	Entry Age Normal
Amortization period	Level Percentage of Pay
Asset valuation method	Solved for based on statutory rates
Actuarial Assumptions:	
Investment rate of return, net	7.25% annual rate, net of investment expense
Projected benefit payment	100 years
Payroll growth	3.00%
Projected salary increases	3.25% to 13.50% annual rate
Includes inflation at	2.5%
	2.75% all other years
Mortality assumptions	The mortality assumptions are based on the RPH-2014 Blue Collar mortality table with female ages set forward one year. Future improvement in mortality rates is assumed using 60% of the MP-2017 projection scale generational. For nonpublic safety groups, 25% of in-service deaths are assumed to be duty related and 35% are assumed to be duty-related for public safety groups.
Experience Study Dates	July 1, 2008 to June 30, 2017 (demographic) and July 1, 2010 through June 30, 2017 (economic).

The total pension liability, net pension liability, and certain sensitivity information are based on an actuarial valuation performed as of June 30, 2020. The total pension liability was rolled-forward from the valuation date to the plan year ended June 30, 2021. These assumptions were adopted by the Board use in the June 30, 2020 actuarial valuation.

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

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

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

**Discount rate.** A single discount rate of 7.25% was used to measure the total pension liability as of June 30, 2021. This single discount rate was based on a long-term expected rate of return on pension plan investments of 7.25%, compounded annually, net of expense. Based on the stated assumptions and the projection of cash flows, the plan’s fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

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

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

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

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

<b>PERA Fund Municipal General Division</b>	<b>1% Decrease (6.25%)</b>	<b>Current Discount Rate (7.25%)</b>	<b>1% Increase (8.25%)</b>
City's proportionate share of the net pension liability	\$ 19,397,551	\$ 10,813,786	\$ 3,693,300

<b>PERA Fund Municipal Police Division</b>	<b>1% Decrease (6.25%)</b>	<b>Current Discount Rate (7.25%)</b>	<b>1% Increase (8.25%)</b>
City's proportionate share of the net pension liability	\$ 7,765,047	\$ 4,435,315	\$ 1,710,491

<b>PERA Fund Municipal Fire Division</b>	<b>1% Decrease (6.25%)</b>	<b>Current Discount Rate (7.25%)</b>	<b>1% Increase (8.25%)</b>
City's proportionate share of the net pension liability	\$ 5,878,007	\$ 4,257,959	\$ 2,926,508

**Pension plan fiduciary net position.** Detailed information about the pension plan's fiduciary net position is available in the separately issued FY21 PERA financial report. The report is available at <http://www.pera.state.nm.us/publications.html>.

**Payables to the pension plan.** At June 30, 2022 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, 2021, the Fund’s measurement date, the following employees were covered by the benefit terms:

<b>Plan Membership</b>	
Current retirees and surviving spouses	53,092
Inactive and eligible for deferred benefit	11,754
Current active members	92,484
	157,330
<b>Active membership</b>	
State general	18,691
State police and corrections	1,919
Municipal general	20,357
Municipal police	1,573
Municipal Fire	756
Educational Retirement Board	49,188
	92,484

**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 \$283,985 for the year ended June 30, 2022.

**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, 2022, the City reported a liability of \$8,810,241 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2020 and rolled forward to June 30, 2021. The City's proportion of the net OPEB liability was based on actual contributions provided to the Fund for the year ending June 30, 2021. At June 30, 2021, the City's proportion was 0.26776 percent.

For the year ended June 30, 2022, the recognized OPEB benefit of (\$1,054,263). At June 30, 2022 the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Changes of assumptions	\$ 1,763,892	\$ 3,185,214
Net difference between projected and actual earnings on pension plan investments	-	252,538
Changes in proportion and differences between contributions and proportionate share of contributions	478,279	1,020,602
City's contributions subsequent to the measurement date	283,985	-
Difference between expected and actual experience	128,817	1,405,050
<b>Total</b>	<b>\$ 2,654,973</b>	<b>\$ 5,863,404</b>

Deferred outflows of resources totaling \$283,985 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

<b>Year ended June 30:</b>		
2022	\$	(1,360,648)
2023		(929,764)
2024		(649,845)
2025		(237,673)
2026		(314,486)
<b>Total</b>	<b>\$</b>	<b>(3,492,416)</b>

**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 as of June 30, 2019 and rolled forward to June 30, 2021, using the following actuarial assumptions:

Actuarial cost method	Entry age normal, level percent of pay, calculated on individual employee basis
Asset valuation method	Market value of assets
Actuarial assumptions:	
Inflation	2.30% for ERB members; 2.50% for PERA members.
Projected payroll increases	3.25% to 13.00%, based on years of service, including inflation
Investment rate of return	7.00%, 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: 2020 GRS Southwest Region Teacher Mortality Table, set back one year (and scaled at 95% for males). Generational mortality improvements in accordance with the Ultimate MP scales are projected from the year 2020. PERA members: Headcount- eighted RP-2014 Blue Collar Annuitant Mortality, set forward one year for females, projected generationally with Scale MP-2017 times 60%

**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	Long-Term Rate of Return
U.S. core fixed income	0.4%
U.S. equity - large cap	6.6%
Non U.S. - emerging markets	9.2%
Non U.S. - developed equities	7.3%
Private equity	10.6%
Credit and structured finance	3.1%
Real estate	3.7%
Absolute return	2.5%
U.S. equity - small/mid cap	6.6%

**Discount Rate.** The discount rate used to measure the Fund’s total OPEB liability is 3.62% as of June 30, 2021. 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, 2052. Thus, the 7.00% discount rate was used to calculate the net OPEB liability through 2052. The index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher was used beyond 2052, resulting in a blended discount rate of 3.62%.

**Sensitivity of the net OPEB liability to changes in the discount rate and healthcare cost trend rates.** The following presents the net OPEB liability of the City, as well as what the City’s net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.62 percent) or 1-percentage-point higher (4.62 percent) than the current discount rate:

1% Decrease (2.62%)	Current Discount Rate (3.62%)	1% Increase (4.62%)
\$ 11,069,861	\$ 8,810,241	\$ 7,052,504

**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
\$ 7,086,272	\$ 8,810,241	\$ 10,198,553

**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, 2021.

**Payable Changes in the Net OPEB Liability.** At June 30, 2022, 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, 2022 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, 2022 are as follows:

<b>Contract</b>	<b>Project</b>	<b>Year Ending</b>	<b>Amount</b>
SOFTWARE REPLACEMENT	MISSOF	2025	\$ 2,191,901
APD RADIO GENRATORS	APDRA1	2023	592,800
REC CENTER VEHICLES	CERREC	2023	36,248
STREETS EQUIPMENT	CERSTR	2024	474,598
UTILITY MAINTENANCE EQUIPMENT	CERUTM	2024	387,607
PARK RESTROOMS	CS2101	2023	63,590
ALAMEDS PARK IRRIGATION	CS2107	2024	345,496
REROOF GOLF COURSE CLUBHOUSE	CS2108	2023	234,451
FLOOD CONTROL	EN0226	2023	421,115
UTILITY RELOCATION - COE PHASE 8	EN1609	2022	31,349
DRY CANYON EVAL/IMPROVE	EN2002	2023	1,527,524
UPDATE TECH. STANDARDS	EN2005	2023	2,419
PARALLEL PIPELINE - PHASE 1	EN2007	2022	18,147
APD REROOF & HVAC	EN2201	2022	95,921
DESERT LAKES DRAINAGE REPAIR	EN2202	2023	263,889
PARALLEL PIPELINE - PHASE 2	EN2203	2023	150,518
CDBG SIDEWALK IMPROVEMENTS	GC2004	2023	1,701,345
APD LOT & SECURITY	PSSEC1	2023	528,297
LANDFILL CELL CLOSURE	PW1515	2022	271,194
DR4199 - BONITO LAKE	PW1605	2022	399,373
SCENIC DRIVE EXTENSION	PW1606	2022	2,077,489
TELEMETRY EXPANSION	PW1710	2023	48,718
WELL MAINTENANCE	PW1717	2023	82,207
WEST SIDE EST EVAL/RPR	PW1803	2022	11,985
TRAFFIC SIGNAL UPGRADES	PW1906	2024	371,605
WATER PLAN/PERMIT UPDATE	PW2004	2023	27,319
ORDINANCE UPDATE	PW2202	2023	108,215
SENIOR CENTER BUS PURCHASE	SCBUS1	2023	96,000
WATER TANK INSPECTION	UD_01	2023	30,000
WATERLINE REPL HWY 54/70	UD_02	2024	429,369
WWTP METAL BUILDING	UD_03	2023	250,000
EXPAND HAZ WASTE AREA OGL	UD_04	2023	49,500
SAMPLE STATIONS	UD_05	2023	264,391
WATER/SEWER MASTER PLAN	UD_06	2023	525,000
SCALE GENERATOR - LANDFILL	UT_002	2023	35,000
<b>Total commitments</b>			<b>\$ 21,871,239</b>

**State of New Mexico**  
**City of Alamogordo**  
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**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, 2022, and has decreased by \$63,689, for a balance of \$1,911,751. The effect of this change in accounting estimate is that net position and the change in net position have decreased by \$140,682, as of and for the year ended June 30, 2022.

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 13.6 more years of life before re-permitting is requested.

The landfill is required to set aside a predetermined amount of funds to cover any closure and post closure care. The City sets aside approximately \$20,000 to \$40,000 annually in investment. To date, the City has restricted \$1,110,418 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 \$42,787,970 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 55-56 and 121-125.

**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, 2022:

	General Fund	State and Local Fiscal Recovery Special Revenue Fund	1994 and 1996 GRT Principal Fund	2004 Capital Outlay GRT Fund	Nonmajor Governmental Funds	Total Governmental Funds
Fund balances						
Nonspendable						
Prepaid expenses	\$ 9,578	\$ -	\$ -	\$ -	\$ -	\$ 9,578
Restricted for:						
Government operations	-	23,186	-	-	4,708,102	4,731,288
Public safety	-	-	-	-	1,041,163	1,041,163
Public works	-	-	-	-	2,589,233	2,589,233
Culture and recreation	-	-	-	-	719,051	719,051
Health and welfare	-	-	-	-	6,533	6,533
Capital projects	-	-	-	15,257,258	13,129,825	28,387,083
Debt service	-	-	162,266	-	4,675,494	4,837,760
Permanent fund	-	-	-	-	836,994	836,994
Unassigned (deficit)	17,128,177	-	-	-	(487,558)	16,640,619
<b>Total fund balances</b>	<b>\$ 17,137,755</b>	<b>\$ 23,186</b>	<b>\$ 162,266</b>	<b>\$ 15,257,258</b>	<b>\$ 27,218,837</b>	<b>\$ 59,799,302</b>

**NOTE 18: TAX ABATEMENTS**

The City of Alamogordo had no tax abatements during the year ended June 30, 2022. 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.

## **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	2022	2021	2020
Measurement Date	2021	2020	2019
City of Alamogordo's proportion of the net pension liability			
Municipal General	0.9598%	0.9417%	0.9597%
Municipal Police	0.8576%	0.8698%	1.1708%
Municipal Fire	0.7014%	0.6608%	0.6567%
City of Alamogordo's proportionate share of the net pension liability			
Municipal General	\$ 10,813,786	\$ 19,043,314	\$ 16,613,363
Municipal Police	4,435,315	7,470,449	8,648,338
Municipal Fire	4,257,959	4,998,118	4,513,084
	\$ 19,507,060	\$ 31,511,881	\$ 29,774,785
City of Alamogordo's covered payroll			
Municipal General	\$ 9,047,388	\$ 8,883,194	\$ 8,420,576
Municipal Police	2,064,341	2,068,783	2,515,241
Municipal Fire	1,007,425	917,050	842,919
	\$ 12,119,154	\$ 11,869,027	\$ 11,778,736
City of Alamogordo's proportionate share of the net pension liability as a percentage of its covered payroll			
Municipal General	119.52%	214.37%	197.29%
Municipal Police	214.85%	361.10%	343.84%
Municipal Fire	422.66%	545.02%	535.41%
Plan fiduciary net position as a percentage of the total pension liability			
Municipal General	77.25%	66.36%	70.52%
Municipal Police	77.25%	66.36%	70.52%
Municipal Fire	77.25%	66.36%	70.52%

\* 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,				
2019 2018	2018 2017	2017 2016	2016 2015	2015 2014
1.0112%	0.9192%	0.9228%	0.9651%	0.9957%
1.1257%	1.1898%	1.1819%	1.2572%	1.3996%
0.6295%	0.5694%	0.5710%	0.5622%	0.5592%
\$ 16,122,270	\$ 12,630,586	\$ 14,743,243	\$ 9,840,030	\$ 7,767,529
7,680,700	6,610,256	8,720,409	6,045,322	4,562,544
4,029,335	3,257,791	3,809,151	2,901,616	2,334,097
<u>\$ 27,832,305</u>	<u>\$ 22,498,633</u>	<u>\$ 27,272,803</u>	<u>\$ 18,786,968</u>	<u>\$ 14,664,170</u>
\$ 8,862,304	\$ 8,072,408	\$ 8,519,979	\$ 8,002,462	\$ 8,370,704
2,469,059	2,452,647	2,350,723	2,460,929	2,789,369
831,512	690,057	665,639	637,580	646,276
<u>\$ 12,162,875</u>	<u>\$ 11,215,112</u>	<u>\$ 11,536,341</u>	<u>\$ 11,100,971</u>	<u>\$ 11,806,349</u>
181.92%	156.47%	173.04%	122.96%	92.79%
311.08%	269.52%	370.97%	245.65%	163.57%
484.58%	472.10%	572.25%	455.10%	0.00%
71.13%	73.74%	69.18%	76.99%	81.29%
71.13%	73.74%	69.18%	76.99%	81.29%
71.13%	73.74%	69.18%	76.99%	81.29%

*See notes to required supplementary information.*

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

<b>As of and for the Year Ended June 30,</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
<b>Contractually required contribution</b>			
Municipal General	\$ 887,464	\$ 886,644	\$ 870,553
Municipal Police	363,997	395,321	396,172
Municipal Fire	349,441	220,626	200,834
	<u>\$ 1,600,902</u>	<u>\$ 1,502,591</u>	<u>\$ 1,467,559</u>
<b>Contributions in relation to the contractually required contribution</b>			
Municipal General	\$ (887,464)	\$ (886,644)	\$ (870,553)
Municipal Police	(363,997)	(395,321)	(396,172)
Municipal Fire	(349,441)	(220,626)	(200,834)
	<u>\$ (1,600,902)</u>	<u>\$ (1,502,591)</u>	<u>\$ (1,467,559)</u>
<b>Contribution deficiency (excess)</b>			
Municipal General	\$ -	\$ -	\$ -
Municipal Police	-	-	-
Municipal Fire	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>City of Alamogordo's covered payroll</b>			
Municipal General	\$ 7,443,981	\$ 9,047,388	\$ 8,883,194
Municipal Police	3,053,177	2,064,341	2,068,783
Municipal Fire	2,931,089	1,007,425	917,050
	<u>\$ 13,428,247</u>	<u>\$ 12,119,154</u>	<u>\$ 11,869,027</u>
<b>Contributions as a percentage of covered payroll</b>			
Municipal General	9.80%	9.80%	9.80%
Municipal Police	19.15%	19.15%	19.15%
Municipal Fire	21.90%	21.90%	21.90%

\* 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.*

2019	2018	2017	2016	2015
\$ 804,165	\$ 846,350	\$ 770,915	\$ 813,658	\$ 764,235
475,381	466,652	463,550	444,287	465,116
182,492	180,022	149,397	144,111	138,036
<u>\$ 1,462,038</u>	<u>\$ 1,493,024</u>	<u>\$ 1,383,862</u>	<u>\$ 1,402,056</u>	<u>\$ 1,367,387</u>

\$ (804,165)	\$ (846,350)	\$ (770,915)	\$ (813,658)	\$ (764,235)
(475,381)	(466,652)	(463,550)	(444,287)	(465,116)
(182,492)	(180,022)	(149,397)	(144,111)	(138,036)
<u>\$ (1,462,038)</u>	<u>\$ (1,493,024)</u>	<u>\$ (1,383,862)</u>	<u>\$ (1,402,056)</u>	<u>\$ (1,367,387)</u>

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

\$ 8,420,576	\$ 8,862,304	\$ 8,072,408	\$ 8,519,979	\$ 8,002,462
2,515,241	2,469,059	2,452,647	2,350,723	2,460,929
842,919	831,512	690,057	665,639	637,580
<u>\$ 11,778,736</u>	<u>\$ 12,162,875</u>	<u>\$ 11,215,112</u>	<u>\$ 11,536,341</u>	<u>\$ 11,100,971</u>

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

See notes to required supplementary information.

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

	June 30,	
Fiscal Year	2022	2021
Measurement Date	2021	2020
City of Alamogordo's proportion of the net OPEB liability	0.26776%	0.26114%
City of Alamogordo's proportionate share of the net OPEB liability	\$ 8,810,241	\$ 10,965,028
City of Alamogordo's covered-employee payroll	\$ 12,112,153	\$ 11,857,608
City of Alamogordo's proportionate share of the net OPEB liability as a percentage of its covered payroll	72.74%	92.47%
Plan fiduciary net position as a percentage of the total OPEB liability	25.39%	16.50%

\* 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,		
2020	2019	2018
2019	2018	2017
0.28515%	0.29296%	0.28033%
\$ 9,245,673	\$ 12,738,940	\$ 12,703,639
\$ 11,775,275	\$ 11,677,559	\$ 11,677,559
78.52%	108.18%	108.79%
18.92%	11.34%	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\***

<b>As of and for the Year Ended June 30,</b>	<b>2022</b>	<b>2021</b>
Contractually required contributions	\$ 283,985	\$ 258,373
Contributions in relation to the contractually required contribution	(283,985)	(258,373)
Contribution deficiency (excess)	\$ -	\$ -
City of Alamogordo's covered payroll	\$ 12,938,135	\$ 12,112,153
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.*

<b>2020</b>	<b>2019</b>	<b>2018</b>
\$ 253,327	\$ 252,470	\$ 250,375
<u>(253,327)</u>	<u>(252,470)</u>	<u>(250,375)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 11,857,608	\$ 11,775,275	\$ 11,677,559
2.00%	2.00%	2.00%

*See notes to required supplementary information.*

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

**Public Employees Retirement Association (PERA) Plan**

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

**Changes of assumptions.** The Public Employees Retirement Association (PERA) of New Mexico Annual Actuarial Valuation as of June 2020 report is available at <http://www.nmpera.org/>

**New Mexico Retiree Health Care Authority (MRHCA)**

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

**Changes of assumptions.** The New Mexico Retiree Healthcare Authority (NMRHCA) Actuarial Valuation as of June 30, 2021 report is available at <http://nmrhca.org/financial-documents>. See the notes to the financial statements beginning on page 12 which summarizes actuarial assumptions and methods effective with the June 30, 2021 valuation.

In the June 30, 2021 actuarial valuation and the total OPEB liability measured as of June 30, 2021, changes in assumptions include adjustments resulting from an increase in the discount rate from 2.86% to 3.62%.

## **Supplementary Information**

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**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.

**Leisure Services (032)** – 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.

**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 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.

**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.

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

**CAPITAL PROJECTS FUNDS (Continued)**

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

**New Mexico CDBG (048)** – The purpose of this fund is to account for federal financial assistance to provide a suitable living environment, decent housing, essential community facilities, and economic opportunities to persons of low and moderate income through the State-Administered Community Development Block Grant Program. The authority for this fund is the U.S. Housing and Community Development Act of 1974, as amended.

**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.

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

**CAPITAL PROJECTS FUNDS (Continued)**

**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.

**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

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

**INTERNAL SERVICE FUNDS (Continued)**

**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**

<b>June 30, 2022</b>	<b>Corrections Fund</b>	<b>Lodgers' Tax- Promotional Fund</b>	<b>Court Automation Fund</b>	<b>Lodgers' Tax-City Fund</b>
<b>Assets</b>				
Cash and cash equivalents	\$ 68,129	\$ 382,261	\$ 2,637	\$ 359,670
Investments	-	173,114	-	239,411
Receivables				
Taxes	-	-	-	-
Other, net	-	-	-	14,279
<b>Total assets</b>	<b>\$ 68,129</b>	<b>\$ 555,375</b>	<b>\$ 2,637</b>	<b>\$ 613,360</b>
<b>Liabilities, deferred inflows of resources, and fund balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ 8,738	\$ 2,022	\$ 174	\$ 6,484
Accrued payroll	-	842	-	4,308
Deposits held in trust for others	-	-	-	1,340
Unearned revenue	-	-	-	20,442
Due to other funds	-	-	-	-
<b>Total liabilities</b>	<b>8,738</b>	<b>2,864</b>	<b>174</b>	<b>32,574</b>
<b>Deferred inflows of resources</b>				
Unavailable revenue - property taxes	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balances</b>				
<b>Spendable</b>				
Restricted	59,391	552,511	2,463	580,786
Unassigned (deficit)	-	-	-	-
<b>Total fund balances</b>	<b>59,391</b>	<b>552,511</b>	<b>2,463</b>	<b>580,786</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 68,129</b>	<b>\$ 555,375</b>	<b>\$ 2,637</b>	<b>\$ 613,360</b>

Special Revenue

Special Revenue						
D.A.R.E Donations Fund	Court Administration Fund	Police Contingency Fund	Leisure Services Fund	Fire Protection Fund	H.I.D.T.A. Fund	
\$ 7,356	\$ 1,704	\$ 7,518	\$ 13,452	\$ 236,697	\$ -	
16,346	-	54,398	-	670,750	-	
-	-	-	-	-	-	
-	-	-	60,358	-	-	
\$ 23,702	\$ 1,704	\$ 61,916	\$ 73,810	\$ 907,447	\$ -	
\$ -	\$ 2,460	\$ 108,603	\$ 48,247	\$ 22,161	\$ -	
-	11,884	-	94,126	-	-	
-	-	-	17,697	-	-	
-	3,869	-	30,177	-	-	
-	-	-	-	-	6,295	
-	18,213	108,603	190,247	22,161	6,295	
-	-	-	-	-	-	
-	-	-	-	-	-	
23,702	-	-	-	885,286	-	
-	(16,509)	(46,687)	(116,437)	-	(6,295)	
23,702	(16,509)	(46,687)	(116,437)	885,286	(6,295)	
\$ 23,702	\$ 1,704	\$ 61,916	\$ 73,810	\$ 907,447	\$ -	

(continued)

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

**Special Revenue**

<b>June 30, 2022</b>	<b>Law Enforcement Fund</b>	<b>State Highway Fund</b>	<b>Traffic Safety Fund</b>	<b>1984 Gross Receipts Fund</b>
<b>Assets</b>				
Cash and cash equivalents	\$ 11,664	\$ 36,138	\$ 10,996	\$ 552,119
Investments	-	65,636	48,670	3,223,333
Receivables				
Taxes	-	-	-	380,139
Other, net	-	-	-	-
<b>Total assets</b>	<b>\$ 11,664</b>	<b>\$ 101,774</b>	<b>\$ 59,666</b>	<b>\$ 4,155,591</b>
<b>Liabilities, deferred inflows of resources, and fund balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ 590	\$ 80	\$ -	\$ -
Accrued payroll	419	-	-	-
Deposits held in trust for others	-	-	-	-
Unearned revenue	-	-	-	-
Due to other funds	-	-	-	-
<b>Total liabilities</b>	<b>1,009</b>	<b>80</b>	<b>-</b>	<b>-</b>
<b>Deferred inflows of resources</b>				
Unavailable revenue - property taxes	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balances</b>				
<b>Spendable</b>				
Restricted	10,655	101,694	59,666	4,155,591
Unassigned (deficit)	-	-	-	-
<b>Total fund balances</b>	<b>10,655</b>	<b>101,694</b>	<b>59,666</b>	<b>4,155,591</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 11,664</b>	<b>\$ 101,774</b>	<b>\$ 59,666</b>	<b>\$ 4,155,591</b>

Special Revenue

Transportation Fund	Community Development/ Infrastructure Acquisition Fund	Alamo Senior Center Fund	Alamo Senior Center Gift Fund	Retired and Senior Volunteer Program Fund	ESGRT 0.0625% Fund
\$ 5,822	\$ -	\$ 430	\$ 48,043	\$ 7,313	\$ 81,145
-	-	-	90,253	-	2,201,667
224,411	-	-	-	-	95,035
1,224	-	-	-	-	-
<u>\$ 231,457</u>	<u>\$ -</u>	<u>\$ 430</u>	<u>\$ 138,296</u>	<u>\$ 7,313</u>	<u>\$ 2,377,847</u>
\$ 84,626	\$ 174	\$ 11,706	\$ 31	\$ 780	\$ 13,336
23,803	8,668	21,366	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>108,429</u>	<u>8,842</u>	<u>33,072</u>	<u>31</u>	<u>780</u>	<u>13,336</u>
-	-	-	-	-	-
-	-	-	-	-	-
123,028	-	-	138,265	6,533	2,364,511
-	(8,842)	(32,642)	-	-	-
<u>123,028</u>	<u>(8,842)</u>	<u>(32,642)</u>	<u>138,265</u>	<u>6,533</u>	<u>2,364,511</u>
<u>\$ 231,457</u>	<u>\$ -</u>	<u>\$ 430</u>	<u>\$ 138,296</u>	<u>\$ 7,313</u>	<u>\$ 2,377,847</u>

(continued)

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

June 30, 2022	Debt Service		Capital Projects	
	General Obligation Fund	1994 Gross Receipts Tax Fund	Economic Development Fund	Grant Capital Improvements Fund
<b>Assets</b>				
Cash and cash equivalents	\$ 930,036	\$ 719,241	\$ 567,901	\$ -
Investments	-	2,626,191	5,009,308	-
Receivables				
Taxes	67,374	380,139	184,070	-
Other, net	-	-	6,000	-
<b>Total assets</b>	<b>\$ 997,410</b>	<b>\$ 3,725,571</b>	<b>\$ 5,767,279</b>	<b>\$ -</b>
<b>Liabilities, deferred inflows of resources, and fund balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ 3,296
Accrued payroll	-	-	-	1,286
Deposits held in trust for others	-	-	-	-
Unearned revenue	-	-	-	-
Due to other funds	-	-	-	249,435
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>254,017</b>
<b>Deferred inflows of resources</b>				
Unavailable revenue - property taxes	47,487	-	-	-
<b>Total deferred inflows of resources</b>	<b>47,487</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balances</b>				
<b>Spendable</b>				
Restricted	949,923	3,725,571	5,767,279	-
Unassigned (deficit)	-	-	-	(254,017)
<b>Total fund balances</b>	<b>949,923</b>	<b>3,725,571</b>	<b>5,767,279</b>	<b>(254,017)</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 997,410</b>	<b>\$ 3,725,571</b>	<b>\$ 5,767,279</b>	<b>\$ -</b>

Capital Projects

New Mexico CDBG Fund	1986 Gross Receipt Tax Fund	Property Acquisition Fund	Reverse Osmosis Project Fund	99 GRT Flood Control Fund	Municipal Infrastructure Fund
\$ 124,174	\$ 863,677	\$ 85,010	\$ 21,967	\$ 108	\$ 469,618
-	3,845,123	-	-	-	842,335
-	380,139	-	-	-	95,035
-	-	-	-	-	-
<u>\$ 124,174</u>	<u>\$ 5,088,939</u>	<u>\$ 85,010</u>	<u>\$ 21,967</u>	<u>\$ 108</u>	<u>\$ 1,406,988</u>
\$ 6,130	\$ 43,755	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
124,173	-	-	-	-	-
<u>130,303</u>	<u>43,755</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	5,045,184	85,010	21,967	108	1,406,988
(6,129)	-	-	-	-	-
<u>(6,129)</u>	<u>5,045,184</u>	<u>85,010</u>	<u>21,967</u>	<u>108</u>	<u>1,406,988</u>
\$ 124,174	\$ 5,088,939	\$ 85,010	\$ 21,967	\$ 108	\$ 1,406,988

(continued)

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

<b>June 30, 2022</b>	<b>Capital Projects</b>			
	<b>Sidewalk Revolving Loans Fund</b>	<b>2012 GRT Refunding and Improvement Revenue Bond Fund</b>	<b>2014A GO Bond Fund</b>	<b>2014B GO Bond - Streets Fund</b>
	<b>Fund</b>	<b>Fund</b>	<b>Fund</b>	<b>Fund</b>
<b>Assets</b>				
Cash and cash equivalents	\$ -	\$ 133,860	\$ 279	\$ 518
Investments	144,232	258,347	90,557	175,496
Receivables				
Taxes	-	-	-	-
Other, net	-	-	-	-
Total assets	\$ 144,232	\$ 392,207	\$ 90,836	\$ 176,014
<b>Liabilities, deferred inflows of resources, and fund balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued payroll	-	-	-	-
Deposits held in trust for others	-	-	-	-
Unearned revenue	-	-	-	-
Due to other funds	-	-	-	-
Total liabilities	-	-	-	-
<b>Deferred inflows of resources</b>				
Unavailable revenue - property taxes	-	-	-	-
Total deferred inflows of resources	-	-	-	-
<b>Fund balances</b>				
<b>Spendable</b>				
Restricted	144,232	392,207	90,836	176,014
Unassigned (deficit)	-	-	-	-
Total fund balances	144,232	392,207	90,836	176,014
Total liabilities, deferred inflows of resources, and fund balances	\$ 144,232	\$ 392,207	\$ 90,836	\$ 176,014

Permanent Fund

Cemetery Perpetual Fund	Total Nonmajor Governmental Funds
\$ 29,475	\$ 5,778,958
807,519	20,582,686
-	1,806,342
-	81,861
<u>\$ 836,994</u>	<u>\$ 28,249,847</u>
\$ -	\$ 363,393
-	166,702
-	19,037
-	54,488
-	379,903
<u>-</u>	<u>983,523</u>
-	47,487
<u>-</u>	<u>47,487</u>
836,994	27,706,395
-	(487,558)
<u>836,994</u>	<u>27,218,837</u>
<u>\$ 836,994</u>	<u>\$ 28,249,847</u>

**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, 2022	Special Revenue			
	Corrections Fund	Lodgers' Tax- Promotional	Court Automation Fund	Lodgers' Tax-City Fund
Revenues				
Taxes				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	445,803	-	667,932
Intergovernmental				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	10,150	-
State capital grants	-	-	-	-
Charges for services	60,536	-	21,179	63,491
Investment income	-	1,477	-	696
Miscellaneous	-	319	-	57,474
<b>Total revenues</b>	<b>60,536</b>	<b>447,599</b>	<b>31,329</b>	<b>789,593</b>
Expenditures				
Current				
General government	-	202,435	13,320	-
Public safety	44,285	-	11,341	-
Public works	-	-	-	-
Culture and recreation	-	-	-	264,250
Health and welfare	-	-	-	-
Capital outlay	-	-	-	23,890
Debt service				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
<b>Total expenditures</b>	<b>44,285</b>	<b>202,435</b>	<b>24,661</b>	<b>288,140</b>
Excess (deficiency) of revenues over expenditures	16,251	245,164	6,668	501,453
Other financing sources (uses)				
Proceeds from leases	-	-	-	-
Proceeds from sale of assets	-	-	-	-
Transfers in	-	3,958	-	-
Transfers (out)	(236)	(1,336)	(10,493)	(68,678)
<b>Total other financing sources (uses)</b>	<b>(236)</b>	<b>2,622</b>	<b>(10,493)</b>	<b>(68,678)</b>
Net change in fund balances	16,015	247,786	(3,825)	432,775
Fund balances - beginning of year	43,376	304,725	6,288	148,011
<b>Fund balances - end of year</b>	<b>\$ 59,391</b>	<b>\$ 552,511</b>	<b>\$ 2,463</b>	<b>\$ 580,786</b>

## Special Revenue

Special Revenue						
D.A.R.E Donations Fund	Court Administration Fund	Police Contingency Fund	Leisure Services Fund	Fire Protection Fund	H.I.D.T.A. Fund	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	17,828	-	-	-
-	-	-	-	-	-	5,745
-	-	-	129,695	659,414	-	-
-	-	-	-	-	-	-
1,950	11,931	1,470	462,883	-	-	-
139	-	464	-	2,357	-	-
-	50	-	52,964	-	-	-
2,089	11,981	1,934	663,370	661,771	-	5,745
-	444,285	-	1,314,094	23,653	-	-
796	3,860	5,906	-	351,030	-	9,327
-	-	-	146,111	-	-	-
-	-	-	2,371,039	-	-	-
-	-	-	-	-	-	-
-	-	-	171,848	74,964	-	-
-	-	-	597	-	-	-
-	-	-	3	-	-	-
796	448,145	5,906	4,003,692	449,647	-	9,327
1,293	(436,164)	(3,972)	(3,340,322)	212,124	-	(3,582)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	431,290	-	3,573,276	-	-	-
-	(15,776)	-	(608,267)	-	-	-
-	415,514	-	2,965,009	-	-	-
1,293	(20,650)	(3,972)	(375,313)	212,124	-	(3,582)
22,409	4,141	(42,715)	258,876	673,162	-	(2,713)
\$ 23,702	\$ (16,509)	\$ (46,687)	\$ (116,437)	\$ 885,286	\$ -	\$ (6,295)

(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, 2022	Special Revenue			
	Law Enforcement Fund	State Highway Fund	Traffic Safety Fund	1984 Gross Receipts Fund
Revenues				
Taxes				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	2,281,561
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	55,200	23,892	-	-
State capital grants	-	-	-	-
Charges for services	-	23,682	12,970	-
Investment income	-	987	415	18,336
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<b>55,200</b>	<b>48,561</b>	<b>13,385</b>	<b>2,299,897</b>
Expenditures				
Current				
General government	-	-	-	39,670
Public safety	42,575	3,045	3,374	-
Public works	-	105,967	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	6,219	-	5,000	-
Debt service				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
<b>Total expenditures</b>	<b>48,794</b>	<b>109,012</b>	<b>8,374</b>	<b>39,670</b>
Excess (deficiency) of revenues over expenditures	6,406	(60,451)	5,011	2,260,227
Other financing sources (uses)				
Proceeds from leases	-	-	-	-
Proceeds from sale of assets	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	(838,512)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(838,512)</b>
Net change in fund balances	6,406	(60,451)	5,011	1,421,715
Fund balances - beginning of year	4,249	162,145	54,655	2,733,876
<b>Fund balances - end of year</b>	<b>\$ 10,655</b>	<b>\$ 101,694</b>	<b>\$ 59,666</b>	<b>\$ 4,155,591</b>

## Special Revenue

Transportation Fund	Community Development/ Infrastructure Acquisitions Fund	Alamo Senior Center Fund	Alamo Senior Center Gift Fund	Retired and Senior Volunteer Program Fund	ESGRT 0.0625% Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
570,390	-	-	-	-	570,390
699,558	-	-	-	-	-
-	-	-	-	-	-
-	-	120,470	-	-	-
-	-	-	-	-	-
-	-	491,926	-	109,415	-
-	-	-	-	-	-
7,819	73	143,175	5,828	-	-
-	-	-	770	-	18,785
10,468	-	20,623	-	-	-
<u>1,288,235</u>	<u>73</u>	<u>776,194</u>	<u>6,598</u>	<u>109,415</u>	<u>589,175</u>
112,795	353,986	-	-	-	-
-	-	-	-	-	-
1,442,426	-	-	-	-	67,076
-	-	1,350,388	6,353	-	-
-	-	1,886	-	111,598	-
235,441	-	35,014	-	-	-
581	-	1,503	-	-	-
14	-	49	-	-	-
<u>1,791,257</u>	<u>353,986</u>	<u>1,388,840</u>	<u>6,353</u>	<u>111,598</u>	<u>67,076</u>
<u>(503,022)</u>	<u>(353,913)</u>	<u>(612,646)</u>	<u>245</u>	<u>(2,183)</u>	<u>522,099</u>
11,691	-	9,441	-	-	-
-	-	-	-	-	-
442,669	396,947	589,482	-	15,751	-
(137,121)	(36,911)	-	-	(16,037)	(751,470)
<u>317,239</u>	<u>360,036</u>	<u>598,923</u>	<u>-</u>	<u>(286)</u>	<u>(751,470)</u>
(185,783)	6,123	(13,723)	245	(2,469)	(229,371)
308,811	(14,965)	(18,919)	138,020	9,002	2,593,882
<u>\$ 123,028</u>	<u>\$ (8,842)</u>	<u>\$ (32,642)</u>	<u>\$ 138,265</u>	<u>\$ 6,533</u>	<u>\$ 2,364,511</u>

(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, 2022	Debt Service		Capital Projects	
	General Obligation Fund	1994 Gross Receipts Tax Fund	Economic Development Fund	Grant Capital Improvement Fund
Revenues				
Taxes				
Property	\$ 1,132,672	\$ -	\$ -	\$ -
Gross receipts	-	2,281,561	1,140,780	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	180
State operating grants	-	-	-	-
State capital grants	-	-	-	1,296,806
Charges for services	-	-	14,000	-
Investment income	-	22,190	37,201	-
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<b>1,132,672</b>	<b>2,303,751</b>	<b>1,191,981</b>	<b>1,296,986</b>
Expenditures				
Current				
General government	-	39,671	-	104,536
Public safety	-	-	-	52,521
Public works	-	-	-	-
Culture and recreation	-	-	75,700	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	1,011,104
Debt service				
Principal	165,000	-	-	-
Interest and other charges	508,193	-	-	-
<b>Total expenditures</b>	<b>673,193</b>	<b>39,671</b>	<b>75,700</b>	<b>1,168,161</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>459,479</b>	<b>2,264,080</b>	<b>1,116,281</b>	<b>128,825</b>
Other financing sources (uses)				
Proceeds from leases	-	-	-	-
Proceeds from sale of assets	-	-	-	-
Transfers in	-	-	-	15,414
Transfers (out)	(440,000)	(1,447,177)	-	-
<b>Total other financing sources (uses)</b>	<b>(440,000)</b>	<b>(1,447,177)</b>	<b>-</b>	<b>15,414</b>
<b>Net change in fund balances</b>	<b>19,479</b>	<b>816,903</b>	<b>1,116,281</b>	<b>144,239</b>
<b>Fund balances - beginning of year</b>	<b>930,444</b>	<b>2,908,668</b>	<b>4,650,998</b>	<b>(398,256)</b>
<b>Fund balances - end of year</b>	<b>\$ 949,923</b>	<b>\$ 3,725,571</b>	<b>\$ 5,767,279</b>	<b>\$ (254,017)</b>

Capital Projects

New Mexico CDBG Fund	1986 Gross Receipt Tax Fund	Property Acquisition Fund	Reverse Osmosis Project Fund	99 GRT Flood Control Fund	Municipal Infrastructure Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	2,281,561	-	-	-	570,390
-	-	-	-	-	-
-	-	-	-	-	-
107,624	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	32,808	-	-	-	5,168
-	-	-	-	-	-
107,624	2,314,369	-	-	-	575,558
-	-	-	-	-	9,918
-	8,596	-	-	-	-
211,090	39,672	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	219,913	-	-	1,092,884	-
-	-	-	-	-	-
-	-	-	-	-	-
211,090	268,181	-	-	1,092,884	9,918
(103,466)	2,046,188	-	-	(1,092,884)	565,640
-	-	-	-	-	-
-	-	-	-	-	-
97,337	-	-	-	1,205,054	-
-	(1,551,208)	-	-	(17,687)	(136,224)
97,337	(1,551,208)	-	-	1,187,367	(136,224)
(6,129)	494,980	-	-	94,483	429,416
-	4,550,204	85,010	21,967	(94,375)	977,572
\$ (6,129)	\$ 5,045,184	\$ 85,010	\$ 21,967	\$ 108	\$ 1,406,988

(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, 2022	Capital Projects			
	Sidewalk Revolving Loans Fund	2012 GRT Refunding and Improvement Revenue Bond Fund	2014A GO Bond Fund	2014B Go Bond - Streets 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	1,231	2,204	772	1,498
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<b>1,231</b>	<b>2,204</b>	<b>772</b>	<b>1,498</b>
Expenditures				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	17,929	-	-
Debt service				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>17,929</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of revenues over expenditures	1,231	(15,725)	772	1,498
Other financing sources (uses)				
Proceeds from leases	-	-	-	-
Proceeds from sale of assets	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net change in fund balances	1,231	(15,725)	772	1,498
Fund balances - beginning of year	143,001	407,932	90,064	174,516
<b>Fund balances - end of year</b>	<b>\$ 144,232</b>	<b>\$ 392,207</b>	<b>\$ 90,836</b>	<b>\$ 176,014</b>

<u>Permanent Fund</u>	
<u>Cemetery Perpetual Fund</u>	<u>Total Nonmajor Governmental Funds</u>
\$ -	\$ 1,132,672
-	9,696,633
-	699,558
-	1,113,735
-	138,298
-	113,549
-	1,479,692
-	1,296,806
-	830,987
6,889	154,387
-	141,898
<u>6,889</u>	<u>16,798,215</u>
-	2,658,363
-	536,656
-	2,012,342
-	4,067,730
-	113,484
-	2,894,206
-	167,681
-	508,259
-	<u>12,958,721</u>
<u>6,889</u>	<u>3,839,494</u>
-	21,132
13,625	13,625
-	6,771,178
-	(6,077,133)
<u>13,625</u>	<u>728,802</u>
20,514	4,568,296
<u>816,480</u>	<u>22,650,541</u>
<u>\$ 836,994</u>	<u>\$ 27,218,837</u>

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

<b>June 30, 2022</b>	<b>Nonmajor Enterprise Funds</b>		
	<b>Solid Waste Fund</b>	<b>Bonito Lake Fund</b>	<b>Golf Course Fund</b>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	\$ 336,325	\$ 51,535	\$ -
Investments	435,318	272,016	-
<b>Receivables</b>			
Customer, net	171,322	-	-
Lease, current	-	-	-
Inventory	-	-	-
Prepaid expenses	-	-	-
Due from other funds	-	-	-
Total current assets	942,965	323,551	-
<b>Noncurrent assets</b>			
Restricted cash and cash equivalents	-	-	-
Restricted investments	-	74,551	-
Assets held for sale	-	-	-
Lease receivables, net of current portion	-	-	-
Capital assets, not being depreciated	16,000	1,740,180	2,544,343
Capital assets, being depreciated	1,234,208	255,855	5,627,799
Less accumulated depreciation	(849,235)	(243,181)	(3,506,854)
Total noncurrent assets	400,973	1,827,405	4,665,288
Total assets	1,343,938	2,150,956	4,665,288
<b>Deferred outflows of resources</b>			
Deferred outflows - pension	17,238	-	33,209
Deferred outflows - OPEB	21,792	-	38,921
Total deferred outflows of resources	39,030	-	72,130
Total assets and deferred outflows of resources	\$ 1,382,968	\$ 2,150,956	\$ 4,737,418

Nonmajor Enterprise Funds			
Airport Fund	Low Rent Public Housing Fund	Home Ownership Fund	Total Nonmajor Enterprise Funds
\$ 42,900	\$ 1,068,144	\$ 572,313	\$ 2,071,217
-	96,552	111,112	914,998
11,385	7,230	-	189,937
92,309	-	-	92,309
-	5,601	-	5,601
-	35,094	636	35,730
-	-	16	16
146,594	1,212,621	684,077	3,309,808
-	46,714	21,361	68,075
-	-	-	74,551
-	-	88,338	88,338
803,950	-	-	803,950
949,254	1,374,634	-	6,624,411
13,175,290	14,445,175	3,735	34,742,062
(5,975,406)	(12,323,222)	(3,735)	(22,901,633)
8,953,088	3,543,301	109,699	19,499,754
9,099,682	4,755,922	793,776	22,809,562
10,467	120,662	2,537	184,113
13,635	68,464	1,969	144,781
24,102	189,126	4,506	328,894
\$ 9,123,784	\$ 4,945,048	\$ 798,282	\$ 23,138,456

(continued)

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

<b>June 30, 2022</b>	<b>Nonmajor Enterprise Funds</b>		
	<b>Solid Waste Fund</b>	<b>Bonito Lake Fund</b>	<b>Golf Course Fund</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable	\$ 172,452	\$ -	\$ 76,839
Accrued payroll	6,719	-	10,560
Deposits held in trust for others	-	-	-
Unearned revenue	-	-	-
Long-term liabilities, current	23,255	-	33,378
Due to other funds	-	-	409,060
<b>Total current liabilities</b>	<b>202,426</b>	<b>-</b>	<b>529,837</b>
<b>Noncurrent liabilities</b>			
Net pension liability	106,885	-	225,017
Net OPEB liability	49,490	-	81,167
<b>Total noncurrent liabilities</b>	<b>156,375</b>	<b>-</b>	<b>306,184</b>
<b>Total liabilities</b>	<b>358,801</b>	<b>-</b>	<b>836,021</b>
<b>Deferred inflows of resources</b>			
Deferred inflows - leases	-	-	-
Deferred inflows - pension	49,070	-	88,669
Deferred inflows - OPEB	36,548	-	80,352
<b>Total deferred inflows of resources</b>	<b>85,618</b>	<b>-</b>	<b>169,021</b>
<b>Net position</b>			
Net investment in capital assets	400,973	1,752,854	4,665,288
Unrestricted (deficit)	537,576	398,102	(932,912)
<b>Total net position</b>	<b>938,549</b>	<b>2,150,956</b>	<b>3,732,376</b>
<b>Total liabilities, deferred inflows of resources, and net position</b>	<b>\$ 1,382,968</b>	<b>\$ 2,150,956</b>	<b>\$ 4,737,418</b>

Nonmajor Enterprise Funds				
Airport Fund	Low Rent Public Housing Fund	Home Ownership Fund	Total Nonmajor Enterprise Funds	
\$ 2,427	\$ 21,436	\$ -	\$	273,154
4,356	8,238	-		29,873
11,337	46,039	-		57,376
-	15,234	-		15,234
4,587	32,949	1,929		96,098
-	10,822	21		419,903
22,707	134,718	1,950		891,638
76,255	450,465	14,576		873,198
31,348	179,927	3,689		345,621
107,603	630,392	18,265		1,218,819
130,310	765,110	20,215		2,110,457
896,259	-	-		896,259
41,093	104,469	1,271		284,572
29,305	138,901	3,815		288,921
966,657	243,370	5,086		1,469,752
8,149,138	3,496,587	-		18,464,840
(122,321)	439,981	772,981		1,093,407
8,026,817	3,936,568	772,981		19,558,247
\$ 9,123,784	\$ 4,945,048	\$ 798,282	\$	23,138,456

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

<b>For the Year Ended June 30, 2022</b>	<b>Nonmajor Enterprise Funds</b>		
	<b>Solid Waste Fund</b>	<b>Bonito Lake Fund</b>	<b>Golf Course Fund</b>
Operating revenues			
Charges for services	\$ 2,471,183	\$ -	\$ 1,658,338
Operating grants	-	-	-
<b>Total operating revenues</b>	<b>2,471,183</b>	<b>-</b>	<b>1,658,338</b>
Operating expenses			
Personnel services	174,285	-	282,941
Utilities	6,906	-	34,206
Contractual services	1,836,522	-	1,219,812
Supplies and purchased power	34,647	-	72,466
Repairs and maintenance	24,753	-	21,855
Depreciation expense	57,945	1,194	249,126
Miscellaneous expense	64,353	-	53,352
<b>Total operating expenses</b>	<b>2,199,411</b>	<b>1,194</b>	<b>1,933,758</b>
<b>Operating income (loss)</b>	<b>271,772</b>	<b>(1,194)</b>	<b>(275,420)</b>
Non-operating revenues (expenses)			
Investment income	3,714	2,957	-
Miscellaneous	13,604	696	1,704
<b>Total non-operating revenues (expenses)</b>	<b>17,318</b>	<b>3,653</b>	<b>1,704</b>
<b>Income (loss) before contributions and transfers</b>	<b>289,090</b>	<b>2,459</b>	<b>(273,716)</b>
Government contributions			
Capital grants	-	-	-
Transfers in	-	-	122,758
Transfers (out)	(135,004)	-	(89,513)
<b>Change in net position</b>	<b>154,086</b>	<b>2,459</b>	<b>(240,471)</b>
<b>Net position - beginning of year</b>	<b>784,463</b>	<b>2,148,497</b>	<b>3,972,847</b>
<b>Net position - end of year</b>	<b>\$ 938,549</b>	<b>\$ 2,150,956</b>	<b>\$ 3,732,376</b>

<b>Nonmajor Enterprise Funds</b>				
<b>Airport Fund</b>	<b>Low Rent Public Housing Fund</b>	<b>Home Ownership Fund</b>	<b>Total Nonmajor Enterprise Funds</b>	
\$ 163,673	\$ 373,568	\$ -	\$ 4,666,762	
348,799	741,997	-	1,090,796	
512,472	1,115,565	-	5,757,558	
109,255	435,813	6,334	1,008,628	
27,954	-	-	69,066	
-	201,721	532	3,258,587	
41,498	141,389	20	290,020	
14,978	120,037	1,114	182,737	
415,033	299,184	-	1,022,482	
25,416	126,395	913	270,429	
634,134	1,324,539	8,913	6,101,949	
(121,662)	(208,974)	(8,913)	(344,391)	
-	1,653	930	9,254	
213	2,442	-	18,659	
213	4,095	930	27,913	
(121,449)	(204,879)	(7,983)	(316,478)	
196,445	49,935	-	246,380	
17,112	-	-	139,870	
(52,284)	-	-	(276,801)	
39,824	(154,944)	(7,983)	(207,029)	
7,986,993	4,091,512	780,964	19,765,276	
\$ 8,026,817	\$ 3,936,568	\$ 772,981	\$ 19,558,247	

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

<b>For the Year Ended June 30, 2022</b>	<b>Nonmajor Enterprise Funds</b>		
	<b>Solid Waste Fund</b>	<b>Bonito Lake Fund</b>	<b>Golf Course Fund</b>
<b>Cash flows from operating activities</b>			
Cash received from user charges	\$ 2,466,768	\$ -	\$ 1,658,555
Cash received from subsidy grants	-	-	-
Cash payments to employees for services	(177,179)	-	(284,610)
Cash payments to suppliers for goods and services	(1,955,317)	-	(1,330,233)
<b>Net cash provided (used) by operating activities</b>	<b>334,272</b>	<b>-</b>	<b>43,712</b>
<b>Cash flows from noncapital financing activities</b>			
Miscellaneous income	13,604	696	1,704
Transfers in (out)	(135,004)	-	442,305
<b>Net cash provided (used) by noncapital financing activities</b>	<b>(121,400)</b>	<b>696</b>	<b>444,009</b>
<b>Cash flows from investing activities</b>			
Sale (purchase) of investments	(3,579)	(2,850)	-
Interest on investments	3,714	2,957	-
<b>Net cash provided (used) by investing activities</b>	<b>135</b>	<b>107</b>	<b>-</b>
<b>Cash flows from capital and related financing activities</b>			
Acquisition of capital assets	(29,639)	-	(559,761)
Capital grants	-	-	-
<b>Net cash provided (used) by capital and related financing activities</b>	<b>(29,639)</b>	<b>-</b>	<b>(559,761)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>183,368</b>	<b>803</b>	<b>(72,040)</b>
<b>Cash and cash equivalents - beginning of year</b>	<b>152,957</b>	<b>50,732</b>	<b>72,040</b>
<b>Cash and cash equivalents - end of year</b>	<b>\$ 336,325</b>	<b>\$ 51,535</b>	<b>\$ -</b>

Nonmajor Enterprise Funds			
Airport Fund	Low Rent Public Housing Fund	Home Ownership Fund	Total Nonmajor Enterprise Funds
\$ 189,499	\$ 374,914	\$ -	\$ 4,689,736
348,799	741,997	-	1,090,796
(114,604)	(488,471)	(6,786)	(1,071,650)
(112,527)	(578,297)	(2,580)	(3,978,954)
311,167	50,143	(9,366)	729,928
213	2,442	-	18,659
(35,172)	10,822	-	282,951
(34,959)	13,264	-	301,610
-	-	(3)	(6,432)
-	1,653	930	9,254
-	1,653	927	2,822
(460,105)	(46,129)	-	(1,095,634)
209,424	49,935	-	259,359
(250,681)	3,806	-	(836,275)
25,527	68,866	(8,439)	198,085
17,373	1,045,992	602,113	1,941,207
\$ 42,900	\$ 1,114,858	\$ 593,674	\$ 2,139,292

(continued)

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

<b>For the Year Ended June 30, 2022</b>	<b>Nonmajor Enterprise Funds</b>		
	<b>Solid Waste Fund</b>	<b>Bonito Lake Fund</b>	<b>Golf Course Fund</b>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ 271,772	\$ (1,194)	\$ (275,420)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	57,945	1,194	249,126
Noncash pension expense	1,244	-	2,204
Noncash OPEB benefit	(10,902)	-	(19,306)
Changes in assets, deferred outflows, and liabilities:			
Receivables, net	(4,415)	-	217
Inventory	-	-	-
Prepaid expenses	-	-	-
Subsequent contributions-pension	(645)	-	(1,143)
Subsequent contributions-OPEB	(213)	-	(377)
Accounts payable	11,864	-	71,458
Accrued payroll expenses	(4,248)	-	(324)
Accrued compensated absences	11,870	-	17,277
Unearned revenue	-	-	-
Customer deposits	-	-	-
<b>Net cash provided (used) by operating activities</b>	<b>\$ 334,272</b>	<b>\$ -</b>	<b>\$ 43,712</b>

Nonmajor Enterprise Funds				
Airport Fund	Low Rent Public Housing Fund	Home Ownership Fund		Total Nonmajor Enterprise Funds
\$ (121,662)	\$ (208,974)	\$ (8,913)	\$	(344,391)
415,033	299,184	-		1,022,482
923	2,513	52		6,936
(8,077)	(34,059)	(467)		(72,811)
25,656	1,136	-		22,594
-	-	-		-
-	(3,179)	-		(3,179)
(478)	(1,303)	(28)		(3,597)
(158)	(664)	(9)		(1,421)
(2,681)	14,424	(1)		95,064
(614)	(14,805)	-		(19,991)
3,055	(4,340)	-		27,862
-	840	-		840
170	(630)	-		(460)
\$ 311,167	\$ 50,143	\$ (9,366)	\$	729,928

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## **Internal Service Funds**

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

<b>June 30, 2022</b>	<b>Internal Service Fund</b>	<b>Self-Insured Fund</b>	<b>Liability/ Deductibles Fund</b>	<b>Total Internal Service Funds</b>
<b>Assets</b>				
Current assets				
Cash and cash equivalents	\$ 24,496	\$ 91,809	\$ 459,989	\$ 576,294
Investments	-	455,195	674,206	1,129,401
Receivables				
Other, net	21,270	-	-	21,270
Inventory	173,803	-	-	173,803
Prepaid expenses	248,784	-	-	248,784
<b>Total current assets</b>	<b>468,353</b>	<b>547,004</b>	<b>1,134,195</b>	<b>2,149,552</b>
Noncurrent assets				
Right to use assets, being amortized	9,399	-	-	9,399
Less right to use amortization	(3,012)	-	-	(3,012)
<b>Total noncurrent assets</b>	<b>6,387</b>	<b>-</b>	<b>-</b>	<b>6,387</b>
<b>Total assets</b>	<b>474,740</b>	<b>547,004</b>	<b>1,134,195</b>	<b>2,155,939</b>
Deferred outflows of resources				
Deferred outflows - pension	191,382	-	-	191,382
Deferred outflows - OPEB	210,850	-	-	210,850
<b>Total deferred outflows of resources</b>	<b>402,232</b>	<b>-</b>	<b>-</b>	<b>402,232</b>
<b>Total assets and deferred outflows of resources</b>	<b>\$ 876,972</b>	<b>\$ 547,004</b>	<b>\$ 1,134,195</b>	<b>\$ 2,558,171</b>

<b>June 30, 2022</b>	<b>Internal Service Fund</b>	<b>Self-Insured Fund</b>	<b>Liability/ Deductibles Fund</b>	<b>Total Internal Service Funds</b>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Accounts payable	\$ 746,600	\$ -	\$ 11,182	\$ 757,782
Accrued payroll	79,712	-	-	79,712
Lease liabilities, current	2,964	-	-	2,964
Long-term liabilities, current	151,007	-	-	151,007
<b>Total current liabilities</b>	<b>980,283</b>	<b>-</b>	<b>11,182</b>	<b>991,465</b>
<b>Noncurrent liabilities</b>				
Lease liabilities, net of current portion	6,435	-	-	6,435
Net pension liability	1,412,434	-	-	1,412,434
Net OPEB liability	787,278	-	-	787,278
<b>Total noncurrent liabilities</b>	<b>2,206,147</b>	<b>-</b>	<b>-</b>	<b>2,206,147</b>
<b>Total liabilities</b>	<b>3,186,430</b>	<b>-</b>	<b>11,182</b>	<b>3,197,612</b>
<b>Deferred inflows of resources</b>				
Deferred inflows - pension	416,241	-	-	416,241
Deferred inflows - OPEB	477,206	-	-	477,206
<b>Total deferred inflows of resources</b>	<b>893,447</b>	<b>-</b>	<b>-</b>	<b>893,447</b>
<b>Net position</b>				
Unrestricted (deficit)	(3,202,905)	547,004	1,123,013	(1,532,888)
<b>Total net position</b>	<b>(3,202,905)</b>	<b>547,004</b>	<b>1,123,013</b>	<b>(1,532,888)</b>
<b>Total liabilities, deferred inflows of resources, and net position</b>	<b>\$ 876,972</b>	<b>\$ 547,004</b>	<b>\$ 1,134,195</b>	<b>\$ 2,558,171</b>

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

<b>For the Year Ended June 30, 2022</b>	<b>Internal Service Fund</b>	<b>Self-Insured Fund</b>	<b>Liability/ Deductibles Fund</b>	<b>Total Internal Service Funds</b>
Operating revenues				
Charges for services	\$ 220,880	\$ 50,000	\$ -	\$ 270,880
<b>Total operating revenues</b>	<b>220,880</b>	<b>50,000</b>	<b>-</b>	<b>270,880</b>
Operating expenses				
Personnel services	1,401,177	-	-	1,401,177
Utilities	42,413	-	-	42,413
Contractual Services	1,112,282	-	-	1,112,282
Supplies and purchased power	1,019,716	-	-	1,019,716
Repairs and maintenance	489,856	-	-	489,856
Depreciation expense	3,012	-	-	3,012
Miscellaneous expense	85,278	73,255	57,740	216,273
<b>Total operating expenses</b>	<b>4,153,734</b>	<b>73,255</b>	<b>57,740</b>	<b>4,284,729</b>
<b>Operating income (loss)</b>	<b>(3,932,854)</b>	<b>(23,255)</b>	<b>(57,740)</b>	<b>(4,013,849)</b>
Non-operating revenues (expenses)				
Investment income	-	3,884	5,753	9,637
Miscellaneous	231,831	4,961	-	236,792
<b>Total non-operating revenues (expenses)</b>	<b>231,831</b>	<b>8,845</b>	<b>5,753</b>	<b>246,429</b>
<b>Income (loss) before transfers</b>	<b>(3,701,023)</b>	<b>(14,410)</b>	<b>(51,987)</b>	<b>(3,767,420)</b>
Transfers in	3,236,100	-	-	3,236,100
Change in net position	(464,923)	(14,410)	(51,987)	(531,320)
Net position - beginning of year	(2,737,982)	561,414	1,175,000	(1,001,568)
<b>Net position - end of year</b>	<b>\$ (3,202,905)</b>	<b>\$ 547,004</b>	<b>\$ 1,123,013</b>	<b>\$ (1,532,888)</b>

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

<b>For the Year Ended June 30, 2022</b>	<b>Internal Service Fund</b>	<b>Self-Insured Fund</b>	<b>Liability/ Deductibles Fund</b>	<b>Total Internal Service Funds</b>
Cash flows from operating activities				
Cash received from user charges	\$ 214,248	\$ 50,000	\$ -	\$ 264,248
Cash received from subsidy grants	-	-	-	-
Cash payments to employees for services	(1,511,513)	-	-	(1,511,513)
Cash payments to suppliers for goods and services	(2,226,176)	(73,255)	(48,186)	(2,347,617)
<b>Net cash (used) by operating activities</b>	<b>(3,523,441)</b>	<b>(23,255)</b>	<b>(48,186)</b>	<b>(3,594,882)</b>
Cash flows from noncapital financing activities				
Miscellaneous income	231,831	4,961	-	236,792
Transfers in (out)	3,236,100	-	-	3,236,100
<b>Net cash provided by noncapital financing activities</b>	<b>3,467,931</b>	<b>4,961</b>	<b>-</b>	<b>3,472,892</b>
Cash flows from investing activities				
Sale (purchase) of investments	-	(3,743)	(5,543)	(9,286)
Interest on investments	-	3,884	5,753	9,637
<b>Net cash provided by investing activities</b>	<b>-</b>	<b>141</b>	<b>210</b>	<b>351</b>
Cash flows from capital and related financing activities				
Interest paid	-	-	-	-
Principal payments on bonds and loans payable	-	-	-	-
<b>Net cash provided (used) by capital and related financing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net (decrease) in cash and cash equivalents</b>	<b>(55,510)</b>	<b>(18,153)</b>	<b>(47,976)</b>	<b>(121,639)</b>
Cash and cash equivalents - beginning of year	80,006	109,962	507,965	697,933
<b>Cash and cash equivalents - end of year</b>	<b>\$ 24,496</b>	<b>\$ 91,809</b>	<b>\$ 459,989</b>	<b>\$ 576,294</b>

<b>For the Year Ended June 30, 2022</b>	<b>Internal Service Fund</b>	<b>Self-Insured Fund</b>	<b>Liability/ Deductibles Fund</b>	<b>Total Internal Service Funds</b>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities				
Operating income (loss)	\$ (3,932,854)	\$ (23,255)	\$ (57,740)	\$ (4,013,849)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	3,012	-	-	3,012
Noncash pension expense	10,406	-	-	10,406
Noncash OPEB benefit	(91,164)	-	-	(91,164)
Changes in assets, deferred outflows, and liabilities				
Receivables, net	(6,632)	-	-	(6,632)
Inventory	4,200	-	-	4,200
Prepaid expenses	(179,560)	-	-	(179,560)
Subsequent contributions-pension	(5,398)	-	-	(5,398)
Subsequent contributions-OPEB	(1,778)	-	-	(1,778)
Accounts payable	698,729	-	9,554	708,283
Accrued payroll expenses	10,089	-	-	10,089
Accrued compensated absences	(32,491)	-	-	(32,491)
<b>Net cash provided (used) by operating activities</b>	<b>\$ (3,523,441)</b>	<b>\$ (23,255)</b>	<b>\$ (48,186)</b>	<b>\$ (3,594,882)</b>

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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, 2022	Component Unit
<b>Assets</b>	
Current assets	
Cash and cash equivalents	\$ 29,463
Investments	2,515,242
Receivables	
Customer, net	103,594
Other, net	6,667
Lease, current	6,766
Total current assets	2,661,732
Noncurrent assets	
Restricted investments	1,110,418
Lease receivables, net of current portion	8,296
Capital assets, not being depreciated	2,129,376
Capital assets, being depreciated	8,069,628
Right to use assets, being amortized	50,297
Less accumulated depreciation	(5,020,792)
Less accumulated amortization	(10,056)
Total noncurrent assets	6,337,167
Total assets	8,998,899
<b>Deferred outflows of resources</b>	
Deferred outflows - pension	33,421
Deferred outflows - OPEB	40,402
Total deferred outflows of resources	73,823
Total assets and deferred outflows of resources	\$ 9,072,722

**June 30, 2022**

**Component Unit**

**Liabilities**

Current liabilities		
Accounts payable	\$	82,735
Accrued payroll		17,180
Deposits held in trust for others		4,087
Unearned revenue		3,673
Lease liabilities, current		9,959
Long-term liabilities, current		18,419
<b>Total current liabilities</b>		<b>136,053</b>
Noncurrent liabilities		
Lease liabilities, net of current portion		30,178
Long-term liabilities, net of current portion		1,911,751
Net pension liability		203,241
Net OPEB liability		87,371
<b>Total noncurrent liabilities</b>		<b>2,232,541</b>
<b>Total liabilities</b>		<b>2,368,594</b>
<b>Deferred inflows of resources</b>		
Deferred inflows - leases		15,062
Deferred inflows - pension		137,789
Deferred inflows - OPEB		88,425
<b>Total deferred inflows of resources</b>		<b>241,276</b>
<b>Net position</b>		
Net investment in capital assets		5,178,316
Unrestricted		1,284,536
<b>Total net position</b>		<b>6,462,852</b>
<b>Total liabilities, deferred inflows of resources, and net position</b>	\$	<b>9,072,722</b>

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

<b>For the Year Ended June 30, 2022</b>	<b>Component Unit</b>
Operating revenues	
Charges for services	\$ 1,547,718
Total operating revenues	1,547,718
Operating expenses	
Personnel services	459,257
Contractual services	363,049
Supplies and purchased power	124,646
Repairs and maintenance	164,342
Depreciation expense	534,667
Miscellaneous expense	93,745
Total operating expenses	1,739,706
Operating income (loss)	(191,988)
Non-operating revenues (expenses)	
Investment income	33,111
Miscellaneous	18,853
Total non-operating revenues (expenses)	51,964
Income before contributions and transfers	(140,024)
Transfers (out)	(658)
Change in net position	(140,682)
Net position - beginning of year	6,603,534
Net position - ending	\$ 6,462,852

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

<b>For the year ended June 30, 2022</b>	<b>Component Unit</b>
<b>Cash flows from operating activities</b>	
Cash received from user charges	\$ 1,513,709
Cash payments to employees for services	(480,668)
Cash payments to suppliers for goods and services	(769,967)
<b>Net cash provided by operating activities</b>	<b>263,074</b>
<b>Cash flows from noncapital financing activities</b>	
Miscellaneous income	38,505
Transfers in (out)	(658)
<b>Net cash provided by noncapital financing activities</b>	<b>37,847</b>
<b>Cash flows from investing activities</b>	
(Purchases) sales of investments	468,095
Interest on investments	33,111
<b>Net cash provided by investing activities</b>	<b>501,206</b>
<b>Cash flows from capital and related financing activities</b>	
Acquisition of capital assets	(1,578,577)
Principal payments on bonds, loans, and notes payable	(10,160)
<b>Net cash (used) by capital and related financing activities</b>	<b>(1,588,737)</b>
<b>Net (decrease) in cash and cash equivalents</b>	<b>(786,610)</b>
<b>Cash and cash equivalents - beginning of year</b>	<b>816,073</b>
<b>Cash and cash equivalents - end of year</b>	<b>\$ 29,463</b>

**For the year ended June 30, 2022****Component Unit**

Reconciliation of operating loss to net cash provided by operating activities	
Operating (loss)	\$ (191,988)
Adjustments to reconcile operating (loss) to net cash provided by operating activities	
Depreciation	534,667
Noncash pension expense	3,057
Noncash OPEB benefit	(26,786)
Change in landfill liability	(63,689)
Changes in assets, liabilities and deferred outflows of resources	
Receivables, net	(31,280)
Subsequent contributions-pension	(1,586)
Subsequent contributions-OPEB	(523)
Accounts payable	39,504
Accrued payroll expenses	(3,516)
Accrued compensated absences	7,943
Unearned revenue	(2,329)
Customer deposits	(400)
Net cash provided by operating activities	\$ 263,074

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## **Fiduciary Funds**

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

<b>June 30, 2022</b>	<b>Police Court Bond Fund</b>	<b>Army Corp of Engineers Escrow Fund</b>	<b>State Judicial Fund</b>	<b>Total Custodial Funds</b>
<b>Assets</b>				
Cash and cash equivalents	\$ 8,638	\$ 1,000	\$ 2,352	\$ 11,990
<b>Total assets</b>	<b>\$ 8,638</b>	<b>\$ 1,000</b>	<b>\$ 2,352</b>	<b>\$ 11,990</b>
<b>Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ 2,765	\$ 2,765
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>2,765</b>	<b>2,765</b>
<b>Net position</b>				
Restricted	8,638	1,000	-	9,638
Unrestricted (deficit)	-	-	(413)	(413)
<b>Total net position</b>	<b>8,638</b>	<b>1,000</b>	<b>(413)</b>	<b>9,225</b>
<b>Total liabilities and net position</b>	<b>\$ 8,638</b>	<b>\$ 1,000</b>	<b>\$ 2,352</b>	<b>\$ 11,990</b>

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

<b>For the Year Ended June 30, 2022</b>	<b>Police Court Bond Fund</b>	<b>Army Corp of Engineers Escrow Fund</b>	<b>State Judicial Fund</b>	<b>Total Custodial Funds</b>
<b>Additions</b>				
Court fees	\$ 700	\$ -	\$ 30,796	\$ 31,496
<b>Total additions</b>	<b>\$ 700</b>	<b>\$ -</b>	<b>\$ 30,796</b>	<b>\$ 31,496</b>
<b>Deductions</b>				
Professional services	\$ -	\$ -	\$ 30,822	\$ 30,822
<b>Total deductions</b>	<b>-</b>	<b>-</b>	<b>30,822</b>	<b>30,822</b>
Net increase in fiduciary net position	700	-	(26)	674
Net position - beginning of year	7,938	1,000	(387)	8,551
<b>Net position, end of year</b>	<b>\$ 8,638</b>	<b>\$ 1,000</b>	<b>\$ (413)</b>	<b>\$ 9,225</b>

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## **Supporting Schedules**

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**State of New Mexico**  
**City of Alamogordo**  
**Schedule of Collateral Pledged by Depository For Public Funds**  
**June 30, 2022**

Name of Depository	Description of Pledged Collateral	Maturity	CUSIP Number	Fair Market Value June 30, 2022
<b>Bank of the West</b>				
	FHMS K107 A2, 1.639%	2/25/2030	3137FRZA2	\$ 43,867
	FH K106 A2, 2.069	1/25/2030	3137FRUT6	8,445
	FH K105 A2 FIX, 1.872%	1/25/2030	3137FRUJ8	6,510
	GN 2146C MJ FIX, 2%	3/25/2051	38382P3Q3	66,432
	G2SF MA2753 3.000 04/20/45, 3%	4/20/2045	36179RBW8	1,377
<b>Total Bank of the West</b>				<b>126,631</b>

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 #890306, 4%	4/1/2026	31410LDK5	56,973
	FNMA Pool #MA2829, 2.5%	12/1/2026	31418CEB6	363,132
	FHLMC Pool #T45074, 2.5%	2/1/2030	31286WT74	245,584
	FHLMC Pool #G18614, 2.5%	10/1/2031	3128MMVG5	401,676
	FNMA Pool #2868, 2.5%	1/1/2032	31418CFJ8	443,773
	FNMA Pool #MA1059, 3.5%	5/1/2032	31418AE95	257,858
	FNMA Pool #MA2531, 3.5%	2/1/2036	31418BY59	199,261
	FNMA Pool #CB0284, 2%	4/1/2036	3140QKJ66	1,587,245
	FNMA Pool #MA2643, 3%	6/1/2036	31418B5D4	324,274
	FNMA Pool #MA2707, 3%	8/1/2036	31418CAH7	341,841
	FNMA Pool #256724, 5%	5/1/2037	31371ND51	13,563
	FNMA Pool #888737, 5.5%	10/1/2037	31410GLSO	12,698
	FNMA Pool #AL9014, 3%	1/1/2044	3138ERAQ3	1,112,375
	FNMA Pool #MA4108, 2.5%	8/1/2050	31418DR61	933,816
	FNMA Pool #AL0128, 2.556%	4/1/2041	3138EGEA8	266,303
<b>Total First National Bank</b>				<b>6,560,372</b>

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, 2022**

Name of Depository	Description of Pledged Collateral	Maturity	CUSIP Number	Fair Market Value June 30, 2022
<b>First National Bank of Alamogordo, Housing Authority</b>				
	FNMA Pool #890263, 4.00%	11/1/2025	31410LB84	13,160
	FNMA Pool #MA2612, 2.50%	5/1/2026	31418B3W4	133,996
	FNMA Pool #MA2869, 2.50%	1/1/2027	31418CFK5	303,654
	FHLMC Pool #G18459, 2.50%	3/1/2028	3128MMQM8	193,426
	FHLMC Pool #C91247, 5.00%	4/1/2029	3128P7L43	52,417
	FNMA Pool #MA0711, 3.50%	4/1/2031	31417YYH4	46,992
	FNMA Pool #FM3086, 3.00%	12/1/2047	3140X6NC1	1,238,948
<b>Total First National Bank of Alamogordo, Housing Authority</b>				<b>1,982,593</b>

Name and location of safekeeper for above pledged collateral:

Federal Home Loan Bank, Dallas, Texas

**First Savings Bank**

	FNR 2012-145 DC, 1.50%	1/25/2028	3136AA2L8	209,452
	FNR 2012-145 DC, 1.50%	1/25/2028	3136AA2L8	10,343
	FNMA 15YR, 3%	7/1/2029	31410LN57	30,167
	FGLMC 15YR, 2.50%	1/1/2030	3128ME4V0	45,424
	FGLMC 15YR, 2.50%	8/1/2031	3132KFNN8	42,895
	GNR 2018-153 WJ, 3.00%	11/20/2045	38381AZ58	38,727
	GNMA 30YR, 3%	10/15/2047	3622AAP81	89,129
	FHR 5190 BA, 2.50%	11/25/2047	3137H5F77	352,234
	FNR 2019-28 CA 3.00%	8/25/2048	3136B4UV8	63,359
	FHR 5162 LN, 1%	9/25/2050	3137H46S4	149,210
	FHR 5063 LD, 1%	1/25/2051	3137F8W82	94,349
	FRLMC 30YR, 3%	2/1/2051	3132DMTE5	73,555
	GNMA II 30YR, 2.5%	3/20/2051	3622AAZN7	79,408
	GNR 2021-56 GA, 1.75%	3/20/2051	38382J4J2	68,524
	GNR 2021-139 PA, 1%	8/20/2051	38382XHY4	200,392
<b>Total First Savings Bank</b>				<b>1,547,168</b>

Name and location of safekeeper for above pledged collateral:

Federal Reserve Bank, Beresford, South Dakota

(Continued)

**State of New Mexico**  
**City of Alamogordo**  
**Schedule of Collateral Pledged by Depository For Public Funds**  
**June 30, 2022**

Name of Depository	Description of Pledged Collateral	Maturity	CUSIP Number	Fair Market Value June 30, 2022
<b>Pioneer Bank</b>				
	FHLMCP CRF 2.36%	11/1/2034	31349UDH8	\$ 6,150
	FNMA 3.00%	10/1/2026	3138ASYU0	7,855
	FNMA 2.40%	6/1/2034	31404V6W3	58,229
<b>Total Pioneer Bank</b>				<b>72,234</b>

Name and location of safekeeper for above pledged collateral:  
Federal Home Loan Bank, Dallas, Texas

<b>Washington Federal</b>				
	FNMA PL#BC2636 3.000%	11/1/2046	3140EW4W2	1,237,696
<b>Total Washington Federal</b>				<b>1,237,696</b>

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

<b>Wells Fargo (Checking Account Collateral)</b>				
	FNMA FNMS 3.500%	7/1/2043	3138WZXX5	14,910
	FNMA FNMS 2.500%	1/1/2052	3140M2TF9	609,108
	FNMA FNMS 2.500%	3/1/2052	3140MGEK3	8,702
	FNMA FNMS 3.500%	3/1/2048	3140XCFZ6	270,291
	GNMA G2SF 3.500%	1/20/2048	36179TQP3	34,060
	GNMA G2SF 4.000%	5/20/2048	36179TXV2	215,422
	GNMA G2SF 4.500%	10/20/2048	36179UEA6	28,943
	GNMA G2SP 3.000%	3/20/2050	3622AALM4	8,285
	GNMA G2SP 2.500%	1/20/2052	3622ABL26	28,585
	GNMA G2SP 3.000%	2/20/2052	3622ABQ47	11,896
	GNMA G2SP 3.000%	3/20/2052	3622ABQ62	404,274
<b>Total Wells Fargo</b>				<b>1,634,476</b>

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

<b>Total pledged collateral</b>	<b>\$ 13,161,170</b>
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**State of New Mexico  
City of Alamogordo  
Schedule of Deposits and Investments  
June 30, 2022**

<b>Bank Account Type/Name</b>	<b>Bank '34</b>	<b>Bank of the West</b>	<b>First National Bank</b>	<b>First Savings Bank</b>
General Operating Account - Checking	\$ -	\$ -	14,648,694	\$ -
Home Ownership Operating - Interest Bearing	-	-	572,313	-
Home Ownership Reserve - Interest Bearing	-	-	21,361	-
Low Rent Operating - Interest Bearing	-	-	1,068,939	-
Security Deposit - Interest Bearing	-	-	46,714	-
Money Market Investment - Interest Bearing - HA	-	-	-	-
General Operating Account - Interest Bearing	-	-	-	-
Escrow Account - Checking	-	-	-	-
US Treasuries/Agency Bonds	-	-	-	-
Fixed Income Securities	-	-	-	-
Certificates of Deposit - Interest Bearing	250,000	281,070	-	3,349,494
Money Market Investment - Interest Bearing	-	-	-	-
NMFA Cash Accounts	-	-	-	-
NMFA Investment Accounts**	-	-	-	-
<b>Total</b>	<b>250,000</b>	<b>281,070</b>	<b>16,358,021</b>	<b>3,349,494</b>
Reconciling items	-	-	(287,959)	-
<b>Reconciled balance</b>	<b>\$ 250,000</b>	<b>\$ 281,070</b>	<b>\$ 16,070,062</b>	<b>\$ 3,349,494</b>

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

Moreton Capital Markets	Pioneer Bank	Washington Federal Bank	Wells Fargo Bank	NMFA Accounts	Totals
\$ -	\$ -	\$ -	-	\$ -	\$ 14,648,694
-	-	-	-	-	572,313
-	-	-	-	-	21,361
-	-	-	-	-	1,068,939
-	-	-	-	-	46,714
-	-	-	207,664	-	207,664
-	-	-	2,677,481	-	2,677,481
-	-	-	1,001	-	1,001
24,011,364	-	-	-	-	24,011,364
33,648,647	-	-	-	-	33,648,647
-	282,965	1,457,327	-	-	5,620,856
1,076,676	-	-	-	-	1,076,676
-	-	-	-	809,680	809,680
-	-	-	-	402,451	402,451
58,736,687	282,965	1,457,327	2,886,146	1,212,131	84,813,841
-	-	-	(1)	-	(287,960)
<u>\$ 58,736,687</u>	<u>\$ 282,965</u>	<u>\$ 1,457,327</u>	<u>\$ 2,886,145</u>	<u>\$ 1,212,131</u>	<u>84,525,881</u>
Plus petty cash					7,110
Less restricted cash and cash equivalents per statement of net position					(1,019,406)
Less cash and cash equivalents per statement of fiduciary net position					(11,990)
Less investments per statement of net position					(61,274,483)
Less restricted investments per statement of net position					(74,551)
Less component unit cash and cash equivalents per statement of net position					(29,463)
Less component unit investments per statement of net position					(2,515,242)
Less component unit restricted investments per statement of net position					(1,110,418)
Cash and cash equivalents per statement of net position					<u>\$ 18,497,438</u>

**State of New Mexico**  
**City of Alamogordo**  
**Financial Data Schedule**  
**June 30, 2022**

Line Item Number	Description	Low Rent Public Housing Program NM004000001		Total
		14.850	2. State/Local	
111	Cash - Unrestricted	\$ 1,068,144	\$ 572,313	\$ 1,640,457
113	Cash - Other Restricted	-	21,361	21,361
114	Cash - Tenant Security Deposits	46,714	-	46,714
100	Total Cash	1,114,858	593,674	1,708,532
124	Accounts Receivable - Other Government	-	-	-
126	Accounts Receivable - Tenants - Dwelling Rents	15,649	-	15,649
126.1	Allowance for Doubtful Accounts - Dwelling Rents	(8,419)	-	(8,419)
120	Total Receivables, Net of Allowance for Doubtful Accounts	7,230	-	7,230
131	Investments - Unrestricted	96,552	111,112	207,664
130	Total Investments	96,552	111,112	207,664
142	Prepaid Expenses and Other Assets	35,094	636	35,730
143	Inventories	6,223	-	6,223
143.1	Allowance for Obsolete Inventories	(622)	-	(622)
145	Assets Held for Sale	-	88,338	88,338
150	Total Current Assets	1,259,335	793,760	2,053,095
161	Land	1,324,708	-	1,324,708
162	Buildings	14,225,194	-	14,225,194
163	Furniture, Equipment & Machinery - Dwellings	10,841	-	10,841
164	Furniture, Equipment & Machinery - Administration	209,140	3,735	212,875
165	Leasehold Improvements	-	-	-
166	Accumulated Depreciation	(12,323,222)	(3,735)	(12,326,957)
167	Construction in progress	49,926	-	49,926
160	Total Capital Assets, Net of Accumulated Depreciation	3,496,587	-	3,496,587
180	Total Non-Current Assets	3,496,587	-	3,496,587
190	Total Assets	4,755,922	793,760	5,549,682
200	Deferred Outflows of Resources	189,126	4,506	193,632
290	Total Assets and Deferred Outflows of Resources	\$ 4,945,048	\$ 798,266	\$ 5,743,314

(continued)

**State of New Mexico  
City of Alamogordo  
Financial Data Schedule  
June 30, 2022**

Line Item Number	Description	Low Rent Public Housing Program NM004000001		Total
		14.850	2. State/Local	
<i>(Continued)</i>				
312	Accounts Payable <= 90 Days	\$ 21,436	\$ -	\$ 21,436
321	Accrued Wage/Payroll Taxes Payable	8,238	-	8,238
322	Accrued Compensated Absences - Current Portion	32,949	1,929	34,878
333	Accounts Payable - Other Government	10,822	5	10,827
341	Tenant Security Deposits	46,039	-	46,039
342	Deferred Revenues	15,234	-	15,234
310	Total Current Liabilities	134,718	1,934	136,652
357	Accrued Pension and OPEB Liabilities	630,392	18,265	648,657
350	Total Non-Current Liabilities	630,392	18,265	648,657
300	Total Liabilities	765,110	20,199	785,309
400	Deferred Inflows of Resources	243,370	5,086	248,456
508.1	Net investment in capital assets	3,496,587	-	3,496,587
512.1	Unrestricted Net Position	439,981	772,981	1,212,962
513	Total Equity/Net Position	3,936,568	772,981	4,709,549
600	Total Liabilities, Deferred Inflows of Resources, and Equity/Net Position	\$ 4,945,048	\$ 798,266	\$ 5,743,314

**State of New Mexico  
City of Alamogordo  
Financial Data Schedule  
June 30, 2022**

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	\$ 341,153	\$ -	\$ -	\$ -	\$ 341,153
70400	Tenant Revenue - Other	14,574	-	-	-	14,574
70500	Total Tenant Revenue	355,727	-	-	-	355,727
70600	HUD PHA Operating Grants	741,997	-	-	-	741,997
70610	Capital Grants	-	-	49,935	-	49,935
71100	Investment Income - Unrestricted	1,653	930	-	-	2,583
71500	Other Revenue	20,283	-	-	-	20,283
70000	Total Revenue	1,119,660	930	49,935	-	1,170,525
91100	Administrative Salaries	183,571	5,059	-	-	188,630
91200	Auditing Fees	3,942	49	-	-	3,991
91500	Employee Benefit Contributions - Administrative	53,061	1,146	-	-	54,207
91600	Office Expenses	26,081	300	-	-	26,381
91900	Other Operating - Administrative	121,273	483	-	-	121,756
91000	Total Operating - Administrative	387,928	7,037	-	-	394,965
93100	Water	9,294	341	-	-	9,635
93200	Electricity	11,520	99	-	-	11,619
93300	Gas	2,358	-	-	-	2,358
93600	Sewer	1,947	186	-	-	2,133
93800	Other Utilities Expense	67,540	-	-	-	67,540
93000	Total Utilities	92,659	626	-	-	93,285
94100	Ordinary Maintenance & Operation - Labor	142,615	-	-	-	142,615
94200	Ordinary Maintenance & Operation - Materials & Other	126,509	-	-	-	126,509
94300	Ordinary Maintenance & Operation Contracts	99,253	208	-	-	99,461
94500	Employee Benefit Contributions - Ordinary Maintenance	4,880	-	-	-	4,880
94000	Total Maintenance	373,257	208	-	-	373,465
96110	Property Insurance	58,193	-	-	-	58,193
96120	Liability Insurance	1,320	868	-	-	2,188
96130	Workmen's Compensation	10,430	129	-	-	10,559
96140	All Other Insurance	52,181	45	-	-	52,226
96100	Total Insurance Premiums	122,124	1,042	-	-	123,166

(continued)

**State of New Mexico  
City of Alamogordo  
Financial Data Schedule  
June 30, 2022**

Line Item		Low Rent Public Housing Program NM004000001		Capital Fund Program	
Number	Description	14.850	2. State/Local	14.872	Total
<i>(Continued)</i>					
96210	Compensated Absences	41,256	-	-	41,256
96400	Bad Debt - Tenant Rents	8,131	-	-	8,131
96000	Total Other General	49,387	-	-	49,387
96900	Total Operating Expenses	1,025,355	8,913	-	1,034,268
97000	Excess Operating Revenue Over Operating Expenses	94,305	(7,983)	49,935	136,257
97100	Extraordinary Maintenance	-	-	-	-
97400	Depreciation Expense	299,184	-	-	299,184
90000	Total Expenses	\$ 1,324,539	\$ 8,913	\$ -	\$ 1,333,452
10010	Operating Transfers In	\$ 49,935	\$ -	\$ -	\$ 49,935
10020	Operating Transfers Out	-	-	(49,935)	(49,935)
10000	Excess (Deficiency) of Operating Revenue Over (Under) Expenses	(154,944)	(7,983)	-	(162,927)
11030	Beginning Equity	4,091,512	780,964	-	4,872,476
11040-10	Prior Period Adjustments	-	-	-	-
11040-20	Equity Transfers	-	-	-	-
11040-30	Prior Year Voids	-	-	-	-
11040-40	Return of Funds to HUD	-	-	-	-
	Ending Equity (deficit)	\$ 3,936,568	\$ 772,981	\$ -	\$ 4,709,549
<i>(Continued)</i>					
11190	Unit Months Available	2,581	-	-	2,581
11210	Number of Unit Months Leased	2,439	-	-	2,439
11270	Excess Cash	\$ 991,246	\$ -	\$ -	\$ 991,246
11620	Building Purchases	\$ 49,926	\$ -	\$ -	\$ 49,926

**State of New Mexico**  
**City of Alamogordo**  
**Schedule of Joint Powers Agreements**  
**For the Year Ended June 30, 2022**

<b>Joint Power Agreement</b>	<b>Participants</b>	<b>Responsible Party</b>	<b>Description</b>
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.

<b>Beginning and Ending Dates</b>	<b>Total Estimated Project Amount and Amount Applicable to Party</b>	<b>Amount contributed By City During Current Fiscal Year</b>	<b>Audit Responsibility</b>	<b>Fiscal Agent and Responsible Reporting Entity</b>
8/19/2010- Indefinite	\$ 185,237.90	\$163,158 or 88%	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, 2022**

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

<b>Beginning and Ending Dates</b>	<b>Total Estimated Project Amount and Amount Applicable to Party</b>	<b>Amount contributed By City During Current Fiscal Year</b>	<b>Audit Responsibility</b>	<b>Fiscal Agent and Responsible Reporting Entity</b>
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
7/1/2019- 12/31/2023	\$95/hour, not to exceed a total of \$50,000 per year		City of Alamogordo	City of Alamogordo
7/1/2019- 6/30/2021	Lump sum of \$8,700 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

(continued)

**State of New Mexico  
City of Alamogordo  
Schedule of Joint Powers Agreements  
For the Year Ended June 30, 2022**

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

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

**State of New Mexico**  
**City of Alamogordo**  
**Schedule of Revenue and Expenses - Aging Programs**  
**For the Year Ended June 30, 2022**

	Congregate Meals (8023)	Home Delivered Meals (8024)	Transportation (8025)
<b>Revenues and other support</b>			
Contributions	\$ -	\$ -	\$ -
Governmental grants and contracts:			
NCNMEDD - Non Metro AAA	-	-	-
Title IIIB	-	-	27,684
Title IIIC-1	65,428	-	-
Title IIIC-2	-	28,752	-
State funds - program	125,988	99,774	47,558
Other grants and contracts:			
Otero County	-	-	-
United Way	-	-	-
Local match (transfer from City)	192,568	179,536	79,335
Program service revenue	-	-	-
Miscellaneous	-	-	-
<b>Total revenue and other support</b>	<b>383,984</b>	<b>308,062</b>	<b>154,577</b>
<b>Expenses</b>			
Program services	453,697	422,994	186,916
<b>Total expenses</b>	<b>453,697</b>	<b>422,994</b>	<b>186,916</b>
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ (69,713)</b>	<b>\$ (114,932)</b>	<b>\$ (32,339)</b>
Units provided	7,929	34,841	2,280

	<b>Total</b>	<b>Physical Fitness/Other</b>	<b>Total</b>
\$	-	\$ 136,918	\$ 136,918
	-	55,772	55,772
	27,684	-	27,684
	65,428	-	65,428
	28,752	-	28,752
	273,320	126,652	399,972
	-	34,788	34,788
	-	19,035	19,035
	451,439	138,043	589,482
	-	5,867	5,867
	-	11,419	11,419
	<u>846,623</u>	<u>528,494</u>	<u>1,375,117</u>
	1,063,607	325,233	1,388,840
	<u>1,063,607</u>	<u>325,233</u>	<u>1,388,840</u>
\$	(216,984)	\$ 203,261	\$ (13,723)
	45,050	61,464	106,514

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## **Compliance Section**

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

Brian S. Colón, Esq., New Mexico State Auditor  
The Office of Management and Budget; and  
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 (the "City"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 15, 2022. We also have audited the financial statements of the City's discretely presented component unit presented as supplementary information, as defined by the Governmental Accounting Standards Board, as of and for the year ended June 30, 2022, as listed in the table of contents.

**Report on 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 City'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 or significant deficiencies may exist that were not identified.

## Report on 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 are required to be reported under *Government Auditing Standards*.

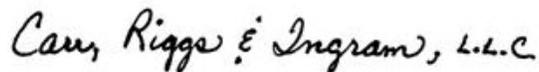
We noted certain matters that are required to be reported pursuant to Section 12-6-5 NMSA 1978, which are described in the accompanying schedule of findings and questioned costs under Section 12-6-5 NMSA 1978 as items 2022-001, 2022-002, and 2022-003.

## The City's Responses to Findings

*Government Auditing Standards* requires the auditor to perform limited procedures on the entity's responses to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The entity's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

## Purpose of This Report

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



Carr, Riggs & Ingram, LLC  
Albuquerque, NM  
December 15, 2022

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

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

**Report on Compliance for the Major Federal Program**

***Opinion on the Major Federal Program***

We have audited the City of Alamogordo's (the "City") compliance with the types of compliance requirements identified as subject to audit 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, 2022. The City's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

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, 2022.

***Basis for Opinion on Each Major Federal Program***

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

### ***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

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

Carr, Riggs & Ingram, LLC  
Albuquerque, New Mexico  
December 15, 2022

**State of New Mexico  
City of Alamogordo  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2022**

<b>Federal Grantor or Pass- Through Grantor / Program Title</b>	<b>Grant/Pass Thru Number</b>
<b>U.S. Department of Housing and Urban Development</b>	
Public and Indian Housing	FW-5436
Public Housing Capital Fund	FW-5436
<i>Passed through New Mexico Department of Finance and Administration</i>	
Community Development Block Grants	19-C-NR-I-01-G-18
<b>Total U.S. Department of Housing and Urban Development</b>	
<b>U.S. Department of Justice Bureau of Justice Assistance</b>	
Edward Byrne Memorial Justice Assistance Grant Program: Bulletproof Vests	8041495
<b>Total U.S. Department of Justice Bureau of Justice Assistance</b>	
<b>U.S. Department of Transportation</b>	
COVID-19 - Airport Improvement Program	3-35-0001-032-2021
<i>Passed through the New Mexico Department of Transportation</i>	
Minimum Penalties for Repeat Offenders for Driving While Intoxicated ENDDWI	02-AL-64-001
<b>Total U.S. Department of Transportation</b>	
<b>U.S. Department of Treasury</b>	
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	ALAMO-001
<b>Total U.S. Department of Treasury</b>	
<b>National Endowment for the Humanities</b>	
<i>Passed through National Trust for Historic Preservation</i>	
COVID-19 - Promotion of the Humanities Public Programs	ZOR-283411-21
<b>Total National Endowment for the Humanities</b>	
<b>Office of the National Drug Control Policy</b>	
<i>Passed through County of Lea</i>	
High Intensity Drug Trafficking Areas Program	G21SN0017A
<b>Total Office of the National Drug Control Policy</b>	

*See accompanying notes to schedule of expenditures of federal awards.*

Assistance Listing Number	Federal Expenditures	Program/ Cluster Subtotal	Funds Provided to Subrecipients	Noncash Assistance
14.850	\$ 741,997		\$ -	\$ -
14.872	49,935		-	-
14.228	204,960		-	-
	996,892		-	-
16.738	3,631		-	-
	3,631		-	-
20.106	183,466		-	-
20.608	3,620		-	-
	187,086			
21.027	78,185		-	-
	78,185			
45.164	1,872		-	-
	1,872			
95.001	9,327		-	-
	9,327		-	-

(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, 2022**

<b>Federal Grantor or Pass- Through Grantor / Program Title</b>	<b>Grant/Pass Thru Number</b>
<b>U.S. Department of Health and Human Services</b>	
<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	2021-22-64012
COVID-19 - Special Programs for the Aging: Title III Part B - Supportive Services & Senior Center	American Rescue Plan Act (ARPA)
COVID-19 - Special Programs for the Aging: Title III Part B - Supportive Services & Senior Center	2019-20-64012CARES
Special Programs for the Aging: Title III Part C-I - Nutrition Services	2021-22-64012
Special Programs for the Aging: Title III- Part C-II - Nutrition Services Home Delivered	2021-22-64012
Nutrition Services Incentive Program (NSIP)	64012
<hr/>	
Subtotal Aging Cluster	
Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	2021-22-64012
<hr/>	
Subtotal - Pass through North Central New Mexico Economic District Non-Metro	
<hr/>	
<b>Total U.S. Department of Health and Human Services</b>	
<hr/>	
<b>Environmental Protection Agency</b>	
<i>Passed through the New Mexico Finance Authority</i>	
Drinking Water State Revolving Fund Cluster	
Capitalization Grants for Drinking Water State Revolving Funds	DW-5357
<hr/>	
Subtotal - Drinking Water State Revolving Fund Cluster	
<hr/>	
<b>Total Environmental Protection Agency</b>	
<hr/>	
<b>U.S. Department of Homeland Security</b>	
<i>Passed through the New Mexico Department of Homeland Security and Emergency Management</i>	
Disaster Grants - Public Assistance	FEMA-4079-001
Hazard Mitigation Grant	FEMA-4199-DR-NM
<hr/>	
<b>Total U.S. Department of Homeland Security</b>	
<hr/>	
<b>Total Federal Financial Assistance</b>	
<hr/> <hr/>	

*See accompanying notes to schedule of expenditures of federal awards.*

Assistance Listing Number	Federal Expenditures	Program/ Cluster Subtotal	Funds Provided to Subrecipients	Noncash Assistance
93.044	\$ 28,147		\$ -	\$ -
93.044	12,948		-	-
93.044	8,143		-	-
93.045	65,012		-	-
93.045	27,963		-	-
93.053	57,166		-	-
		199,379	-	-
93.043	1,886			
	201,265		-	-
	201,265		-	-
66.468	1,023,799		-	-
		1,023,799	-	-
	1,023,799		-	-
97.036	65,299		-	-
97.039	128,252		-	-
	193,551		-	-
	\$ 2,695,608		\$ -	\$ -

See accompanying notes to schedule of expenditures of federal awards.

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**State of New Mexico**  
**City of Alamogordo**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2022**

**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	\$ 2,695,608
Total expenditures funded by other sources	60,173,254
<hr/>	
Total expenditures	62,868,862
<hr/>	

**State of New Mexico  
City of Alamogordo  
Schedule of Findings and Questioned Costs  
June 30, 2022**

**SECTION I – SUMMARY OF AUDITORS’ RESULTS**

*Financial Statements:*

- |  |            |
|--|------------|
| 1. Type of auditors’ report issued   | Unmodified |
| 2. Internal control over financial reporting:                                    |            |
| a. Material weaknesses identified?   | No         |
| b. Significant deficiencies identified not considered to be material weaknesses? | None Noted |
| c. Noncompliance material to the financial statements?                           | No         |

*Federal Awards:*

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

Assistance Listing Number	Federal Program
66.468	Capitalization Grants for Drinking Water State Revolving Funds – Drinking Water State Revolving Fund Cluster

- |   |           |
|---|-----------|
| 5. Dollar threshold used to distinguish between type A and type B programs: | \$750,000 |
| 6. Auditee qualified as low-risk auditee?                                   | Yes       |

**State of New Mexico  
City of Alamogordo  
Schedule of Findings and Questioned Costs  
June 30, 2022**

**SECTION II – FINANCIAL STATEMENT FINDINGS**

None noted.

**SECTION III – FEDERAL AWARD FINDINGS**

None noted.

**SECTION IV – SECTION 12-6-5 NMSA 1978 FINDINGS**

**2022-001 – Inadequate Policies and Procedures over Procurement (Other noncompliance)**

*Condition:* The City’s written procedures for determining small purchase thresholds for federal programs has not been updated for the requirements of the Uniform Guidance contained in 2 CFR 200.

*Criteria:* 2 CFR 200, Subpart D Post Federal Award Requirements, Procurement Standards, 200.320 Methods of procurement to be followed states “The non-Federal entity must have and use documented procurement procedures, consistent with the standards of this section.”

*Effect:* If a question arises as to the treatment of a payment received or cost incurred under a federal award, written policy and procedures not in compliance with Uniform Guidance may expose the City to negative consequences from the federal government or pass-through entities.

*Cause:* An oversight occurred in the procurement policy for small purchase threshold on federal programs. Threshold is transactions over \$10,000, but less than \$60,000 but is listed as transactions over \$20,000, but less than \$60,000.

*Auditors’ Recommendation:* CRI recommends the City review the purchasing policy and procedure to ensure federal thresholds for Small Purchases is in compliance with uniform guidance.

*Views of Responsible Officials and Planned Corrective Action:* The City acknowledges there was not a correct policy for federal programs. The City has engaged an outside party to advise in a rewrite of the purchasing ordinance. We will consider all recommends by the firm and the independent auditors in updating our ordinance and policies.

Responsible Person: Finance Director and Purchasing Manager

Targeted Date of Completion: No later than June 30, 2023

**State of New Mexico**  
**City of Alamogordo**  
**Schedule of Findings and Questioned Costs**  
**June 30, 2022**

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

**2022-002 — Pledged Collateral (Other noncompliance)**

*Condition:* Deposits at First National Bank and First Savings were not collateralized in accordance with State of New Mexico Statutes. The required collateral was \$7,199,347 and \$1,549,747, there was a shortfall of \$638,975 and \$2,579 respectively.

*Criteria:* Any bank designated a deposit of public money shall deliver pledged collateral with a value equal to one half the amount of the public money in excess of insurance, to a custodial bank and a joint safekeeping receipt issued by the custodial bank to the City (Section 6-10-17 NMSA 1978). Monitoring collateralization of the City's funds is essential in ensuring compliance with State of New Mexico Statutes.

*Effect:* Lack of proper monitoring of pledged collateral could result in excessive loss of City's funds if the financial institutions encounter financial difficulties.

*Cause:* The City did not monitor pledged collateral requirements.

*Auditors' Recommendation:* As part of a formal policy implemented by the City, an individual should be assigned the responsibilities of reviewing the monthly collateral reports, investigating differences, and resolving discrepancies.

*Views of Responsible Officials of Auditee:* The City acknowledges the lack oversight applied to the financial institution's calculation of our pledged collateral amount. A formal policy will be developed to review the collateral in a timely manner and develop measures to contact the financial institutions when discrepancies arise. The City will also work to educate financial institutions about the correct values to look at when pledging collateral.

Responsible Person: Finance Director

Targeted Date of Completion: No later than June 30, 2023

**State of New Mexico**  
**City of Alamogordo**  
**Schedule of Findings and Questioned Costs**  
**June 30, 2022**

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

**2022-003 – (Previously Reported as 2021-003) — Anti-Donation Clause (Other noncompliance)**

*Condition:* During testwork over leases it was noted that several leases were entered into at a value well below fair market value.

*Progress on prior year finding:* Anti-donation items repeated and modified from the prior year; no procurement violations related to small purchased noted as in the prior year.

*Criteria:* Anti-Donation Clause of the NM Constitution "neither the state nor any county, school district or municipality, except as otherwise provided in this constitution, shall directly or indirectly lend or pledge its credit or make any donation to or in aid of any person, association, or public or private corporation." NM Const. art, IX, sec. 14.

*Effect:* Leases made in violation of the NM Anti-Donation Clause raise the risk of inappropriate stewardship of taxpayer funds and can result in waste, fraud and/or abuse.

*Cause:* The City was unaware of the violation of the NM Anti-Donation Clause when originally entering into lease agreements.

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

*Views of Responsible Officials and Planned Corrective Action:* The City self-reported possible anti-donation violations with regards to several leases. Many of these leases were entered into by former staff with no documentation towards testing for fair market value. Once aware of it, the City has been working with the lessees to renegotiate the leases in a way that addresses fair market value. Many of the leases documented in this finding have already been terminated or are in active renegotiations. The City has also been working to develop a standard lease process for all new leases.

Responsible Person: City Manager, City Attorney and Finance Director

Targeted Date of Completion: No later than June 30, 2023

**State of New Mexico  
City of Alamogordo  
Schedule of Findings and Questioned Costs  
June 30, 2022**

**SECTION V – SUMMARY OF PRIOR YEAR FINDINGS**

**2021-001 — Trial Balance Adjustments (Significant Deficiency) - Resolved**

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

**2021-003 — Procurement under \$60,000 (Other noncompliance) – Repeated and modified as finding  
2022-003**

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

**State of New Mexico  
City of Alamogordo  
Other Disclosures  
June 30, 2022**

**EXIT CONFERENCE**

An exit conference was held on December 13, 2022. In attendance were the following:

**Representing the City of Alamogordo:**

Susan Payne	Mayor
Brian Cesar	City Manager*
Stephanie Hernandez	Assistant City Manager
Evelyn Huff	Finance Director
Ashely Smith	City Attorney

**Representing Carr, Riggs & Ingram, LLC:**

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