

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
INDEPENDENT AUDITORS' REPORT  
AND AUDITED FINANCIAL STATEMENTS  
For The Year Ended June 30, 2008**

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO**

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## **INTRODUCTORY SECTION**

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO**

**OFFICIAL ROSTER  
As of June 30, 2008**

Steve W. Brockett.....Mayor

Chris Lujan.....Mayor – Pro-tem

**City Commissioners**

Marion L. Ledford, Jr..... Commissioner – District 1

Chris Lujan..... Commissioner – District 2

Eric Brewer ..... Commissioner – District 3

Steve W. Brockett..... Commissioner – District 4

Joe Ferguson ..... Commissioner – District 5

Ed Cole..... Commissioner – District 6

Ron Griggs ..... Commissioner – District 7

**City Staff**

Patrick McCourt..... City Manager

LeeAnn Nichols ..... Finance Director

## **FINANCIAL SECTION**

## INDEPENDENT AUDITORS' REPORT

Mr. Hector Balderas,  
New Mexico State Auditor and  
The Honorable Mayor Steve W. Brockett  
and  
City Commission of the City of Alamogordo  
Alamogordo, New Mexico

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, the respective budgetary comparisons, and the aggregate remaining fund information of the City of Alamogordo, New Mexico (the "City"), as of and for the year ended June 30, 2008, which collectively comprise the City's basic financial statements as listed in the table of contents. We also have audited the financial statements and the applicable budgetary comparison schedules of each of the City's nonmajor governmental, enterprise, internal service, and fiduciary funds and the component unit presented as supplementary information in the accompanying combining and individual fund and other financial statements as of and for the year ended June 30, 2008, as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to 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 and the aggregate remaining fund information of the City as of June 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof, and the respective budgetary comparisons for the general fund and the major special revenue funds, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental, fiduciary fund, and component unit of the City, as of June 30, 2008, and the respective changes in the financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the major capital project fund, all nonmajor funds, the enterprise funds, and the component unit for the year ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 5, 2008 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain



provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in assessing the results of our audit.

The City of Alamogordo has not presented Management's Discussion and Analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis required by US Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. The additional schedules listed as "other supplemental information" in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

A handwritten signature in black ink that reads "Hinkle & Landers, P.C." in a cursive, flowing script.

Hinkle & Landers, P.C.  
November 5, 2008

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
STATEMENT OF NET ASSETS  
As of June 30, 2008**

|   | Primary Government         |                             |                    | Component<br>Unit            |
|---|----------------------------|-----------------------------|--------------------|------------------------------|
|   | Governmental<br>Activities | Business-Type<br>Activities | Total              | Regional<br>Landfill (55,94) |
| <b>Assets</b>                                   |                            |                             |                    |                              |
| Current assets:                                 |                            |                             |                    |                              |
| Cash and cash equivalents                       | \$ 1,357,918               | 560,141                     | 1,918,059          | 9,714                        |
| Investments                                     | 18,460,738                 | 5,557,188                   | 24,017,926         | 3,270,554                    |
| Receivables, net                                | 158,568                    | 580,053                     | 738,621            | 65,981                       |
| Taxes and franchise receivables                 | 3,407,139                  | 162,296                     | 3,569,435          | 2,795                        |
| Grants receivable                               | 1,925,122                  | -                           | 1,925,122          | -                            |
| Due from other funds                            | 163,283                    | -                           | 163,283            | -                            |
| Inventory and prepaid expenses                  | 345,623                    | 1,571,343                   | 1,916,966          | -                            |
| Bond issue costs, net                           | 128,702                    | 31,409                      | 160,111            | -                            |
| Total current assets                            | <u>25,947,093</u>          | <u>8,462,430</u>            | <u>34,409,523</u>  | <u>3,349,044</u>             |
| Non-current assets:                             |                            |                             |                    |                              |
| Restricted cash                                 | -                          | 576,583                     | 576,583            | -                            |
| Restricted cash held in investments             | -                          | 134                         | 134                | 355,000                      |
| Capital assets not being depreciated            | 18,645,984                 | 22,594,212                  | 41,240,196         | 1,546,796                    |
| Capital assets being depreciated, net           | 24,965,271                 | 37,238,890                  | 62,204,161         | 404,082                      |
| Total non-current assets                        | <u>43,611,255</u>          | <u>60,409,819</u>           | <u>104,021,074</u> | <u>2,305,878</u>             |
| Total assets                                    | <u>\$ 69,558,348</u>       | <u>68,872,249</u>           | <u>138,430,597</u> | <u>5,654,922</u>             |
| <b>Liabilities</b>                              |                            |                             |                    |                              |
| Current liabilities:                            |                            |                             |                    |                              |
| Accounts payable                                | \$ 257,328                 | 437,571                     | 694,899            | 40                           |
| Due to other funds                              | -                          | 163,283                     | 163,283            | -                            |
| Accrued payroll liabilities                     | 633,206                    | 178,080                     | 811,286            | 17,341                       |
| Accrued interest payable                        | 110,837                    | 57,654                      | 168,491            | 1,575                        |
| Bonds, notes and leases payable                 | 1,721,390                  | 551,837                     | 2,273,227          | 350,000                      |
| Deposits  | 12,418                     | 581,914                     | 594,332            | -                            |
| Compensated absences                            | 924,672                    | 99,053                      | 1,023,725          | 9,344                        |
| Deferred revenue                                | 59,189                     | 36,663                      | 95,852             | -                            |
| Total current liabilities                       | <u>3,719,040</u>           | <u>2,106,055</u>            | <u>5,825,095</u>   | <u>378,300</u>               |
| Long-term liabilities:                          |                            |                             |                    |                              |
| Compensated absences - long-term portion        | 220,444                    | 23,511                      | 243,955            | 451                          |
| Bonds, notes and leases payable                 | 15,140,524                 | 13,205,726                  | 28,346,250         | -                            |
| Landfill post-closure costs                     | -                          | -                           | -                  | 427,786                      |
| Total long-term liabilities                     | <u>15,360,968</u>          | <u>13,229,237</u>           | <u>28,590,205</u>  | <u>428,237</u>               |
| Total liabilities                               | <u>19,080,008</u>          | <u>15,335,292</u>           | <u>34,415,300</u>  | <u>806,537</u>               |
| <b>Net assets</b>                               |                            |                             |                    |                              |
| Invested in capital assets, net of related debt | 26,749,341                 | 46,075,538                  | 72,824,879         | 1,600,878                    |
| Restricted for:                                 |                            |                             |                    |                              |
| Other purposes                                  | -                          | 142,682                     | 142,682            | 355,000                      |
| Unrestricted                                    | 23,728,999                 | 7,318,737                   | 31,047,736         | 2,892,507                    |
| Total net assets                                | <u>50,478,340</u>          | <u>53,536,957</u>           | <u>104,015,297</u> | <u>4,848,385</u>             |
| Total liabilities and net assets                | <u>\$ 69,558,348</u>       | <u>68,872,249</u>           | <u>138,430,597</u> | <u>5,654,922</u>             |

See accompanying notes to the financial statements

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
STATEMENT OF ACTIVITIES  
For The Year Ended June 30, 2008**

| Functions/Programs                         | Program Revenues     |                      |                                    |                                  | Net (Expense) Revenue and Change in Net Assets |                          |                     | Component                 |
|--|----------------------|----------------------|------------------------------------|----------------------------------|--|--------------------------|---------------------|---------------------------|
|  | Expenses             | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Primary Government                             |                          | Unit                |                           |
|  |                      |                      |                                    |                                  | Governmental Activities                        | Business-Type Activities | Total               | Regional Landfill (55,94) |
| Primary government:                        |                      |                      |                                    |                                  |  |                          |                     |                           |
| Governmental activities:                   |                      |                      |                                    |                                  |  |                          |                     |                           |
| General government                         | \$ 8,862,406         | 1,002,428            | 505,597                            | -                                | (7,354,381)                                    | -                        | (7,354,381)         | -                         |
| Public safety                              | 6,083,357            | 875,388              | 561,617                            | -                                | (4,646,352)                                    | -                        | (4,646,352)         | -                         |
| Public works                               | 8,353,560            | 57,289               | 2,024,285                          | 428,825                          | (5,843,161)                                    | -                        | (5,843,161)         | -                         |
| Culture and recreation                     | 1,810,997            | 174,946              | 1,029,763                          | -                                | (606,288)                                      | -                        | (606,288)           | -                         |
| Interest expense                           | 833,781              | -                    | -                                  | -                                | (833,781)                                      | -                        | (833,781)           | -                         |
| Total governmental activities              | <u>25,944,101</u>    | <u>2,110,051</u>     | <u>4,121,262</u>                   | <u>428,825</u>                   | <u>(19,283,963)</u>                            | <u>-</u>                 | <u>(19,283,963)</u> | <u>-</u>                  |
| Business-type activities:                  |                      |                      |                                    |                                  |  |                          |                     |                           |
| Water & sewer                              | 7,419,826            | 7,266,682            | 97,264                             | -                                | -  | (55,880)                 | (55,880)            | -                         |
| Public housing program                     | 1,547,669            | 356,678              | 667,189                            | -                                | -  | (523,802)                | (523,802)           | -                         |
| Solid waste collections                    | 1,697,655            | 1,601,960            | -                                  | -                                | -  | (95,695)                 | (95,695)            | -                         |
| Bonito lake                                | 296,903              | 118,602              | 100,207                            | -                                | -  | (78,094)                 | (78,094)            | -                         |
| Desert Lakes golf course                   | 1,364,906            | 1,090,380            | -                                  | -                                | -  | (274,526)                | (274,526)           | -                         |
| White Sands regional airport               | 299,055              | 93,372               | -                                  | -                                | -  | (205,683)                | (205,683)           | -                         |
| Total business-type activities             | <u>12,626,014</u>    | <u>10,527,674</u>    | <u>864,660</u>                     | <u>-</u>                         | <u>-</u>                                       | <u>(1,233,680)</u>       | <u>(1,233,680)</u>  | <u>-</u>                  |
| Total primary government                   | <u>\$ 38,570,115</u> | <u>12,637,725</u>    | <u>4,985,922</u>                   | <u>428,825</u>                   | <u>(19,283,963)</u>                            | <u>(1,233,680)</u>       | <u>(20,517,643)</u> | <u>-</u>                  |
| Component unit:                            |                      |                      |                                    |                                  |  |                          |                     |                           |
| Regional Landfill                          | <u>\$ 880,213</u>    | <u>1,423,313</u>     | <u>-</u>                           | <u>-</u>                         |  |                          |                     | <u>543,100</u>            |
| Taxes                                      |                      |                      |                                    |                                  |  |                          |                     |                           |
| Property taxes levied for general purposes |                      |                      |                                    |                                  | 3,187,716                                      | -                        | 3,187,716           | -                         |
| Gross receipt taxes and fees               |                      |                      |                                    |                                  | 5,650,006                                      | -                        | 5,650,006           | -                         |
| State shared taxes and fees                |                      |                      |                                    |                                  | 12,596,131                                     | -                        | 12,596,131          | -                         |
| Other taxes                                |                      |                      |                                    |                                  | 1,946,318                                      | -                        | 1,946,318           | -                         |
| Miscellaneous                              |                      |                      |                                    |                                  | 1,509,517                                      | 585,311                  | 2,094,828           | 15,275                    |
| Loss on disposition of capital assets      |                      |                      |                                    |                                  | -  | -                        | -                   | -                         |
| Investment earnings                        |                      |                      |                                    |                                  | 851,812  | 251,600                  | 1,103,412           | 164,499                   |
| Transfers                                  |                      |                      |                                    |                                  | 206,299  | (257,296)                | (50,997)            | 36,275                    |
| Total general revenues and transfers       |                      |                      |                                    |                                  | <u>25,947,799</u>                              | <u>579,615</u>           | <u>26,527,414</u>   | <u>216,049</u>            |
| Changes in net assets                      |                      |                      |                                    |                                  | <u>6,663,836</u>                               | <u>(654,065)</u>         | <u>6,009,771</u>    | <u>759,149</u>            |
| Net assets - beginning                     |                      |                      |                                    |                                  | <u>39,896,417</u>                              | <u>57,999,458</u>        | <u>97,895,875</u>   | <u>4,296,386</u>          |
| Restatement                                |                      |                      |                                    |                                  | <u>3,918,087</u>                               | <u>(3,808,436)</u>       | <u>109,651</u>      | <u>(207,150)</u>          |
| Net assets - beginning, restated           |                      |                      |                                    |                                  | <u>43,814,504</u>                              | <u>54,191,022</u>        | <u>98,005,526</u>   | <u>4,089,236</u>          |
| Net assets - ending                        |                      |                      |                                    |                                  | <u>\$ 50,478,340</u>                           | <u>53,536,957</u>        | <u>104,015,297</u>  | <u>4,848,385</u>          |

See accompanying notes to financial statements

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
As of June 30, 2008**

|                                     | Major Funds           |                 |                  |  |                                    | Total<br>Governmental<br>Funds |
|-------------------------------------|-----------------------|-----------------|------------------|--|------------------------------------|--------------------------------|
|                                     | 11 & 98               | 13, 30, 32      | 44               | 49                                     | Other                              |                                |
|                                     | General<br>Fund       | Special Revenue |                  | Capital Proj<br>1986 Gross<br>Receipts | Non-major<br>Governmental<br>Funds |                                |
|                                     | Community<br>Services | Transportation  |                  |  |                                    |                                |
| <b>Assets</b>                       |                       |                 |                  |  |                                    |                                |
| Cash and cash equivalents           | \$ 680,274            | 322,288         | 69,916           | 6,543                                  | 102,167                            | 1,181,188                      |
| Investments                         | 2,683,320             | -               | 880,854          | 4,193,842                              | 9,738,463                          | 17,496,479                     |
| Receivables, net                    | 32,931                | 122,931         | 1,078            | -                                      | 1,628                              | 158,568                        |
| Taxes and franchise receivable      | 1,938,644             | 15,245          | 113,082          | 254,589                                | 1,085,579                          | 3,407,139                      |
| Grants receivable                   | -                     | -               | 385,767          | 748,217                                | 791,138                            | 1,925,122                      |
| Due from other funds                | 807,155               | -               | -                | -                                      | -                                  | 807,155                        |
| Prepaid                             | 8,999                 | -               | -                | -                                      | -                                  | 8,999                          |
| Other assets                        | -                     | -               | -                | -                                      | -                                  | -                              |
| Total assets                        | <u>\$ 6,151,323</u>   | <u>460,464</u>  | <u>1,450,697</u> | <u>5,203,191</u>                       | <u>11,718,975</u>                  | <u>24,984,650</u>              |
| <b>Liabilities</b>                  |                       |                 |                  |  |                                    |                                |
| Accounts payable                    | 8,454                 | 9,898           | 52,670           | 29,599                                 | 122,941                            | 223,562                        |
| Due to other funds                  | -                     | -               | -                | -                                      | 643,872                            | 643,872                        |
| Accrued payroll liabilities         | 362,617               | 108,031         | 37,849           | -                                      | 72,226                             | 580,723                        |
| Deposits                            | -                     | 2,052           | -                | -                                      | 10,366                             | 12,418                         |
| Deferred revenue                    | 150,755               | -               | -                | -                                      | 57,006                             | 207,761                        |
| Total liabilities                   | <u>521,826</u>        | <u>119,981</u>  | <u>90,519</u>    | <u>29,599</u>                          | <u>906,411</u>                     | <u>1,668,336</u>               |
| <b>Fund balances</b>                |                       |                 |                  |  |                                    |                                |
| Reserved for:                       |                       |                 |                  |  |                                    |                                |
| Capital projects                    | -                     | -               | -                | -                                      | -                                  | -                              |
| Debt service                        | -                     | -               | -                | -                                      | -                                  | -                              |
| Other purposes                      | -                     | -               | -                | -                                      | -                                  | -                              |
| Unreserved, reported in:            |                       |                 |                  |  |                                    |                                |
| General fund                        | 5,629,497             | -               | -                | -                                      | -                                  | 5,629,497                      |
| Special revenue funds               | -                     | 340,483         | 1,360,178        | -                                      | 3,514,243                          | 5,214,904                      |
| Capital project funds               | -                     | -               | -                | 5,173,592                              | 6,129,801                          | 11,303,393                     |
| Debt service                        | -                     | -               | -                | -                                      | 1,168,520                          | 1,168,520                      |
| Total fund balances                 | <u>5,629,497</u>      | <u>340,483</u>  | <u>1,360,178</u> | <u>5,173,592</u>                       | <u>10,812,564</u>                  | <u>23,316,314</u>              |
| Total liabilities and fund balances | <u>\$ 6,151,323</u>   | <u>460,464</u>  | <u>1,450,697</u> | <u>5,203,191</u>                       | <u>11,718,975</u>                  | <u>24,984,650</u>              |

See accompanying notes to the financial statements

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE  
TO STATEMENT OF NET ASSETS  
As of June 30, 2008**

|  |    |              |
|--|----|--------------|
| Total fund balance - total governmental funds  | \$ | 23,316,314   |
| Amount reported for governmental activities in the statement of net assets are different because:  |    |              |
| Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds balance sheet, net of accumulated depreciation   |    | 43,611,255   |
| Other assets (bond issue costs) are not available to pay for current period expenditures and therefore are deferred in the funds   |    | 128,702      |
| Internal service funds are used by management to charge the cost of certain activities, such as insurance and fleet management to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the government-wide statement of net assets. Internal Service Fund balances not included in other reconciling items: |    |              |
| Internal service fund net assets   |    | 1,039,562    |
| Long-term liabilities are not due and payable in the current period and, therefore, they are not reported in the governmental funds balance sheet:   |    |              |
| Bonds and notes payable  |    | (14,957,239) |
| Compensated absences   |    | (220,444)    |
| Other current liabilities (bonds payable) are not available to pay for current period expenditures and therefore are deferred in the funds.  |    |              |
| Bonds payable  |    | (1,635,000)  |
| Compensated absences   |    | (842,539)    |
| Deferred revenue that was recognized as revenue in the government-wide statements  |    | 148,572      |
| Accrued interest payable on long-term debt does not require current financial resources. Therefore interest payable is not reported as a liability in governmental funds balance sheet   |    |              |
| Differences due to rounding  |    | (6)          |
| Net assets of governmental activities  | \$ | 50,478,340   |

See accompanying notes to the financial statements

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
For The Year Ended June 30, 2008**

|   | Major Funds         |                       |                    |                  | 49<br>Capital Proj<br>1986 Gross<br>Receipts | Other<br>Governmental<br>Non-major<br>Funds | Total<br>Governmental<br>Funds |
|---|---------------------|-----------------------|--------------------|------------------|--|---|--------------------------------|
|   | 11 & 98             | 32                    | 44                 |                  |  |   |                                |
|   | General<br>Fund     | Community<br>Services | Transportation     |                  |  |   |                                |
| <b>Revenues</b>                                   |                     |                       |                    |                  |  |   |                                |
| Taxes and fees                                    | \$ 13,364,286       | 23,508                | 999,275            | 1,506,668        | 7,337,863                                    | 23,231,600                                  |                                |
| Fines and forfeitures                             | 635,447             | 21,410                | -                  | -                | 320,359                                      | 977,216                                     |                                |
| Grants and gifts                                  | 133,017             | 220,408               | 385,767            | 749,521          | 2,992,803                                    | 4,481,516                                   |                                |
| Charges for services                              | 463,597             | 463,050               | 3,614              | -                | 202,574                                      | 1,132,835                                   |                                |
| Interest income                                   | 111,932             | -                     | 36,064             | 180,425          | 476,730                                      | 805,151                                     |                                |
| Miscellaneous                                     | 646,974             | 88,959                | 344,532            | -                | 230,808                                      | 1,311,273                                   |                                |
| Total revenues                                    | <u>15,355,253</u>   | <u>817,335</u>        | <u>1,769,252</u>   | <u>2,436,614</u> | <u>11,561,137</u>                            | <u>31,939,591</u>                           |                                |
| <b>Expenditures</b>                               |                     |                       |                    |                  |  |   |                                |
| Current:  |                     |                       |                    |                  |  |   |                                |
| General government                                | 3,499,666           | 3,062,769             | -                  | -                | 699,483                                      | 7,261,918                                   |                                |
| Public safety                                     | 6,464,799           | -                     | -                  | -                | 592,517                                      | 7,057,316                                   |                                |
| Public works                                      | -                   | -                     | 1,535,723          | 444,947          | 1,296,659                                    | 3,277,329                                   |                                |
| Health and welfare                                | -                   | -                     | -                  | -                | 207,989                                      | 207,989                                     |                                |
| Culture and recreation                            | -                   | -                     | -                  | -                | 1,642,240                                    | 1,642,240                                   |                                |
| Non-current                                       |                     |                       |                    |                  |  |   |                                |
| Debt Service                                      |                     |                       |                    |                  |  |   |                                |
| Principal payments-debt service                   | -                   | -                     | -                  | -                | 1,632,755                                    | 1,632,755                                   |                                |
| Interest payments-debt service                    | -                   | -                     | -                  | 63,185           | 770,596                                      | 833,781                                     |                                |
| Capital outlay                                    | 383,570             | 113,390               | 1,685,640          | 83,710           | 2,324,747                                    | 4,591,057                                   |                                |
| Total expenditures                                | <u>10,348,035</u>   | <u>3,176,159</u>      | <u>3,221,363</u>   | <u>591,842</u>   | <u>9,166,986</u>                             | <u>26,504,385</u>                           |                                |
| Excess (deficiency) or revenues over expenditures | <u>5,007,218</u>    | <u>(2,358,824)</u>    | <u>(1,452,111)</u> | <u>1,844,772</u> | <u>2,394,151</u>                             | <u>5,435,206</u>                            |                                |
| <b>Other financing sources (uses)</b>             |                     |                       |                    |                  |  |   |                                |
| Transfers in                                      | 72,162              | 3,036,833             | 2,170,416          | -                | 7,408,169                                    | 12,687,580                                  |                                |
| Transfers out                                     | (5,177,215)         | (482,676)             | (228,949)          | (97,721)         | (8,958,344)                                  | (14,944,905)                                |                                |
| Total other financing sources (uses)              | <u>(5,105,053)</u>  | <u>2,554,157</u>      | <u>1,941,467</u>   | <u>(97,721)</u>  | <u>(1,550,175)</u>                           | <u>(2,257,325)</u>                          |                                |
| Net change in fund balances                       | <u>(97,835)</u>     | <u>195,333</u>        | <u>489,356</u>     | <u>1,747,051</u> | <u>843,976</u>                               | <u>3,177,881</u>                            |                                |
| Fund balances-beginning of year                   | 5,727,332           | 145,150               | 870,822            | 3,426,541        | 9,968,588                                    | 20,138,433                                  |                                |
| Fund balances-end of the year                     | \$ <u>5,629,497</u> | <u>340,483</u>        | <u>1,360,178</u>   | <u>5,173,592</u> | <u>10,812,564</u>                            | <u>23,316,314</u>                           |                                |

See accompanying notes to the financial statements

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
For The Year Ended June 30, 2008**

|   |    |                         |
|---|----|-------------------------|
| Net change in fund balance - total governmental funds   | \$ | 3,177,881               |
| Amount reported for governmental activities in the statement of activities are different because:   |    |                         |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.  |    | 4,591,057               |
| Other expenditures for capital assets classified as other than capital outlay   |    | 100,673                 |
| Deletions of capital assets   |    | (265,358)               |
| Depreciation expense on capital assets is reported in the government-wide statement of activities and changes in net assets, but they do not require the use of current financial resources. Therefore depreciation expense is not reported as expenditure in governmental funds. |    | (2,622,987)             |
| Some property tax will not be collected for several months after the City's fiscal year end. These are not considered "available" revenues in the governmental funds until received. Change in amount deferred on fund statements.  |    | 148,572                 |
| Amortization of bond issuance expense and interest expense  |    | (27,321)                |
| Increase in compensated absences  |    | (226,566)               |
| Decrease in interest payable  |    | 19,459                  |
| Internal service funds are used by management to charge the costs of certain activities, such as insurance and fleet management to individual funds. The net revenue of the internal service funds is reported with governmental activities.                                      |    | 135,678                 |
| Principal payments on bonds and notes included in governmental funds but not in the statement of activities   |    | 1,632,755               |
| Differences due to rounding   |    | (7)                     |
| Change in net assets of governmental activities   | \$ | <u><u>6,663,836</u></u> |

See accompanying notes to the financial statements

**STATE OF NEW MEXICO**  
**CITY OF ALAMOGORDO**  
**Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis)**  
**General Fund - 011**  
**For the Year Ended June 30, 2008**

|   | Budgeted Amounts     |                      | Actual               | Variance                    |
|---|----------------------|----------------------|----------------------|-----------------------------|
|   | Original             | Final                |                      | Favorable/<br>(Unfavorable) |
| <b>Revenues:</b>                                  |                      |                      |                      |                             |
| Taxes and fees                                    | \$ 5,994,032         | \$ 5,994,032         | \$ 6,131,735         | \$ 137,703                  |
| Fees and permits                                  | 617,417              | 617,417              | 380,443              | (236,974)                   |
| State shared fees                                 | 7,459,544            | 7,459,544            | 7,412,520            | (47,024)                    |
| User fees   | 79,550               | 79,550               | 81,289               | 1,739                       |
| Fines   | 576,000              | 606,022              | 621,264              | 15,242                      |
| Miscellaneous revenue                             | 638,084              | 641,511              | 646,972              | 5,461                       |
| Grants  | 128,697              | 138,057              | 133,017              | (5,040)                     |
| Investment Income                                 | 62,979               | 62,979               | 111,932              | 48,953                      |
| Public Safety Fines                               | 11,500               | 11,500               | 14,183               | 2,683                       |
|   | <u>\$ 15,567,803</u> | <u>\$ 15,610,612</u> | <u>\$ 15,533,356</u> | <u>\$ (77,256)</u>          |
| <b>Expenditures</b>                               |                      |                      |                      |                             |
| Legislative                                       | \$ 95,535            | \$ 95,535            | \$ 84,910            | \$ 10,625                   |
| Judicial  | -                    | -                    | -                    | -                           |
| City Manager                                      | 308,676              | 308,676              | 270,913              | 37,763                      |
| Legal   | 359,396              | 356,361              | 205,963              | 150,398                     |
| Operations Analyst                                | 64,209               | 64,209               | 53,918               | 10,291                      |
| City Clerk  | 260,681              | 264,981              | 192,374              | 72,607                      |
| Finance/Accounting                                | 619,975              | 614,275              | 540,847              | 73,428                      |
| Accounts Receivable                               | 160,841              | 162,241              | 123,146              | 39,095                      |
| Nondepartmental                                   | 523,455              | 523,455              | 446,202              | 77,253                      |
| Public Safety-Bench Warrant                       | 32,827               | 32,827               | 13,567               | 19,260                      |
| Code Enforcement/Public Safety                    | 219,907              | 219,907              | 191,171              | 28,736                      |
| Building Codes                                    | 419,134              | 422,534              | 319,955              | 102,579                     |
| Planning  | 154,734              | 151,664              | 108,399              | 43,265                      |
| Animal Control                                    | 408,654              | 416,654              | 393,030              | 23,624                      |
| Public Safety-Dispatch                            | 476,895              | 476,895              | 393,918              | 82,977                      |
| Public Safety-Police                              | 5,879,241            | 5,916,241            | 5,664,230            | 252,011                     |
| Fire  | 1,121,816            | 1,121,816            | 893,308              | 228,508                     |
| FEMA  | -                    | -                    | -                    | -                           |
| A.P.S. Resource Program                           | 337,982              | 337,982              | 323,067              | 14,915                      |
| GIS/Land Management                               | 119,348              | 119,018              | 87,078               | 31,940                      |
| Land improvements                                 | -                    | -                    | -                    | -                           |
|   | <u>\$ 11,563,306</u> | <u>\$ 11,605,271</u> | <u>\$ 10,305,994</u> | <u>\$ 1,299,277</u>         |
| Excess (deficiency) of revenues over expenditures | <u>4,004,497</u>     | <u>4,005,341</u>     | <u>5,227,362</u>     | <u>1,376,533</u>            |

See accompanying notes to financial statements



**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO**  
**Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis)**  
**General Fund - 011 (continued)**  
**For the Year Ended June 30, 2008**

|   | Budgeted Amounts   |                    | Actual         | Variance                    |
|---|--------------------|--------------------|----------------|-----------------------------|
|   | Original           | Final              |                | Favorable/<br>(Unfavorable) |
| <b>Other financing sources (uses):</b>  |                    |                    |                |                             |
| Transfers in  | 100,710            | 100,710            | 72,162         | (28,548)                    |
| Transfers out   | (6,904,740)        | (6,911,625)        | (5,177,215)    | 1,734,410                   |
| Total other financing sources (uses)  | (6,804,030)        | (6,810,915)        | (5,105,053)    | 1,705,862                   |
| <br>Excess (deficiency) of revenues and<br>other financing sources over<br>expenditures and other financing<br>uses | <br>\$ (2,799,533) | <br>\$ (2,805,574) | <br>\$ 122,309 | <br>\$ 3,082,395            |
| <br>Budgeted cash carryover   | <br>3,181,703      | <br>3,181,703      |                |                             |
|   | <br>\$ 382,170     | <br>\$ 376,129     |                |                             |
| <br>RECONCILIATION FROM BUDGET/ACTUAL To GAAP   |                    |                    |                |                             |
| Change in net assets (Budget Basis)   |                    |                    | \$ 122,309     |                             |
| To adjust applicable revenue accruals and deferrals   |                    |                    | (178,103)      |                             |
| To adjust applicable expenditures<br>and accruals and payments  |                    |                    | (42,041)       |                             |
| Payables and accrued expenses   |                    |                    | (42,041)       |                             |
| Change in net assets (GAAP basis)   |                    |                    | \$ (97,835)    |                             |

See accompanying notes to financial statements

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO**

**Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis)  
Community Services - 032  
For the Year Ended June 30, 2008**

|  | Budgeted Amounts |              | Actual      | Variance                    |
|--|------------------|--------------|-------------|-----------------------------|
|  | Original         | Final        |             | Favorable/<br>(Unfavorable) |
| <b>Revenues</b>  |                  |              |             |                             |
| Taxes and state shared fees  | \$ 25,294        | \$ 25,294    | \$ 24,731   | \$ (563)                    |
| Grants and gifts   | 1,923,977        | 2,003,022    | 207,619     | (1,795,403)                 |
| Charges for services   | 440,390          | 440,390      | 453,044     | 12,654                      |
| Interest Income  | 2,500            | 2,500        | -           | (2,500)                     |
| Fines  | 18,850           | 18,850       | 21,410      | 2,560                       |
| Miscellaneous  | 23,414           | 23,414       | 88,960      | 65,546                      |
| Total revenues   | 2,434,425        | 2,513,470    | 795,763     | (1,717,707)                 |
| <b>Expenditures</b>  |                  |              |             |                             |
| Current:   |                  |              |             |                             |
| General government   | 1,057,804        | 1,056,538    | 952,044     | 104,494                     |
| Culture and recreation   | 3,663,159        | 2,501,138    | 2,084,545   | 416,593                     |
| Non-current:   |                  |              |             |                             |
| Capital outlay   | 731,666          | 1,971,951    | 152,417     | 1,819,534                   |
| Total expenditures   | 5,452,629        | 5,529,627    | 3,189,005   | 2,340,622                   |
| Excess (deficiency) of revenues over expenditures  | (3,018,204)      | (3,016,157)  | (2,393,242) | 622,915                     |
| <b>Other financing sources (uses)</b>  |                  |              |             |                             |
| Transfers in   | 3,321,940        | 3,321,940    | 3,036,833   | (285,107)                   |
| Transfers out  | (492,318)        | (494,365)    | (482,676)   | 11,689                      |
| Total other financing sources (uses)   | 2,829,622        | 2,827,575    | 2,554,157   | (273,418)                   |
| Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses | \$ (188,582)     | \$ (188,582) | \$ 160,915  | \$ 349,497                  |
| Budgeted cash carryover  | 230,234          | 230,234      |             |                             |
|  | \$ 41,652        | \$ 41,652    |             |                             |

**RECONCILIATION FROM BUDGET/ACTUAL To GAAP**

|   |            |
|---|------------|
| Change in net assets (Budget Basis)                         | \$ 160,915 |
| To adjust applicable revenue accruals and deferrals         | 21,572     |
| To adjust applicable expenditures and accruals and payments |            |
| Payables and accrued expenses                               | 12,846     |
| Change in net assets (GAAP basis)                           | \$ 195,333 |

See accompanying notes to financial statements

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO**

**Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis)  
Transportation - 044  
For the Year Ended June 30, 2008**

|  | Budgeted Amounts |              | Actual      | Variance                    |
|--|------------------|--------------|-------------|-----------------------------|
|  | Original         | Final        |             | Favorable/<br>(Unfavorable) |
| <b>Revenues</b>  |                  |              |             |                             |
| Taxes and fees   | \$ 386,061       | \$ 386,061   | \$ 379,265  | \$ (6,796)                  |
| Grants and gifts   | 4,300,359        | 7,816,859    | -           | (7,816,859)                 |
| State Shared Fees  | 784,690          | 784,690      | 675,197     | (109,493)                   |
| Interest Income  | 2,000            | 2,000        | 36,064      | 34,064                      |
| Miscellaneous  | 436,572          | 436,572      | 344,594     | (91,978)                    |
| <br>Total revenues   | 5,909,682        | 9,426,182    | 1,435,120   | (7,991,062)                 |
| <br><b>Expenditures</b>  |                  |              |             |                             |
| Current:   |                  |              |             |                             |
| General government   | 4,207,442        | 344,554      | 203,150     | 141,404                     |
| Public works   | 259,111          | 1,510,151    | 1,299,893   | 210,258                     |
| Non-current:   |                  |              |             |                             |
| Capital outlay   | 7,535,251        | 13,658,722   | 1,655,512   | 12,003,210                  |
| <br>Total expenditures   | 12,001,804       | 15,513,427   | 3,158,554   | 12,354,873                  |
| <br>Excess (deficiency) of revenues over expenditures  | (6,092,122)      | (6,087,245)  | (1,723,434) | 4,363,811                   |
| <br><b>Other financing sources (uses)</b>  |                  |              |             |                             |
| Transfers in   | 5,641,322        | 5,641,322    | 2,170,416   | (3,470,906)                 |
| Transfers out  | (232,674)        | (233,063)    | (228,949)   | 4,114                       |
| Total other financing sources (uses)   | 5,408,648        | 5,408,259    | 1,941,467   | (3,466,792)                 |
| <br>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses | \$ (683,474)     | \$ (678,986) | \$ 218,033  | \$ 897,019                  |
| <br>Budgeted cash carryover  | 732,293          | 732,293      |             |                             |
|  | \$ 48,819        | \$ 53,307    |             |                             |

**RECONCILIATION FROM BUDGET/ACTUAL To GAAP**

|   |            |
|---|------------|
| Change in net assets (Budget Basis)                             | \$ 218,033 |
| To adjust applicable revenue accruals and deferrals             | 334,132    |
| <br>To adjust applicable expenditures and accruals and payments | (62,809)   |
| Change in net assets (GAAP basis)                               | \$ 489,356 |

See accompanying notes to financial statements

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
STATEMENT OF NET ASSETS  
PROPRIETARY AND INTERNAL SERVICE FUNDS  
As of June 30, 2008**

|   | Business-Type Activities<br>Enterprise Funds |                      |                      |                      |                  |  | Governmental<br>Activities |                  |
|---|--|----------------------|----------------------|----------------------|------------------|--|----------------------------|------------------|
|   | Major Funds                                  |                      |                      |                      |                  |  |                            |                  |
|   | 46,81,82,<br>104,110<br>Water &<br>Sewer     | 86<br>Solid<br>Waste | 88<br>Bonito<br>Lake | 90<br>Golf<br>Course | 91<br>Airport    | 901,902,<br>903,904<br>Public<br>Housing |                            | Total            |
| <b>Assets</b>                                   |  |                      |                      |                      |                  |  |                            |                  |
| Current assets:                                 |  |                      |                      |                      |                  |  |                            |                  |
| Cash and cash equivalents                       | \$ 333,214                                   | 8,146                | 6,023                | 5,514                | -                | 207,244                                  | 560,141                    | 176,730          |
| Investments                                     | 3,625,068                                    | 126,026              | 423,703              | 148,330              | 280,921          | 953,140                                  | 5,557,188                  | 964,259          |
| Receivables, net                                | 424,688                                      | 81,673               | 8,447                | 1,400                | 15,089           | 48,756                                   | 580,053                    | -                |
| Other receivables                               | 121,381                                      | 56                   | 39,566               | -                    | -                | 1,293                                    | 162,296                    | 6                |
| Due from other funds                            | 24,000                                       | -                    | -                    | -                    | -                | 5,993                                    | 29,993                     | -                |
| Inventories and prepaid expenses                | 432,458                                      | -                    | -                    | -                    | -                | 1,138,885                                | 1,571,343                  | 336,624          |
| Other assets                                    | 31,409                                       | -                    | -                    | -                    | -                | -  | 31,409                     | -                |
| Restricted cash and cash equivalents            | 426,733                                      | -                    | -                    | -                    | 7,168            | 142,682                                  | 576,583                    | -                |
| Restricted cash held in investments             | -  | -                    | -                    | -                    | 134              | -  | 134                        | -                |
| Total current assets                            | <u>5,418,951</u>                             | <u>215,901</u>       | <u>477,739</u>       | <u>155,244</u>       | <u>303,312</u>   | <u>2,497,993</u>                         | <u>9,069,140</u>           | <u>1,477,619</u> |
| Non-current assets:                             |  |                      |                      |                      |                  |  |                            |                  |
| Capital assets, net                             | 46,280,188                                   | 161,735              | 1,790,109            | 5,522,802            | 2,167,152        | 3,911,116                                | 59,833,102                 | -                |
| Total assets                                    | <u>\$ 51,699,139</u>                         | <u>377,636</u>       | <u>2,267,848</u>     | <u>5,678,046</u>     | <u>2,470,464</u> | <u>6,409,109</u>                         | <u>68,902,242</u>          | <u>1,477,619</u> |
| <b>Liabilities</b>                              |  |                      |                      |                      |                  |  |                            |                  |
| Current liabilities:                            |  |                      |                      |                      |                  |  |                            |                  |
| Accounts payable                                | \$ 264,207                                   | 100,490              | -                    | 5,932                | 195              | 66,747                                   | 437,571                    | 33,766           |
| Due to other funds                              | -  | -                    | 187,283              | -                    | -                | 5,993                                    | 193,276                    | -                |
| Bonds, notes, and leases payable                | 551,837                                      | -                    | -                    | -                    | -                | -  | 551,837                    | 86,390           |
| Accrued interest payable                        | 56,802                                       | 852                  | -                    | -                    | -                | -  | 57,654                     | -                |
| Accrued payroll liabilities                     | 106,644                                      | 6,795                | 5,073                | 14,350               | 4,400            | 40,818                                   | 178,080                    | 52,483           |
| Compensated absences                            | 64,854                                       | 7,196                | 5,485                | 15,122               | 5,463            | 24,444                                   | 122,564                    | 82,133           |
| Deposits  | 426,733                                      | -                    | 5,197                | -                    | 7,302            | 142,682                                  | 581,914                    | -                |
| Deferred revenues                               | 28,425                                       | -                    | -                    | -                    | -                | 8,238                                    | 36,663                     | -                |
| Total current liabilities                       | <u>1,499,502</u>                             | <u>115,333</u>       | <u>203,038</u>       | <u>35,404</u>        | <u>17,360</u>    | <u>288,922</u>                           | <u>2,159,559</u>           | <u>254,772</u>   |
| Long-term liabilities:                          |  |                      |                      |                      |                  |  |                            |                  |
| Bonds, notes, and leases payable                | 13,205,726                                   | -                    | -                    | -                    | -                | -  | 13,205,726                 | 183,285          |
| Total long-term liabilities                     | <u>13,205,726</u>                            | <u>-</u>             | <u>-</u>             | <u>-</u>             | <u>-</u>         | <u>-</u>                                 | <u>13,205,726</u>          | <u>183,285</u>   |
| Total liabilities                               | <u>14,705,228</u>                            | <u>115,333</u>       | <u>203,038</u>       | <u>35,404</u>        | <u>17,360</u>    | <u>288,922</u>                           | <u>15,365,285</u>          | <u>438,057</u>   |
| <b>Net assets</b>                               |  |                      |                      |                      |                  |  |                            |                  |
| Invested in capital assets, net of related debt | 32,522,625                                   | 161,735              | 1,790,109            | 5,522,802            | 2,167,152        | 3,911,116                                | 46,075,539                 | -                |
| Restricted for:                                 |  |                      |                      |                      |                  |  |                            |                  |
| Customer Deposits                               | -  | -                    | -                    | -                    | -                | 142,682                                  | 142,682                    | -                |
| Unrestricted                                    | 4,471,286                                    | 100,568              | 274,701              | 119,840              | 285,952          | 2,066,389                                | 7,318,736                  | 1,039,562        |
| Total net assets                                | <u>36,993,911</u>                            | <u>262,303</u>       | <u>2,064,810</u>     | <u>5,642,642</u>     | <u>2,453,104</u> | <u>6,120,187</u>                         | <u>53,536,957</u>          | <u>1,039,562</u> |
| Total liabilities and net assets                | <u>\$ 51,699,139</u>                         | <u>377,636</u>       | <u>2,267,848</u>     | <u>5,678,046</u>     | <u>2,470,464</u> | <u>6,409,109</u>                         | <u>68,902,242</u>          | <u>1,477,619</u> |

See accompanying notes to the financial statements

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS  
PROPRIETARY AND INTERNAL SERVICE FUNDS  
For The Year Ended June 30, 2008**

|  | Business-Type Activities<br>Enterprise funds |                      |                      |                      |                  |  | Governmental<br>Activities |                    |
|--|--|----------------------|----------------------|----------------------|------------------|--|----------------------------|--------------------|
|  | Major funds                                  |                      |                      |                      |                  |  |                            |                    |
|  | 46,81,82,<br>104,110<br>Water &<br>Sewer     | 86<br>Solid<br>Waste | 88<br>Bonito<br>Lake | 90<br>Golf<br>Course | 91<br>Airport    | 901,902,<br>903,904<br>Public<br>Housing |                            | Total              |
| Operating revenues:                              |  |                      |                      |                      |                  |  |                            |                    |
| Charges for services                             | \$ 7,243,397                                 | 1,601,960            | 118,602              | 1,090,380            | 14,632           | 356,678                                  | 10,425,649                 | -                  |
| Grants   | 97,264                                       | -                    | 100,207              | -                    | -                | 667,189                                  | 864,660                    | 68,583             |
| Fees and permits                                 | 23,285                                       | -                    | -                    | -                    | 78,740           | -  | 102,025                    | -                  |
| Miscellaneous income                             | 203,304                                      | (8)                  | 14,954               | 1,400                | 153,460          | 212,201                                  | 585,311                    | 198,244            |
| Total operating revenues                         | <u>7,567,250</u>                             | <u>1,601,952</u>     | <u>233,763</u>       | <u>1,091,780</u>     | <u>246,832</u>   | <u>1,236,068</u>                         | <u>11,977,645</u>          | <u>266,827</u>     |
| Operating expenses:                              |  |                      |                      |                      |                  |  |                            |                    |
| Personnel services                               | 1,371,272                                    | 145,289              | 112,333              | 265,402              | 107,404          | 346,343                                  | 2,348,043                  | 1,320,387          |
| Repairs and maintenance                          | 344,914                                      | 4,727                | 17,874               | 77,724               | 17,262           | 358,884                                  | 821,385                    | 297,757            |
| Supplies   | 849,379                                      | 28,088               | 18,017               | 82,574               | 16,999           | 97,942                                   | 1,092,999                  | 321,820            |
| Other services and insurance                     | 3,288,639                                    | 1,493,303            | 141,988              | 761,277              | 33,063           | 485,283                                  | 6,203,553                  | 700,374            |
| Depreciation                                     | 1,135,686                                    | 26,248               | 6,691                | 177,929              | 124,327          | 259,217                                  | 1,730,098                  | -                  |
| Total operating expenses                         | <u>6,989,890</u>                             | <u>1,697,655</u>     | <u>296,903</u>       | <u>1,364,906</u>     | <u>299,055</u>   | <u>1,547,669</u>                         | <u>12,196,078</u>          | <u>2,640,338</u>   |
| Operating income (loss)                          | <u>577,360</u>                               | <u>(95,703)</u>      | <u>(63,140)</u>      | <u>(273,126)</u>     | <u>(52,223)</u>  | <u>(311,601)</u>                         | <u>(218,433)</u>           | <u>(2,373,511)</u> |
| Non-operating revenues (expenses):               |  |                      |                      |                      |                  |  |                            |                    |
| Interest and investment revenue                  | 174,763                                      | 387                  | 24,282               | 4,430                | 6,875            | 40,863                                   | 251,600                    | 45,565             |
| Interest payments                                | (427,933)                                    | -                    | -                    | -                    | -                | -  | (427,933)                  | -                  |
| Gain/ Loss on sale of assets                     | (2,003)                                      | -                    | -                    | -                    | -                | -  | (2,003)                    | -                  |
| Total nonoperating revenue (expenses)            | <u>(255,173)</u>                             | <u>387</u>           | <u>24,282</u>        | <u>4,430</u>         | <u>6,875</u>     | <u>40,863</u>                            | <u>(178,336)</u>           | <u>45,565</u>      |
| Income (loss) before contributions and transfers | 322,187                                      | (95,316)             | (38,858)             | (268,696)            | (45,348)         | (270,738)                                | (396,769)                  | (2,327,946)        |
| Transfers in                                     | 4,473,561                                    | 198,500              | 55,785               | 159,815              | 269,337          | 70,800                                   | 5,227,798                  | 2,463,624          |
| Transfers out                                    | <u>(5,195,922)</u>                           | <u>(102,892)</u>     | <u>(44,150)</u>      | <u>(60,597)</u>      | <u>(10,733)</u>  | <u>(70,800)</u>                          | <u>(5,485,094)</u>         | <u>-</u>           |
| Change in net assets                             | <u>(400,174)</u>                             | <u>292</u>           | <u>(27,223)</u>      | <u>(169,478)</u>     | <u>213,256</u>   | <u>(270,738)</u>                         | <u>(654,065)</u>           | <u>135,678</u>     |
| Beginning net assets                             | 41,433,414                                   | 262,011              | 2,092,033            | 5,841,996            | 2,001,035        | 6,368,969                                | 57,999,458                 | 903,884            |
| Restatement                                      | <u>(4,039,329)</u>                           | <u>-</u>             | <u>-</u>             | <u>(29,876)</u>      | <u>238,813</u>   | <u>21,956</u>                            | <u>(3,808,436)</u>         | <u>-</u>           |
| Beginning net assets-as restated                 | <u>37,394,085</u>                            | <u>262,011</u>       | <u>2,092,033</u>     | <u>5,812,120</u>     | <u>2,239,848</u> | <u>6,390,925</u>                         | <u>54,191,022</u>          | <u>903,884</u>     |
| Net assets-end of the year                       | <u>\$ 36,993,911</u>                         | <u>262,303</u>       | <u>2,064,810</u>     | <u>5,642,642</u>     | <u>2,453,104</u> | <u>6,120,187</u>                         | <u>53,536,957</u>          | <u>1,039,562</u>   |

See accompanying notes to the financial statements

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
STATEMENT OF CASH FLOWS  
PROPRIETARY AND INTERNAL SERVICE FUNDS  
For The Year Ended June 30, 2008**

|  | Business-Type Activities<br>Enterprise funds |                      |                      |                      |                    |  |             | 12, 96, 107 |
|--|--|----------------------|----------------------|----------------------|--------------------|--|-------------|-------------|
|  | 46,81,82,<br>104,110<br>Water &<br>Sewer     | 86<br>Solid<br>Waste | 88<br>Bonito<br>Lake | 90<br>Golf<br>Course | 91<br>Air-<br>port | 901,902,<br>903,904<br>Public<br>Housing | Total       |             |
| Cash flows from operating activities:                                |  |                      |                      |                      |                    |  |             |             |
| Receipts from customers  | \$ 7,331,489                                 | 1,606,025            | 90,682               | 1,088,980            | 93,298             | 329,995                                  | 10,540,469  | 91          |
| Payment to suppliers   | (4,453,262)                                  | (1,425,628)          | (177,879)            | (915,643)            | (66,694)           | (933,677)                                | (7,972,783) | (1,361,877) |
| Payment to employees   | (1,322,691)                                  | (142,541)            | (116,420)            | (257,255)            | (102,195)          | (337,344)                                | (2,278,446) | (1,324,769) |
| Internal activities  | -  | -                    | -                    | -                    | -                  | -  | -           | -           |
| Claims paid  | -  | -                    | -                    | -                    | -                  | -  | -           | -           |
| Other receipts (payments)  | 300,568                                      | (8)                  | 115,161              | 1,400                | 153,460            | 879,390                                  | 1,449,971   | 266,827     |
| Net cash provided (used) by operating activities                     | 1,856,104                                    | 37,848               | (88,456)             | (82,518)             | 77,869             | (61,636)                                 | 1,739,211   | (2,419,728) |
| Cash flows from non-capital financing activities:                    |  |                      |                      |                      |                    |  |             |             |
| Transfers from other funds   | 4,473,561                                    | 198,500              | 55,785               | 159,815              | 269,337            | 70,800                                   | 5,227,798   | 2,463,624   |
| Operating subsidies and transfers to other funds                     | (5,195,922)                                  | (102,892)            | (44,150)             | (60,597)             | (10,733)           | (70,800)                                 | (5,485,094) | -           |
| Total cash provided (used) by non-capital financing activities       | (722,361)                                    | 95,608               | 11,635               | 99,218               | 258,604            | -  | (257,296)   | 2,463,624   |
| Cash flows from capital and related financing activities:            |  |                      |                      |                      |                    |  |             |             |
| Capital contributions  | -  | -                    | -                    | -                    | -                  | -  | -           | -           |
| (Purchase)/disposal of capital assets                                | (3,548,250)                                  | -                    | (17,752)             | (38,901)             | (216,832)          | (90,587)                                 | (3,912,322) | -           |
| Principal payments   | (530,897)                                    | (32,347)             | -                    | -                    | -                  | -  | (563,244)   | -           |
| Interest payments  | (427,933)                                    | -                    | -                    | -                    | -                  | -  | (427,933)   | -           |
| Proceeds from issuance of debt                                       | 3,518,564                                    | -                    | -                    | -                    | -                  | -  | 3,518,564   | -           |
| Net cash provided (used) by capital and related financing activities | (988,516)                                    | (32,347)             | (17,752)             | (38,901)             | (216,832)          | (90,587)                                 | (1,384,935) | -           |
| Cash flows from investing activities:                                |  |                      |                      |                      |                    |  |             |             |
| Proceeds from sales and maturities of investments                    | 31,821                                       | -                    | 72,133               | 17,670               | -                  | -  | 121,624     | -           |
| Purchase of investments  | -  | (126,026)            | -                    | -                    | (156,055)          | (350,000)                                | (632,081)   | (49,690)    |
| Interest and dividends   | 174,763                                      | 387                  | 24,282               | 4,430                | 6,875              | 40,863                                   | 251,600     | 45,566      |
| Net cash provided (used) by investing activities                     | 206,584                                      | (125,639)            | 96,415               | 22,100               | (149,180)          | (309,137)                                | (258,857)   | (4,124)     |
| Net increase (decrease) in cash and cash equivalents                 | 351,811                                      | (24,530)             | 1,842                | (101)                | (29,539)           | (461,360)                                | (161,877)   | 39,772      |
| Balances-beginning of year   | 408,136                                      | 32,676               | 4,181                | 5,615                | 36,707             | 811,286                                  | 1,298,601   | 136,958     |
| Balances-end of year   | \$ 759,947                                   | 8,146                | 6,023                | 5,514                | 7,168              | 349,926                                  | 1,136,724   | 176,730     |

See accompanying notes to the financial statements

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
STATEMENT OF CASH FLOWS  
PROPRIETARY AND INTERNAL SERVICE FUNDS  
For The Year Ended June 30, 2008**

|  | Business-Type Activities                 |                      |                      |                      |                    |  | Governmental<br>Activities |                                  |
|--|--|----------------------|----------------------|----------------------|--------------------|--|----------------------------|----------------------------------|
|  | Enterprise funds                         |                      |                      |                      |                    |  |                            |                                  |
|  | 46,81,82,<br>104,110<br>Water &<br>Sewer | 86<br>Solid<br>Waste | 88<br>Bonito<br>Lake | 90<br>Golf<br>Course | 91<br>Air-<br>port | 901,902,<br>903,904<br>Public<br>Housing | Total                      | 12,96,107<br>Internal<br>Service |
| Reconciliation of operating income (loss)<br>to net cash provided (used) by operating<br>activities: |  |                      |                      |                      |                    |  |                            |                                  |
| Operating income (loss)  | \$ 577,360                               | (95,703)             | (63,140)             | (273,126)            | (52,223)           | (311,601)                                | (218,433)                  | (2,373,511)                      |
| Adjustments:   |  |                      |                      |                      |                    |  |                            |                                  |
| Depreciation expense   | 1,135,686                                | 26,248               | 6,691                | 177,929              | 124,327            | 259,217                                  | 1,730,098                  | -                                |
| Prior period adjustment  | -  | -                    | -                    | -                    | -                  | 21,956                                   | 21,956                     | -                                |
| Change in assets and liabilities:  |  |                      |                      |                      |                    |  |                            |                                  |
| Receivables, net   | 69,575                                   | 4,097                | (8,094)              | (1,400)              | (74)               | (35,727)                                 | 28,377                     | 97                               |
| Other receivables  | (3,825)                                  | 13                   | (19,826)             | -                    | -                  | 806                                      | (22,832)                   | (6)                              |
| Due from other funds   | -  | -                    | -                    | -                    | -                  | 1,430                                    | 1,430                      | -                                |
| Inventories and prepaid expenses   | (62,241)                                 | -                    | -                    | -                    | -                  | 28,825                                   | (33,416)                   | (74,284)                         |
| Other assets   | 1,963                                    | -                    | -                    | -                    | -                  | -  | 1,963                      | -                                |
| Accounts payable   | 86,977                                   | 100,490              | -                    | 5,932                | 195                | (39,633)                                 | 153,961                    | 32,358                           |
| Accrued expenses   | 43,078                                   | 1,378                | (4,476)              | 3,561                | 2,802              | (257)                                    | 46,086                     | 1,740                            |
| Compensated absences   | 5,503                                    | 1,370                | 389                  | 4,586                | 2,407              | 9,256                                    | 23,511                     | (6,122)                          |
| Due to other funds   | -  | -                    | -                    | -                    | -                  | (1,430)                                  | (1,430)                    | -                                |
| Deposits   | 2,971                                    | -                    | -                    | -                    | 435                | (2,716)                                  | 690                        | -                                |
| Deferred revenue   | (943)                                    | (45)                 | -                    | -                    | -                  | 8,238                                    | 7,250                      | -                                |
| Net cash provided (used) by operating<br>activities  | <u>\$ 1,856,104</u>                      | <u>37,848</u>        | <u>(88,456)</u>      | <u>(82,518)</u>      | <u>77,869</u>      | <u>(61,636)</u>                          | <u>1,739,211</u>           | <u>(2,419,728)</u>               |

See accompanying notes to the financial statements

**STATE OF NEW MEXICO**  
**CITY OF ALAMOGORDO**  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - AGENCY FUNDS**  
**Fiduciary Funds**  
**As of June 30, 2008**

|                                      |        | Agency<br>Funds<br><u>17,39,41,92</u> |
|--------------------------------------|--------|---------------------------------------|
| <b>Assets</b>                        |        |                                       |
| Cash                                 | \$     | 121,498                               |
| Receivables                          |        | 97,595                                |
| Allowance for uncollectible accounts |        | <u>(72,725)</u>                       |
| <br>Total assets                     | <br>\$ | <br><u><u>176,046</u></u>             |
| <b>Liabilities</b>                   |        |                                       |
| Accounts payable                     | \$     | 78                                    |
| Accrued payroll liabilities          |        | 41,506                                |
| Deposits held in custody for others  |        | <u>134,462</u>                        |
| <br>Total liabilities                | <br>\$ | <br><u><u>176,046</u></u>             |

See accompanying notes to the financial statements



**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2008**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial statement presentation

As required by generally accepted accounting principles, these financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are in substance, part of the government's operations and so data from these units are combined with data of the primary government. The discretely presented component unit, on the other hand, is reported in a separate column in the combined financial statements to emphasize it is legally separate from the government. Each blended and discretely presented component unit has a June 30th year-end.

Based on the foregoing criteria, the accounts of the following organizations are included in the City's financial statements:

**Blended component unit**

The City of Alamogordo Public Housing Authority (PHA) was created as a separate agency apart from the City proper in accordance with the State Municipal Housing Act (3-45 NMSA 1978) to maintain residential housing for persons with low income. The Mayor of the City, along with the members of the City Commission, serves as the Public Housing Commission. The City maintains title to all real and personal property and is secondarily liable for bonds and other debt of the PHA. The PHA's operations are reported as a blended component unit with the primary government in the accompanying financial statements as business-type activities.

**Discretely presented component unit**

During the 1993-94 fiscal years, the City of Alamogordo entered into a joint powers agreement for operation of a regional landfill. The following entities represent the signers of this agreement:

**Otero County**

City of Alamogordo  
County of Otero  
Village of Cloudcroft  
Village of Tularosa  
Village of Corona

**Lincoln County**

County of Lincoln  
Town of Carrizozo  
Village of Capitan  
Village of Ruidoso  
Village of Ruidoso Downs

The purpose of the joint venture was to establish, finance and operate the Otero/Lincoln County Regional Landfill. Each of the governmental entities 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/Lincoln County 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;

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2008**

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;
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 of 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 beginning and ending dates for the agreement are July 1, 2004 to June 30, 2009.

According to Governmental Accounting Standards Board Statement No. 14, *The Financial Reporting Entity*, certain determinations must be made in order to decide whether this joint venture should be considered a component unit of the City of Alamogordo and, if it is, how it should be shown in the City's financial statements. Based on those guidelines, this Regional Landfill is being included in the City's statements as a discrete component unit.

**B. Government-wide and fund financial statements**

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The City's police and fire protection, road maintenance, culture and recreation, and administration are classified as governmental activities. The City's utilities (water and sewer, and solid waste), Bonito Lake Recreation Area, Golf Course, White Sands Regional Airport and Public Housing Authority are classified as business activities. The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the non-fiduciary activities of the primary government and its component units.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables and receivables. All internal balances in the Statement of Net Assets have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated.

*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 certain legally separate *component units* for which

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2008**

the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with specific function or segment. Program revenues derive directly from the program itself or from parties outside the reporting governments taxpayers or citizenry as a whole and 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 such as water use, trash collection, sales of business permits, etc., and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment such as construction of new roads or flood control systems. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

The financial transactions of the City are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The fund focus is on current available resources and budget compliance.

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types".

*Governmental funds* are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked money (special revenue funds), the acquisition of construction of general capital assets (capital projects fund). The general fund is used to account for all activities of the general government not accounted for in some other funds.

*Proprietary funds* are used to account for business activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the government as the utility fund, which account for the providing of water, wastewater, and sewer services to the residents of the City.

*Fiduciary funds* (trust and agency funds) are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. Trust and agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Separate financial statements are provided for governmental funds, the proprietary fund, and fiduciary funds. In accordance with the provisions of GASB Statement No. 34, the fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds and the enterprise fund are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

The *General Fund*: (F11 & 98) – the City's primary operating fund. It accounts for all financial resources of the City, except those required to be accounted for in another fund.

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*Community Services (F13, 30, 32)* – to account for services and admission fees received by the Recreation Department for the maintenance and improvement of facilities and administering

*Transportation (F44)* – to account for the one-cent gasoline tax revenues used for local street and bridges capital items. NMSA 7-1-6.9.

*1986 Gross Receipts Tax (F49)* – to account for one-quarter of one percent gross receipts increments dedicated for the cost of maintenance, repairs and activities related to the treatment of water facilities.

The City reports the following major proprietary or business funds:

*Water and Sewer Operating (F46, 81, 82, 104 & 110)* – to account for the provision of water and sewer services to the residents of the City and some residents of the County.

*Public Housing Authority (F901, 902, 903 and 904)* – Provides financial assistance to low income families for housing within the community as well as low rent housing in city owned facilities.

*Solid Waste Collection System (F86)* – to account for solid waste services to the residents of the City and some residents of the County.

*Bonito Lake (F88)* – to account for the operation of Bonito Lake Watershed, Recreational Area and part of the Bonito Pipeline.

*Desert Lakes Golf Course Operating (F90)* – to account for the operations of the golf course and facilities.

*White Sands Regional Airport (F91)* – to account for the operations of the City's airport system.

The City reports internal service funds (*F12, F96, F107*) established to provide financing for activities of services provided in-house by the using department. The City currently provides central services for personnel, safety, fleet, management information systems, and facilities maintenance. In addition, the primary insurance for liability and auto and other insurance protection provided for all functions is recorded within the internal service funds. The services are rendered to other departments of the city on a cost-reimbursement basis.

In addition, the government reports non-major governmental funds and agency funds listed as supplementary information in of this audit report.

C. Capital assets

Property, plant and equipment purchased or acquired is carried at historical cost or estimated historical cost. Contributed capital assets are recorded at estimated fair market value at the time received. Public domain (infrastructure) capital assets consisting of roads, bridges, curbs and gutters; streets and sidewalks, drainage systems and lighting systems have been recorded at estimated historical cost. The State's capitalization policy, i.e., the dollar value above which asset acquisitions including software are added to the capital accounts, was changed to \$5,000 as of July 1, 2005 from \$1,000. Assets with historical cost under \$5,000 and over \$1,000 that capitalized prior to July 1, 2005 remain on the City's capital assets schedule. However, all capital outlay purchases may not necessarily be capitalized. Major outlays for capital assets and improvements are capitalized

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as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Net revenue bond interest cost incurred during construction periods is capitalized when material.

Capital outlay expenditures are recorded as expenditures of the General, Special Revenue, and Capital Projects Funds and as assets in the government-wide financial statements to the extent the City's capitalization threshold is met. 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. Betterments and major improvements, which significantly increase values, change capacities or extend useful lives, are capitalized. Upon sale or retirement of capital assets, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss is included in the results of operations.

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

| <u>Class of Asset</u>             | <u>Estimated Useful Life</u> |
|-----------------------------------|------------------------------|
| Dam                               | 100 years                    |
| Buildings                         | 25-50 years                  |
| Improvements other than buildings | 20-50 years                  |
| Machinery and equipment           | 3-10 years                   |
| Software                          | 3 years                      |

The Public Housing Authority provides depreciation on its capital assets, in accordance with generally accepted accounting principles.

Software is depreciated over 36 months. The City is in the process of implementing a policy for the capitalization of library books pursuant to the School library material act Section 22-15C but does not currently include library books or the associated depreciation in their capital assets.

**D. 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 government activities, business-type activities, or proprietary fund type statement of net assets. Debt principal payments of both government and business-type activities are reported as decreases in the balance of the liability on the Statement of Net Assets. Bond premiums and discounts, as well as issuance costs, 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. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, however, debt principal payments of governmental funds are recognized as expenditures when paid. Governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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E. Capitalized interest

Interest costs are capitalized when incurred by proprietary funds and similar component units on debt where proceeds were used to finance the construction of assets.

F. Basis of accounting

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 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 are recognized as revenues in the year they are billed. Property tax receivables are recognized in the government-wide statements net of estimated refunds and uncollectible amount in the period the taxes are levied, even if not available. The governmental fund financial statements exclude the portion of property taxes which are not available. Taxes, and similar items are not recognized as revenue because they are not both available and measurable (reasonably estimable) as per GASB Statement 33 requires. The revenue is recognized as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund level 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 the obligation has matured and is due and payable shortly after year end as required by GASB Interpretation No. 6. Agency Funds are accounted for under the accrual basis of accounting.

For its government-wide activities and enterprise funds, the City has elected under GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, to apply all applicable GASB pronouncements as well as any applicable pronouncements of the Financial Accounting Standards Board, the Accounting Principles or any Accounting Research Bulletins issued on or before November 30, 1989 unless those pronouncements conflict with or contradict GASB pronouncements. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units.

All proprietary funds and non-expendable trust funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred. Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

The City also reports deferred revenues on its combined balance sheet. Deferred revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received prior to the occurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the liability for deferred revenues is removed from the combined balance sheet and revenue is

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recognized.

Fiduciary Funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and other funds. The reporting focus is upon net assets and changes in net assets and employs accounting principles similar to proprietary funds. Fiduciary funds are not included in the government-wide financial statements since they are not assets of the City available to support City programs.

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 needed.

In accordance with the provisions of Statement No. 33 of the Governmental Accounting Standards Board, the City recognizes revenues in the period when the underlying exchange transaction has occurred and the resources are available.

**G. Budgets and budgetary accounting**

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 the following 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 revisions 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. Budgets are adopted for all funds by the City Commission, are prepared on a cash basis and include an amount for cash and investments remaining from the previous year available for expenditure in the current year. Budgets for all funds are "appropriated" budgets.

Budgetary information is presented as amended, the amendments being adopted in a legally prescribed manner. The level of control at which expenditures may not legally exceed budgeted revenues, cash and investments is at the total fund level for each legally adopted budget.

Encumbrance accounting is used for all fund types. Encumbrances are recorded when purchase orders are issued, but are not considered expenditures until liabilities for payments are incurred. Encumbrances are reported as a reservation of fund balance on the balance sheet. Encumbrances do not lapse at the close of the fiscal year, but are carried forward as reserved fund balance until liquidated. As of year end there were no encumbrances outstanding.

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H. Investments

Cash resources of the individual funds are combined to form a pool of cash and investments, which is managed by the Chief Financial Officer. Each fund's equity in the pooled cash and investments account is reported in the combined financial statements as cash and investments. Earnings on investments are allocated to the individual funds by a formula based on each fund's month-end equity in the pooled investments account. All earnings on investments are shown in the financial statements as interest income. Investments are generally stated at fair value in accordance with GASB 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*.

I. Cash and cash equivalents

For purposes of the statements of cash flows, all highly liquid assets with maturity of three months or less when purchased are considered to be cash equivalents. All cash and investments of the proprietary fund types are pooled with the City's pooled cash and investments.

J. Inventories

Inventories consisting primarily of materials and supplies held for consumption on a first-in, first-out basis. They are reported at cost, which is recorded as an expenditure at the time individual inventory items are used. Proprietary fund and similar component unit inventories are recorded at cost on a first-in, first-out basis.

K. Ad Valorem Taxes

Ad valorem taxes are levied each November 1st, on the assessed valuation of non-exempt real property located in the City as of the preceding January 1st, the lien date. Ad valorem taxes are due on November 10th following the levy date, although they may be paid in two equal installments. The first half is due by November 10th, the second installment is due April 10th, and tax installments become delinquent thirty days after the due date. Ad valorem taxes are collected by the Treasurer of Otero County, New Mexico, and are remitted to the City.

L. Compensated absences

City personnel policies allow for the accrual of vacation and sick leave. After a probationary period, City employees are allowed to use the time they have accrued.

The maximum number of accrued annual vacation hours, which may be carried forward to any new calendar year, varies from 18 hours to 240 hours, depending on the job classification and shift length of each employee. The maximum sick leave carry forward is unlimited.

M. Accounting applications

The City's major financial recording cycles are all computer generated.

N. Interfund transactions

During the course of normal operations, the City has numerous transactions between funds, including expenditures and transfers of resources to provide services, construct assets, and service debt. The accompanying combined financial statements reflect such transactions as operating transfers.



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O. Net assets/fund equity classifications

*Government-wide Statements*

Net assets on the Statement of Net Assets include the following:

1. Invested in capital assets- net of related debt – Is the component of net assets that reports the difference between capital assets and both the accumulated depreciation and the outstanding balance of debt, excluding unspent proceeds, that is directly attributable to the acquisition, construction or improvement of these capital assets.
2. Restricted net assets– Consist of net assets with constraints placed on the use by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation or federal law.
3. Unrestricted net assets – Include all other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

The City’s policy is to apply restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

*Fund Statements*

Governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated. Proprietary fund equity is classified the same as in the government-wide statements.

P. Indirect expenses

The City allocated indirect expenses primarily comprised of central governmental services to operating functions and programs benefiting from those services. Central services include overall City management, centralized budgetary formulation and oversight, accounting, financial reporting, payroll, procurement contracting and oversight, investing and cash management, personnel services, and other administrative services. Allocations are charged to programs based on use of the services determined by various allocation methodologies.

Q. Accounting 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 effect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**NOTE 2 – CASH AND INVESTMENTS**

*Cash*

Cash includes cash in banks with various financial institutions. As of June 30, 2008, the amount of cash reported on the financial statements differs from the amount on deposit with the various institutions because of transactions in transit and outstanding checks. The locations and amounts deposited at each of the financial institutions are as follows:

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|                                    | <b>1st National<br/>Bank</b> | <b>Wells Fargo<br/>Bank</b> | <b>1st National<br/>Ruidoso</b> | <b>NMFA</b> | <b>Bank of<br/>Albuquerque</b> | <b>Pioneer<br/>Bank</b> | <b>Alamo Fed<br/>S &amp; L</b> |
|------------------------------------|------------------------------|-----------------------------|---------------------------------|-------------|--------------------------------|-------------------------|--------------------------------|
| Total amount of deposits in bank   | \$ 3,865,966                 | 1,224,869                   | 2,001                           | 8,794       | 120,299                        | 850,000                 | 522,130                        |
| Less: FDIC coverage                | <u>(200,000)</u>             | <u>(800,000)</u>            | <u>(2,001)</u>                  | N/A         | -                              | <u>(100,000)</u>        | <u>(100,000)</u>               |
| Total uninsured public funds       | 3,665,966                    | 424,869                     | -                               | -           | 120,299                        | 750,000                 | 422,130                        |
| State Collateral Requirement - 50% | 1,832,983                    | 212,435                     | -                               | -           | 60,150                         | 375,000                 | 211,065                        |
| Pledged security                   | <u>1,949,584</u>             | <u>1,090,603</u>            | <u>-</u>                        | <u>-</u>    | <u>120,756</u>                 | <u>616,320</u>          | <u>218,350</u>                 |
| Over/(under) collateralized        | <u>\$ 116,601</u>            | <u>878,169</u>              | <u>-</u>                        | <u>-</u>    | <u>60,607</u>                  | <u>241,320</u>          | <u>7,285</u>                   |

| <b>Cash by fund type</b>      | <b>Book Balance<br/>Amount</b> |
|-------------------------------|--------------------------------|
| Governmental funds            | \$ 1,181,191                   |
| Business-type funds           | 1,136,724                      |
| Fiduciary funds               | 121,498                        |
| Internal service funds        | 176,730                        |
| Component unit                | <u>9,714</u>                   |
| Cash per financial statements | <u>\$ 2,625,857</u>            |

For details see Schedule 1, pg 119.

*Investments*

Investments consisted of the following as of June 30, 2008:

| <b>Investment Type</b>            | <b>Fair Value</b>    |
|-----------------------------------|----------------------|
| State Treasurer's Investment Pool | \$ 18,613,485        |
| CDs and other                     | 3,774,007            |
| Federal Home Loan Notes           | <u>5,251,128</u>     |
| Total                             | <u>\$ 27,638,620</u> |

In compliance with Governmental Accounting Standards Board Statement No. 31, the City's investments are stated at fair value, except for highly liquid market investments with maturities of one year or less at the time of purchase, which are stated at amortized cost. Market value is used for those securities for which market quotations are readily available. For securities that lack readily available market quotations, reasonable estimates of fair value are used based on the market value of similar investments. The City generally holds all investments until maturity or until market values equal or exceed cost. Therefore, the fair value of securities in the investment pool does not necessarily reflect realized gains or losses but rather the fair value of those investments as of June 30, 2008.

New Mexico State Statutes authorize the creation of the short-term investment fund in the New Mexico State Treasury. The Statutes authorize the State Treasurer to pool monies received from local public bodies for investment purposes with public monies under control. The purpose of the local short-term fund is to provide a voluntary investment alternative for local political subdivisions to realize the maximum return consistent with safe and prudent management. The City invested \$18,613,485 as of June 30, 2008 within the short-term

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investment fund pool. The yield at June 30, 2008 was 2.41%. The local short-term investment fund, along with other public monies in the State Treasurer's investment account, is invested in repurchase agreements secured at 102% by U.S. Government Securities. The State Treasurer has the responsibility to pledge collaterals at 102% of investment balances for the City. All investing is performed in accordance with State Statutes and the City Charter. For more information, refer to separately issued financial statements for the State Treasurer, which disclose the collateral pledged to secure the State Treasurer's cash and investments.

The investments are valued at fair value based on quoted market prices as of the valuation date. The State Treasurer Local Government Investment Pool is not SEC registered. Section 67-10-10 I, NMSA 1978, empowers the State Treasurer, with the advice and consent of the State Board of Finance, to invest money held in the short-term investment fund in securities that are issued by the United States government, or by its departments or agencies and are either direct obligations of the United States, or are backed by the full faith and credit of the United States government, or are agencies sponsored by the United States government. The Local Government Investment Pool investments are monitored by the same investment committee and the same policies and procedures that apply to all other state investments. The pool does not have unit shares. Per Section 6-10-10.1F, NMSA 1978, at the end of each month all interest earned is distributed by the State Treasurer to the contributing entities in amounts directly proportionate to the respective amounts deposited in the fund and the length of time the fund amounts were invested. Participation in the local government investment pool is voluntary.

The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The LGIP's portfolio's weighted average maturity (WAM) is a key determinant of the tolerance of a fund's investment to rising interest rates. In general, the longer the WAM, the more susceptible the fund is to rising interest rates. The LGIP portfolio's weighted average maturity (WAM) was New MexiGROW LGIP 25-day WAM 7 day yield 3.10%.

State law limits investments in commercial paper, corporate bonds, and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. The City has no investment policy that would further limit its investment choices. As of June 30, 2008, the City's investment in the New MexiGROW Local Government Investment Pool (LGIP) was rated AAAM by Standard & Poor's.

The City places no limit on the amount it may invest in any one issuer. More than 5 percent of the City's investments are in the State LGIP, Federal Home Loan notes, and commercial certificates of deposit. These investments are 67.35%, 19.00%, and 13.65%, respectively, of the City's total investments.

The Federal Home Loan notes are all backed by the full faith and credit of the U.S. government and are therefore insured against loss.

FDIC insurance of at least \$100,000 per bank is available for the CDs from Wells Fargo, First National Bank, Alamogordo Federal Savings & Loan, and Pioneer Savings Bank. The remaining uninsured CD balances are all at least 50% covered by collateral pledged by the various financial institutions.

**NOTE 3 – COLLATERALIZATION OF CITY DEPOSITS**

In accordance with the City of Alamogordo Investment Policy Section 30-02-030, any financial institution designated as a City depository shall deliver securities of the type specified in Section 6-10-16 NMSA, 1978, or a joint safekeeping receipt therefore to the investment officer in an aggregate value equal to one-half the amount of the City money to be received, in accordance with subsection B of Section 6-10-16 NMSA, 1978 (Ord. No. 722, 10-23-87).

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For details see Schedule 1, pg 119.

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's deposit policy is to collateralize one half of the uninsured public money in each account. As of June 30, 2008, the City's bank and investment balances of \$30,269,470, which includes the component units, were exposed to custodial credit risk as follows:

|  |                     |
|--|---------------------|
| Uninsured and uncollateralized   | \$ 2,053,842        |
| Uninsured and collateral held by pledging bank's trust department, not in the City's name. | 3,329,422           |
| Total  | <u>\$ 5,383,264</u> |

**NOTE 4 – INTERFUND BALANCES AND TRANSFERS**

Interfund receivables and payables are amounts due from and to other funds within the City. The interfund payables are due to interfund borrowing between funds for operating purposes. The interfund receivable to Fund 81, those to Fund 11 from the non-major governmental funds, and those to Fund 41 from other fiduciary funds are expected to be paid in the current year and the receivable to Fund 11 from Fund 88 is expected to be paid in the following year. The interfund balance between the Funds 901 and 92 is also expected to be paid in the current year. Interfund balances as of June 30, 2008, are as follows:

| <u>Fund Description</u>                                      | <u>Fund<br/>Number</u> | <u>Interfund<br/>Receivables</u> | <u>Interfund<br/>Payables</u> |
|--|------------------------|----------------------------------|-------------------------------|
| General - Major Fund   | 011                    | \$ 163,283                       | -                             |
| Bonito Lake - Major Fund                                     | 088                    | -                                | 163,283                       |
| Water/Sewer - Enterprise - Major Fund                        | 081                    | 24,000                           | -                             |
| Bonito Lake - Major Fund                                     | 088                    | -                                | 24,000                        |
| General - Major Fund   | 011                    | 643,872                          | -                             |
| Special revenue funds - Non-major gov funds to General fund  | various                | -                                | 587,502                       |
| Capital projects funds - Non-major gov funds to General fund | various                | -                                | 56,370                        |
| ESGRT Income (Otero/Lincoln County Landfill JPA)             | 041                    | 29,678                           | -                             |
| Fiduciary funds - Agency funds                               | various                | -                                | 29,678                        |
| PHA Low Rent - Major Fund                                    | 901                    | 5,993                            | -                             |
| Public Housing Authority                                     | 92                     | -                                | 5,993                         |
|  |                        | <u>\$ 866,826</u>                | <u>866,826</u>                |

Transfers and payments within the reporting entity are substantially for the purpose of subsidizing operating functions and funding capital projects, namely street projects. All transfers made during the year were considered routine and were consistent with the general characteristics of the City's transfer.

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|                        |  | Transfers In                        |  |  |  |  |  |   |   |   |   |   |                   |
|------------------------|--|-------------------------------------|--|--|--|--|--|---|---|---|---|---|-------------------|
|                        |  | Comm-<br>unity                      | Trans-<br>portaion   | Water<br>&<br>Sewer  | Solid<br>Waste   | Bonito<br>Lake   | Golf<br>Course   | Airport   | Non<br>Major<br>Govern-<br>mental   | Fidu-<br>ciary  | Internal<br>Service   | Component<br>Unit                                 | Total             |
| Transfers Out          | General  |                                     |  |  |  |  |  |   |   |   |   |   |                   |
| General                | \$ -   | 3,025,296                           | 39,543   | -  | -  | -  | 159,815  | 52,504  | 725,223   | -   | 1,174,833   | -   | 5,177,214         |
| Community              | -  | -                                   | -  | -  | -  | -  | -  | -   | -   | -   | 482,676   | -   | 482,676           |
| Transportation         | -  | -                                   | -  | -  | -  | -  | -  | -   | -   | -   | 228,949   | -   | 228,949           |
| Water & Sewer          | -  | -                                   | -  | 1,403,405  | -  | 55,785   | -  | -   | 3,518,564   | -   | 218,168   | -   | 5,195,922         |
| Solid Waste            | -  | -                                   | -  | 77,054   | -  | -  | -  | -   | -   | -   | 25,838  | -   | 102,892           |
| Bonito Lake            | -  | -                                   | -  | 12,000   | -  | -  | -  | -   | -   | -   | 32,150  | -   | 44,150            |
| Golf Course            | -  | -                                   | -  | -  | -  | -  | -  | -   | -   | -   | 60,597  | -   | 60,597            |
| Airport                | -  | -                                   | -  | -  | -  | -  | -  | -   | -   | -   | 10,733  | -   | 10,733            |
| Non-Major Governmental | 997,162  | 11,537                              | 2,130,873  | 2,981,102  | 198,500  | -  | -  | 216,833   | 2,842,227   | 375,651   | 227,180   | -   | 9,981,065         |
| Fiduciary              | -  | -                                   | -  | -  | -  | -  | -  | -   | 322,155   | -   | -   | 38,775  | 360,930           |
| Internal Service       | -  | -                                   | -  | -  | -  | -  | -  | -   | -   | -   | -   | -   | -                 |
| Component Unit         | -  | -                                   | -  | -  | -  | -  | -  | -   | -   | -   | 2,500   | 614,988   | 617,488           |
| <b>Total</b>           | <b>\$ 997,162</b>  | <b>3,036,833</b>                    | <b>2,170,416</b>   | <b>4,473,561</b>   | <b>198,500</b>   | <b>55,785</b>  | <b>159,815</b>   | <b>269,337</b>  | <b>7,408,169</b>  | <b>375,651</b>  | <b>2,463,624</b>  | <b>653,763</b>                                    | <b>22,262,616</b> |
|                        | For acquis-<br>ition of<br>services<br>for City<br>services. | Transfer of<br>operating<br>subsidy | For payment<br>of improve-<br>ments to<br>City's street<br>system. | For payment<br>of improve-<br>ments to the<br>City's water<br>and sewer<br>system. | For payment<br>of improve-<br>ments to<br>Solid Waste<br>system. | For payment<br>of improve-<br>ments to the<br>Bonito Lake<br>recreation<br>area. | To pay for<br>improve-<br>ments to<br>the City's<br>golf course. | To pay for<br>general<br>improve-<br>ments to the<br>City's<br>airport. | Pay other<br>governmental<br>funds to<br>supplement<br>other fund<br>sources. | To account<br>for funds<br>held in<br>custody<br>for other<br>agencies. | To pay for<br>internal<br>services for<br>the City's<br>various<br>departments. | To pay for<br>improvements<br>to the<br>landfill. |                   |

The schedule above details the interfund transfers made by the City during the year ended June 30, 2008

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
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FOR THE YEAR ENDED JUNE 30, 2008**

NOTE 5 – RECEIVABLES

| <b>Governmental Funds</b>    |                  |                       |                |                        |                    |                       |
|------------------------------|------------------|-----------------------|----------------|------------------------|--------------------|-----------------------|
| Type                         | (032)            |                       |                | (049)                  |                    | Total<br>Governmental |
|                              | (011)<br>General | Community<br>Services | (044)<br>Trans | 1986 Gross<br>Receipts | Other<br>Gov Funds |                       |
| Taxes                        | \$ 1,938,644     | 15,245                | 113,082        | 254,589                | 1,085,581          | 3,407,141             |
| Grants                       | -                | -                     | 385,767        | 748,217                | 791,138            | 1,925,122             |
| Accounts                     | 715,266          | 130,972               | 1,078          | -                      | 139,096            | 986,412               |
| Allowance for doubtful accts | (682,335)        | (8,041)               | -              | -                      | (137,468)          | (827,844)             |
| Total                        | <u>\$ 32,931</u> | <u>122,931</u>        | <u>386,845</u> | <u>748,217</u>         | <u>792,766</u>     | <u>2,083,690</u>      |

| <b>Enterprise Funds</b>      |                                 |                                |                         |                         |                         |                  |                     |
|------------------------------|---------------------------------|--------------------------------|-------------------------|-------------------------|-------------------------|------------------|---------------------|
| Type                         | (046,081,082)                   |                                |                         |                         |                         |                  | Total<br>Enterprise |
|                              | (104,110)<br>Water and<br>Sewer | Public<br>Housing<br>Authority | (086)<br>Solid<br>Waste | (088)<br>Bonito<br>Lake | (090)<br>Golf<br>Course | (091)<br>Airport |                     |
| Other                        | \$ 121,381                      | 1,293                          | 56                      | 39,566                  | -                       | -                | 162,296             |
| Accounts                     | 470,596                         | 64,573                         | 89,000                  | 8,447                   | 1,400                   | 27,799           | 661,815             |
| Allowance for doubtful accts | (45,908)                        | (15,817)                       | (7,326)                 | -                       | -                       | (12,709)         | (81,760)            |
| Total                        | <u>\$ 424,688</u>               | <u>48,756</u>                  | <u>81,674</u>           | <u>8,447</u>            | <u>1,400</u>            | <u>15,090</u>    | <u>580,055</u>      |

|                              | (055, 094)            | (012)                            |
|------------------------------|-----------------------|----------------------------------|
|                              | Comp Unit<br>Landfill | Internal<br>Service<br>Fiduciary |
| Taxes                        | \$ 2,795              | 6                                |
| Accounts                     | 65,981                | -                                |
| Allowance for doubtful accts | -                     | (72,725)                         |
| Total                        | <u>\$ 68,776</u>      | <u>6</u>                         |

The accounts receivable of the Special Revenue, Debt Service, and Capital Projects Funds are composed primarily of earned taxes and federal and state revenues or reimbursements. These receivables are primarily from governmental agencies and an allowance for doubtful accounts is maintained for those receivables deemed to be uncollectible.

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2008**

NOTE 6 – CAPITAL ASSETS

Capital asset activities for the year ended June 30, 2008 as follows:

| <b>GOVERNMENTAL ACTIVITIES</b>                 |                      |                    |                  |                    |                    |                             |
|--|----------------------|--------------------|------------------|--------------------|--------------------|-----------------------------|
| <b>Asset Description</b>                       | <b>2007</b>          | <b>Additions</b>   | <b>Deletions</b> | <b>Reclass</b>     | <b>Adjustments</b> | <b>2008</b>                 |
| <b>Capital assets not being depreciated:</b>   |                      |                    |                  |                    |                    |                             |
| Land   | \$ 6,619,027         | 455,873            | (68,605)         | 267,615            | -                  | <b>7,273,910</b>            |
| Construction in progress                       | 6,993,212            | 2,302,313          | -                | (1,841,538)        | 3,918,087          | <b>11,372,074</b>           |
| Total capital assets<br>not being depreciated  | <u>13,612,239</u>    | <u>2,758,186</u>   | <u>(68,605)</u>  | <u>(1,573,923)</u> | <u>3,918,087</u>   | <b><u>18,645,984</u></b>    |
| <b>Capital assets being depreciated:</b>       |                      |                    |                  |                    |                    |                             |
| Buildings and improvements                     | 19,437,281           | 1,228,857          | (50,000)         | 589,119            | -                  | <b>21,205,257</b>           |
| Mechanized equipment                           | 7,958,495            | 500,030            | (45,500)         | -                  | -                  | <b>8,413,025</b>            |
| Unscheduled property                           | 3,293,762            | 140,228            | (8,318)          | -                  | -                  | <b>3,425,672</b>            |
| Infrastructure                                 | 146,237,891          | 64,429             | (279,961)        | 984,804            | -                  | <b>147,007,163</b>          |
| Total capital assets<br>being depreciated      | 176,927,429          | 1,933,544          | (383,779)        | 1,573,923          | -                  | <b>180,051,117</b>          |
| Less accumulated depreciation for:             |                      |                    |                  |                    |                    |                             |
| Buildings and improvements                     | (10,240,206)         | (609,177)          | 50,000           | -                  | -                  | <b>(10,799,383)</b>         |
| Mechanized equipment                           | (5,893,405)          | (359,781)          | 45,500           | -                  | -                  | <b>(6,207,686)</b>          |
| Unscheduled property                           | (2,066,191)          | (384,341)          | 7,538            | -                  | -                  | <b>(2,442,994)</b>          |
| Infrastructure                                 | (134,450,083)        | (1,269,688)        | 83,988           | -                  | -                  | <b>(135,635,783)</b>        |
| Total accumulated depreciation                 | <u>(152,649,885)</u> | <u>(2,622,987)</u> | <u>187,026</u>   | <u>-</u>           | <u>-</u>           | <b><u>(155,085,846)</u></b> |
| Total capital assets being depreciated         | <u>24,277,544</u>    | <u>(689,443)</u>   | <u>(196,753)</u> | <u>1,573,923</u>   | <u>-</u>           | <b><u>24,965,271</u></b>    |
| Governmental activities<br>capital assets, net | \$ <u>37,889,783</u> | <u>2,068,743</u>   | <u>(265,358)</u> | <u>-</u>           | <u>3,918,087</u>   | <b><u>43,611,255</u></b>    |

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2008**

NOTE 6 – CAPITAL ASSETS-Continued

| <b>BUSINESS -TYPE ACTIVITIES</b>                |                      |                    |                  |                     |                    |                     |
|---|----------------------|--------------------|------------------|---------------------|--------------------|---------------------|
| <b>Asset Description</b>                        | <b>2007</b>          | <b>Additions</b>   | <b>Deletions</b> | <b>Reclass</b>      | <b>Adjustments</b> | <b>2008</b>         |
| <b>Capital assets not being depreciated:</b>    |                      |                    |                  |                     |                    |                     |
| Land  | \$ 6,986,211         | -                  | -                | -                   | -                  | <b>6,986,211</b>    |
| Construction in progress                        | 28,093,556           | 3,298,141          | -                | (11,569,624)        | (4,214,072)        | <b>15,608,001</b>   |
| Total capital assets<br>not being depreciated   | <u>35,079,767</u>    | <u>3,298,141</u>   | <u>-</u>         | <u>(11,569,624)</u> | <u>-</u>           | <b>22,594,212</b>   |
| <b>Capital assets being depreciated:</b>        |                      |                    |                  |                     |                    |                     |
| Buildings and improvements                      | 16,740,346           | -                  | (9,821)          | 3,363,522           | -                  | <b>20,094,047</b>   |
| Mechanized equipment                            | 6,611,522            | 44,829             | (174,185)        | 99,630              | 13,045             | <b>6,594,841</b>    |
| Unscheduled property                            | 250,709              | 45,207             | (6,394)          | 92,049              | 370,634            | <b>752,205</b>      |
| Infrastructure                                  | 31,992,978           | 529,200            | -                | 8,014,423           | -                  | <b>40,536,601</b>   |
| Total capital assets<br>being depreciated       | 55,595,555           | 619,236            | (190,400)        | 11,569,624          | 383,679            | <b>67,977,694</b>   |
| Less accumulated depreciation for:              |                      |                    |                  |                     |                    |                     |
| Buildings and improvements                      | (11,518,852)         | (599,220)          | 9,821            | -                   | -                  | <b>(12,108,251)</b> |
| Mechanized equipment                            | (5,825,862)          | (171,513)          | 172,301          | -                   | -                  | <b>(5,825,074)</b>  |
| Unscheduled property                            | (121,896)            | (63,852)           | 6,394            | -                   | -                  | <b>(179,354)</b>    |
| Infrastructure                                  | (11,725,441)         | (895,514)          | -                | -                   | -                  | <b>(12,620,955)</b> |
| Total accumulated depreciation                  | <u>(29,192,051)</u>  | <u>(1,730,099)</u> | <u>188,516</u>   | <u>-</u>            | <u>-</u>           | <b>(30,733,634)</b> |
| Total capital assets being depreciated          | <u>26,403,504</u>    | <u>(1,110,863)</u> | <u>(1,884)</u>   | <u>11,569,624</u>   | <u>383,679</u>     | <b>37,244,060</b>   |
| Business-type activities<br>capital assets, net | \$ <u>61,483,271</u> | <u>2,187,278</u>   | <u>(1,884)</u>   | <u>-</u>            | <u>383,679</u>     | <b>59,838,272</b>   |



**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2008**

NOTE 6 – CAPITAL ASSETS-Continued

| Asset Description                          | COMPONENT UNIT      |                 |           |                 |                  | 2008               |
|--|---------------------|-----------------|-----------|-----------------|------------------|--------------------|
|  | 2007                | Additions       | Deletions | Reclass         | Adjustments      |                    |
| Capital assets not being depreciated:      |                     |                 |           |                 |                  |                    |
| Land                                       | \$ 1,526,005        | -               | -         | -               | -                | <b>1,526,005</b>   |
| Construction in progress                   | 308,919             | -               | -         | (80,978)        | (207,150)        | <b>20,791</b>      |
| Total capital assets not being depreciated | <u>1,834,924</u>    | <u>-</u>        | <u>-</u>  | <u>(80,978)</u> | <u>(207,150)</u> | <b>1,546,796</b>   |
| Capital assets being depreciated:          |                     |                 |           |                 |                  |                    |
| Buildings and improvements                 | 158,737             | -               | -         | -               | -                | <b>158,737</b>     |
| Mechanized equipment                       | 1,232,850           | -               | -         | -               | -                | <b>1,232,850</b>   |
| Unscheduled property                       | 79,412              | -               | -         | -               | -                | <b>79,412</b>      |
| Infrastructure                             | 464,674             | 26,082          | -         | 80,978          | -                | <b>571,734</b>     |
| Total capital assets being depreciated     | <u>1,935,673</u>    | <u>26,082</u>   | <u>-</u>  | <u>80,978</u>   | <u>-</u>         | <b>2,042,733</b>   |
| Less: accumulated depreciation for:        |                     |                 |           |                 |                  |                    |
| Buildings and improvements                 | (143,205)           | (8,433)         | -         | -               | -                | <b>(151,638)</b>   |
| Mechanized equipment                       | (951,245)           | (56,826)        | -         | -               | -                | <b>(1,008,071)</b> |
| Unscheduled property                       | (76,866)            | (831)           | -         | -               | -                | <b>(77,697)</b>    |
| Infrastructure                             | (384,450)           | (16,795)        | -         | -               | -                | <b>(401,245)</b>   |
| Total accumulated depreciation             | <u>(1,555,766)</u>  | <u>(82,885)</u> | <u>-</u>  | <u>-</u>        | <u>-</u>         | <b>(1,638,651)</b> |
| Total capital assets being depreciated     | <u>379,907</u>      | <u>(56,803)</u> | <u>-</u>  | <u>80,978</u>   | <u>-</u>         | <b>404,082</b>     |
| Component unit capital assets, net         | \$ <u>2,214,831</u> | <u>(56,803)</u> | <u>-</u>  | <u>-</u>        | <u>(207,150)</u> | <b>1,950,878</b>   |

The adjustments made to capital assets were primarily brought about by the City's review of construction in progress projects and removing those items that were erroneously left in from prior years or those capitalized expenditures from prior years that are no longer considered valid.

Depreciation expense is reported in the following functions in the Statement of Activities.

| <b>Governmental activities</b> |                     | <b>Business-type activities</b> |                     |
|--------------------------------|---------------------|---------------------------------|---------------------|
| General government             | \$ 431,928          | Water/sewer                     | \$ 1,135,686        |
| Public safety                  | 362,766             | Solid waste                     | 26,248              |
| Public works                   | 1,070,809           | Bonito Lake                     | 6,691               |
| Culture and recreation         | 757,484             | Golf course                     | 177,929             |
| Health and welfare             | -                   | Airport                         | 124,327             |
| Total                          | <u>\$ 2,622,987</u> | Public housing authority        | 259,217             |
|                                |                     | Total                           | <u>\$ 1,730,098</u> |
| <b>Component unit</b>          |                     |                                 |                     |
| Landfill                       | \$ <u>82,885</u>    |                                 |                     |

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2008**

**NOTE 7 – LONG-TERM DEBT**

The following is a summary of all bond and note payable transactions of the City for the year ended June 30. Additional detailed information is available on the following pages.

|                                      | <u>2007</u>          | <u>Increases</u> | <u>Decreases</u>   | <u>2008</u>       | <u>Amount due<br/>within one<br/>year</u> |
|--------------------------------------|----------------------|------------------|--------------------|-------------------|---|
| <b>Governmental funds debt</b>       |                      |                  |                    |                   |   |
| General obligation bonds             | \$ 3,410,000         | -                | (650,000)          | 2,760,000         | 680,000                                   |
| Revenue bonds                        | 14,020,000           | -                | (925,000)          | 13,095,000        | 955,000                                   |
| New Mexico Finance Authority         | 794,994              | -                | (57,755)           | 737,239           | 63,596                                    |
| Compensated absences                 | 924,672              | 852,276          | (631,832)          | 1,145,116         | 924,672                                   |
| <b>Total</b>                         | <b>\$ 19,149,666</b> | <b>852,276</b>   | <b>(2,264,587)</b> | <b>17,737,355</b> | <b>2,623,268</b>                          |
| <b>Internal service funds debt</b>   |                      |                  |                    |                   |   |
| Capital lease                        | \$ 366,852           | -                | (97,177)           | 269,675           | 86,390                                    |
| <b>Total</b>                         | <b>\$ 366,852</b>    | <b>-</b>         | <b>(97,177)</b>    | <b>269,675</b>    | <b>86,390</b>                             |
| <b>Business-type funds debt</b>      |                      |                  |                    |                   |   |
| Revenue bonds                        | \$ 9,310,000         | -                | (505,000)          | 8,805,000         | 525,000                                   |
| New Mexico Finance Authority         | 1,459,896            | 3,518,564        | (25,897)           | 4,952,563         | 26,837                                    |
| Capital lease                        | 32,347               | -                | (32,347)           | -                 | -   |
| Compensated absences                 | 99,053               | 143,421          | (119,910)          | 122,564           | 99,053                                    |
| <b>Total</b>                         | <b>\$ 10,901,296</b> | <b>3,661,985</b> | <b>(683,154)</b>   | <b>13,880,127</b> | <b>650,890</b>                            |
| <b>Component unit debt</b>           |                      |                  |                    |                   |   |
| Otero/Lincoln Cnty Regional Landfill | \$ 670,000           | -                | (320,000)          | 350,000           | 350,000                                   |
| Compensated absences                 | 9,344                | 12,886           | (12,435)           | 9,795             | 9,344                                     |
| <b>Total</b>                         | <b>\$ 679,344</b>    | <b>12,886</b>    | <b>(332,435)</b>   | <b>359,795</b>    | <b>359,344</b>                            |

Prior year compensated absences have been liquidated by the general fund.

The annual principal and interest requirements on long-term debt outstanding as of June 30, 2008 are as follows:

| <b>Governmental Activities</b>    |                                 |                 |                      |                  |                            |
|-----------------------------------|---------------------------------|-----------------|----------------------|------------------|----------------------------|
| <b>Year<br/>Ended<br/>June 30</b> | <b>General Obligation Bonds</b> |                 | <b>Revenue Bonds</b> |                  | <b>Total<br/>P &amp; I</b> |
|                                   | <b>Principal</b>                | <b>Interest</b> | <b>Principal</b>     | <b>Interest</b>  |                            |
| 2009                              | \$ 680,000                      | 126,798         | 955,000              | 545,346          | 2,307,144                  |
| 2010                              | 705,000                         | 92,239          | 985,000              | 512,651          | 2,294,890                  |
| 2011                              | 90,000                          | 72,520          | 1,015,000            | 476,966          | 1,654,486                  |
| 2012                              | 95,000                          | 67,686          | 1,060,000            | 440,058          | 1,662,744                  |
| 2013                              | 105,000                         | 62,436          | 1,100,000            | 398,848          | 1,666,284                  |
| 2014-2018                         | 620,000                         | 218,980         | 6,050,000            | 1,272,688        | 8,161,668                  |
| 2019-2023                         | 465,000                         | 40,180          | 1,930,000            | 153,605          | 2,588,785                  |
| <b>Total</b>                      | <b>\$ 2,760,000</b>             | <b>680,839</b>  | <b>13,095,000</b>    | <b>3,800,162</b> | <b>20,336,001</b>          |

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2008**

NOTE 7 – LONG-TERM DEBT-Continued

| <b>Governmental Activities- continued</b> |                             |                 |  |                 |                            |
|---|-----------------------------|-----------------|--|-----------------|----------------------------|
| <b>Year<br/>Ended<br/>June 30</b>         | <b>NM Finance Authority</b> |                 | <b>Internal Service<br/>Capital Leases</b> |                 | <b>Total<br/>P &amp; I</b> |
|   | <b>Principal</b>            | <b>Interest</b> | <b>Principal</b>                           | <b>Interest</b> |                            |
| 2009                                      | \$ 63,596                   | 31,871          | 89,845                                     | 7,332           | 192,644                    |
| 2010                                      | 64,561                      | 29,741          | 93,439                                     | 3,738           | 191,479                    |
| 2011                                      | 65,649                      | 27,468          | -  | -               | 93,117                     |
| 2012                                      | 66,860                      | 25,049          | -  | -               | 91,909                     |
| 2013                                      | 73,193                      | 22,487          | -  | -               | 95,680                     |
| 2014-2018                                 | 315,838                     | 65,917          | -  | -               | 381,755                    |
| 2019-2023                                 | 87,542                      | 7,392           | -  | -               | 94,934                     |
| Total                                     | \$ <u>737,239</u>           | <u>209,925</u>  | <u>183,284</u>                             | <u>11,070</u>   | <u>1,141,518</u>           |

| <b>Business-type Activites</b>    |                      |                  |                             |                  |                            |
|-----------------------------------|----------------------|------------------|-----------------------------|------------------|----------------------------|
| <b>Year<br/>Ended<br/>June 30</b> | <b>Revenue Bonds</b> |                  | <b>NM Finance Authority</b> |                  | <b>Total<br/>P &amp; I</b> |
|                                   | <b>Principal</b>     | <b>Interest</b>  | <b>Principal</b>            | <b>Interest</b>  |                            |
| 2009                              | \$ 525,000           | 382,725          | 26,837                      | 197,533          | 1,132,095                  |
| 2010                              | 540,000              | 363,405          | 297,883                     | 185,813          | 1,387,101                  |
| 2011                              | 565,000              | 340,180          | 304,330                     | 173,834          | 1,383,344                  |
| 2012                              | 590,000              | 315,710          | 310,935                     | 161,587          | 1,378,232                  |
| 2013                              | 620,000              | 289,980          | 317,719                     | 149,050          | 1,376,749                  |
| 2014-2018                         | 3,525,000            | 1,006,815        | 1,696,982                   | 546,500          | 6,775,297                  |
| 2019-2023                         | 1,670,000            | 381,832          | 1,844,834                   | 187,733          | 4,084,399                  |
| 2024-2027                         | 770,000              | 50,678           | 153,043                     | 12,924           | 986,645                    |
| Total                             | \$ <u>8,805,000</u>  | <u>3,131,325</u> | <u>4,952,563</u>            | <u>1,614,974</u> | <u>18,503,862</u>          |

| <b>Component Unit</b>             |                             |                 |                            |  |
|-----------------------------------|-----------------------------|-----------------|----------------------------|--|
| <b>Year<br/>Ended<br/>June 30</b> | <b>Otero/Lincoln County</b> |                 | <b>Total<br/>P &amp; I</b> |  |
|                                   | <b>Reg. Landfill</b>        | <b>Interest</b> |                            |  |
| 2009                              | \$ 350,000                  | 18,900          | 368,900                    |  |
| 2010                              | -                           | -               | -                          |  |
| 2011                              | -                           | -               | -                          |  |
| 2012                              | -                           | -               | -                          |  |
| 2013                              | -                           | -               | -                          |  |
| 2014-2018                         | -                           | -               | -                          |  |
| 2019-2023                         | -                           | -               | -                          |  |
| 2024-2027                         | -                           | -               | -                          |  |
| Total                             | \$ <u>350,000</u>           | <u>18,900</u>   | <u>368,900</u>             |  |

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2008**

NOTE 7 – LONG-TERM DEBT-Continued

General obligation bonds issued for governmental activity purposes are liquidated by the debt service funds. Revenue bonds issued for governmental activities are liquidated by the debt service funds. Promissory notes issued for governmental activities are repaid from special revenue funds related to the promissory notes' purpose. Revenue bonds and promissory notes issued for business-type activities or by component units are repaid from those activities or component units.

General Obligation Bonds

General obligation bonds have been approved by the voters and issued by the City for various municipal improvements. These bonds are to be fully paid within 15 to 20 years from the date of issue and are backed by the full faith and credit of the City. The City did not issue any new general obligation bonds during the year ended June 30, 2008.

General obligation bonds issued in prior years and reported as liabilities of the City's governmental activities are:

| <u>Series</u>              | <u>Issue<br/>Amount</u> | <u>Maturity<br/>Date</u> | <u>Average<br/>Coupon<br/>Rate</u> | <u>Year-end<br/>Balance</u> |
|----------------------------|-------------------------|--------------------------|------------------------------------|-----------------------------|
| 1996                       | \$ 5,700,000            | 2009                     | 4.65%                              | \$ 1,220,000                |
| 2000                       | 2,000,000               | 2020                     | 5.86%                              | 1,540,000                   |
| Total                      |                         |                          |                                    | <u>2,760,000</u>            |
| Amount due within one year |                         |                          |                                    | \$ <u>680,000</u>           |

Revenue Bonds

The City also has issued revenue bonds in the past, where the City pledges income derived from certain assets or programs to pay debt service. Revenue bonds outstanding consist of debt issued by the City, its authorities, and its trusts. Revenue bonds issued in prior years and reported as liabilities of the City's governmental activities are:

| <u>Purpose</u>             | <u>Series</u> | <u>Issue<br/>Amount</u> | <u>Maturity<br/>Date</u> | <u>Average<br/>Coupon<br/>Rate</u> | <u>Year-end<br/>Balances</u> |
|----------------------------|---------------|-------------------------|--------------------------|------------------------------------|------------------------------|
| Flood control project      | 2000          | \$ 4,550,000            | 2021                     | 4.99%                              | \$ 3,375,000                 |
| Public works improvements  | 2002          | 7,990,000               | 2017                     | 3.21%                              | 5,290,000                    |
| Public works improvements  | 2004          | 5,405,000               | 2019                     | 3.51%                              | 4,430,000                    |
|                            |               | Total                   |                          |                                    | <u>13,095,000</u>            |
| Amount due within one year |               |                         |                          |                                    | \$ <u>955,000</u>            |

**STATE OF NEW MEXICO  
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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2008**

Revenue bonds issued in prior years and reported as liabilities of the City's business-type activities are:

| <u>Purpose</u>             | <u>Series</u> | <u>Issue Amount</u> | <u>Maturity Date</u> | <u>Average Coupon Rate</u> | <u>Year-end Balances</u> |
|----------------------------|---------------|---------------------|----------------------|----------------------------|--------------------------|
| Improve water/sewer system | 1998          | \$ 6,390,000        | 2018                 | 4.32%                      | \$ 3,860,000             |
| Improve water/sewer system | 2005          | 5,530,000           | 2025                 | 4.00%                      | 4,945,000                |
| Total                      |               |                     |                      |                            | 8,805,000                |
| Amount due within one year |               |                     |                      |                            | \$ 525,000               |

Revenue bonds issued in prior years and reported as liabilities of the City's discreetly presented component unit are:

| <u>Purpose</u>              | <u>Series</u> | <u>Issue Amount</u> | <u>Maturity Date</u> | <u>Interest Rate</u> | <u>Year-end Balances</u> |
|-----------------------------|---------------|---------------------|----------------------|----------------------|--------------------------|
| Construct regional landfill | 1993          | 3,845,000           | 2009                 | 3.25-5.4%            | 350,000                  |
| Total                       |               |                     |                      |                      | 350,000                  |
| Amount due within one year  |               |                     |                      |                      | \$ 350,000               |

Promissory Notes

The City has outstanding loans with the NM Finance Authority that are secured by a security interest in the City's distributions from the State of New Mexico fire protection fund and generally requires semi-annual principal and interest payments. Promissory notes issued in prior years and reported as liabilities of the City's governmental activities are:

| <u>Purpose</u>               | <u>Date of Issuance</u> | <u>Amount</u> | <u>Maturity Date</u> | <u>Average Coupon Rate</u> | <u>Year-end Balances</u> |
|------------------------------|-------------------------|---------------|----------------------|----------------------------|--------------------------|
| Construction of fire station | 2000                    | \$ 572,223    | 2020                 | 5.49%                      | \$ 419,235               |
| Purchase of ladder truck     | 2004                    | 455,000       | 2016                 | 3.21%                      | 318,004                  |
| Total                        |                         |               |                      |                            | 737,239                  |
| Amount due within one year   |                         |               |                      |                            | \$ 63,596                |

The City has outstanding loans with the NM Finance Authority that are secured by a security interest in the City's receipts from the Municipal 0.250% Gross Receipts Tax enacted in 1987 and generally requires semi-annual principal and interest payments. Promissory notes issued in prior years and reported as liabilities of the City's business-type activities are:

| <u>Purpose</u>              | <u>Date of Issuance</u> | <u>Amount</u> | <u>Maturity Date</u> | <u>Average Coupon Rate</u> | <u>Year-end Balances</u> |
|-----------------------------|-------------------------|---------------|----------------------|----------------------------|--------------------------|
| Infrastructure improvements | 2006                    | \$ 730,453    | 2026                 | 4.24%                      | \$ 688,298               |
| Purchase of ladder truck    | 2007                    | 6,565,000     | 2029                 | 2.00%                      | 4,264,265                |
| Total                       |                         |               |                      |                            | 4,952,563                |
| Amount due within one year  |                         |               |                      |                            | \$ 26,837                |

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
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FOR THE YEAR ENDED JUNE 30, 2008**

The total principal and interest payments each fund type is as follows:

| <u>Fund Type</u>    | <u>Principal</u>  | <u>Interest</u>   | <u>Total</u>      |
|---------------------|-------------------|-------------------|-------------------|
| Governmental funds  | 16,592,239        | 4,488,393         | 21,080,632        |
| Business-type funds | 13,757,563        | 21,635,187        | 35,392,750        |
| Component unit      | 350,000           | 18,900            | 368,900           |
| Capital leases      | 183,284           | 11,070            | 194,354           |
|                     | <u>30,883,086</u> | <u>26,153,550</u> | <u>57,036,636</u> |

The City is not obligated for the repayment of special assessment debt. The City acts as an agent for the property owners in collecting the assessments, forwarding the collections to bond holders, and initiating foreclosure proceedings.

The legal debt margin as defined by state statutes limits the total general bonded debt of the City (excluding general obligation water bonds) to 4% of the assessed property value of the City. The City is not in violation of the legal debt margin.

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources has been and will continue to be reported as an expenditure and a fund liability of the governmental or enterprise fund that will pay it. Amounts of vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the Government-Wide statements as "compensated absences".

**NOTE 8 – SURETY BONDS**

The City maintains surety bonds for the following employees in the amounts of coverage listed below:

| <b>Employee Position</b> | <b>Coverage</b> |
|--------------------------|-----------------|
| Comptroller/Treasurer    | \$ 100,000      |
| Honesty/Blanket Bond     | \$ 100,000      |

**NOTE 9 – RESTRICTED ASSETS — CASH AND INVESTMENTS**

The Otero/Lincoln County Landfill Revenue Bonds require a reserve of \$355,000. This amount has been restricted to meet the bond covenant. In addition, the Landfill Bond Agreement requires the City to restrict all net income after providing for the bond principal and interest payments in an account labeled "renewal/replacement reserve" until this reserve is equal to \$500,000. The City is in compliance with this restriction. The Housing Authority requires a reserve for tenant deposit and escrow accounts. The Housing Authority is in compliance with this restriction. Deposits for customer utilities of \$142,682 are restricted.

**NOTE 10 – POST EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN**

*Plan Description* – The City of Alamogordo contributes to the New Mexico Retiree Health Care Fund, a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the New Mexico Retiree Health Care Authority (RHCA). The RHCA provides health care insurance and prescription drug benefits to retired employees of participating New Mexico government agencies, their spouses, dependents, and surviving spouses and dependents. The RHCA Board was established by the Retiree Health Care Act (Chapter 10, Article 7C, NMSA 1978). The Board is responsible for establishing and amending benefit provisions of the healthcare

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2008**

plan and is also authorized to designate optional and/or voluntary benefits like dental, vision, supplemental life insurance, and long-term care policies.

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

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

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

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. The statute requires each participating employer to contribute 1.3% of each participating employee's annual salary; each participating employee is required to contribute .65% of their salary. Employers joining the program after 1/1/98 are also required to make a surplus-amount contribution to the RHCA based on one of two formulas at agreed-upon intervals.

The RHCA plan is financed on a pay-as-you-go basis. The employer, employee and retiree contributions are required to be remitted to the RHCA on a monthly basis. The statutory requirements for the contributions can be changed by the New Mexico State Legislature.

The City of Alamogordo's contributions to the RHCA for the years ended June 30, 2008, 2007 and 2006 were \$138,969, \$130,979 and \$120,890, respectively, which equal the required contributions for each year.

**NOTE 11 – PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION**

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

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2008**

**Funding Policy.** Plan members are required to contribute from 9.15% to 16.30% of their gross salary depending upon the plan - i.e., state general, state hazardous duty, state police and adult correctional officers, municipal general, municipal police, municipal fire, municipal detention officer. The City of Alamogordo is required to contribute 9.51% to 23.45% of the gross covered salary depending upon the plan. The contribution requirements of plan members and the City are established in State statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The City's contributions to PERA for the fiscal years ending June 30, 2008, 2007 and 2006 were \$2,035,837, \$1,917,464, and \$1,119,438, respectively, which equal the amount of the required contributions for each fiscal year.

**NOTE 12 – OTERO/LINCOLN COUNTY 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 site for thirty years after closure. Although closure and post closure care costs will be paid only near or after the date that the landfill stops accepting waste, the Regional Landfill is required to report a portion of these closure and post closure costs as an operating expenses in each period based on landfill capacity used as of each balance sheet date.

The accrued landfill closure and post closure costs, as of June 30, 2008 are \$427,786 and the estimated total current cost of closure and post closure remaining to be recognized is \$154,214.

The landfill currently holds a 92-acre permit. The permit is defined as land that may be disturbed. To date 50% 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 four years of use for every ten acres of land. The remaining 47 acres should give approximately 19 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 currently sets aside \$33,970 annually in investments. To date the City has restricted \$427,786 in investments for this purpose.

The estimated closure and post closure care costs were determined in 1998 when the landfill applied for the operating permit. The closure and post closure costs were revised in March 2007, taking into consideration the current fill-rate and projected filled disposal area at the end of the landfill's permit life.

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 emissions 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 will need to be estimated in order for the City to accumulate the proper reserves and restrict sufficient funds to pay for the costs.



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CITY OF ALAMOGORDO  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2008**

NOTE 13 – DEFICIT FUND BALANCE

The following funds had deficit fund balances at June 30, 2008.

| <u>Fund Type</u>     | <u>Fund</u>                 | <u>Amount</u> |
|----------------------|-----------------------------|---------------|
| Special Revenue Fund | 024 – Grant Capital         | \$ (8,195)    |
| Special Revenue Fund | 027 – Municipal Court       | (12,447)      |
| Special Revenue Fund | 063 – Community Development | (487,757)     |
| Special Revenue Fund | 075 – Senior Center RSVP    | (1,784)       |

Management anticipates future resources in excess of anticipated expenditures in amounts sufficient to eliminate these negative balances.

NOTE 14 – 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. The City covers its insurance needs through the New Mexico Self Insurer's Fund. The premiums paid for June 30, 2008, 2007, and 2006 are \$669,459, \$634,955, and \$699,649 respectively. 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 Insurance Fund. The City paid "premiums" into the fund of \$60,929 from July 1, 2007 to June 30, 2008.

All other insurance is provided by commercial insurance carriers in which risk of loss is transferred to the Insurance Company. Special assessment bonds and related interest costs are payable solely from assessments and interest collected from the property owners who benefit from respective improvements.

NOTE 15 – SPECIAL ASSESSMENT DEBT WITH GOVERNMENTAL COMMITMENT

The City has no liability for payment of the bonds should the assessments be insufficient to cover bond principal and interest; however, due to the City's oversight relationship with the Special Assessment Districts, they are included in the City's reporting entity as Special Assessment Debt with Governmental Commitment. This is recorded as a Debt Service.

NOTE 16 – LEASE COMMITMENTS

Capital leases

The City has entered into a lease agreement for financing the acquisition of computer equipment. This lease qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the date of inception. The capitalized value of the asset is \$388,709. The imputed interest rate associated with the lease is 4.00% per annum. The present value of future minimum lease payments and the associated imputed interest are:

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2008**

| <b>Year Ended<br/>June 30</b> | <b>Principal</b> | <b>Interest</b> | <b>Total<br/>P &amp; I</b> |
|-------------------------------|------------------|-----------------|----------------------------|
| 2009                          | 89,845           | 7,332           | 97,177                     |
| 2010                          | 93,439           | 3,738           | 97,177                     |
| Totals                        | <u>183,284</u>   | <u>11,070</u>   | <u>194,354</u>             |

Operating leases

The reporting entity has entered into a number of operating leases, which contain cancellation provisions and are subject to annual appropriations. The rent expenditures for these leases were primarily from the General Fund.

**NOTE 17 – FEDERAL GRANTS**

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

**NOTE 18 – LITIGATION**

The City is party to various legal proceedings which normally occur in governmental operations. As of June 30, 2008 the City is involved in several lawsuits over water rights issues and contract compliance. The determined affects are unknown or these legal proceedings are not likely to have a material adverse impact on the affected funds of the City.

**NOTE 19 – RESTATEMENT**

The following restatements were made for the fiscal year ended June 30, 2008.

| <b>Description</b>                               | <b>Fund</b> | <b>Reason</b>   | <b>Amount</b>         |
|--|-------------|---|-----------------------|
| Governmental Activities                          | 44          | To transfer recorded CIP from fund 81                       | \$ 3,918,087          |
| Total Governmental funds                         |             |   | <u>\$ 3,918,087</u>   |
| Water & Sewer                                    | 81          | To transfer recorded CIP to fund 44                         | \$ (3,918,087)        |
| Water & Sewer                                    | 81          | Correct errors in construction-in-progress from prior years | (121,242)             |
| Golf Course                                      | 90          | Correct errors in construction-in-progress from prior years | (29,876)              |
| Airport  | 91          | Correct errors in construction-in-progress from prior years | 238,813               |
| PHA  | 901         | To correct payment in lieu of tax from prior year           | 21,956                |
| Total Enterprise funds and Business - type funds |             |   | <u>\$ (3,808,436)</u> |
| Landfill   | 94          | Correct errors in construction-in-progress from prior years | \$ (207,150)          |
| Total component unit funds                       |             |   | <u>\$ (207,150)</u>   |

See note 6 for explanation for capital asset prior period adjustments.

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2008**

**NOTE 20 – RELATED PARTIES**

During the year, the City of Alamogordo entered into various transactions with related parties. In particular, the son of an employee at the Public Housing Authority was the recipient of several construction/maintenance contracts with the PHA totaling \$113,061. It was determined that proper procurement policies were followed in each of the contracts. It was further noted that in a majority of the contracts, the related-party was the only bidder on the contracts. The remaining related party transactions were determined to be immaterial for inclusion in the financial statements.

**NOTE 21 – COMMITMENTS**

Commitments for engineering and construction projects relating to construction or major repairs in progress aggregated approximately \$25,420,765 as of June 30, 2008. The estimated total cost of the projects is \$54,314,936 and as of the year ended June 30, 2008, the percentage of completion of the existing projects was 53.2%. These projects will be paid in future periods as work is performed. Payment will be made with proceeds remaining from past bond issues, operating revenues, and future grants to be received

## **COMBINING STATEMENTS**

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
As of June 30, 2008**

|                                     | Special<br>Revenue<br>Funds | Capital<br>Projects<br>Funds | Debt<br>Service<br>Funds | Total             |
|-------------------------------------|-----------------------------|------------------------------|--------------------------|-------------------|
| <b>Assets</b>                       |                             |                              |                          |                   |
| Cash and cash equivalents           | \$ 36,483                   | 48,024                       | 17,660                   | 102,167           |
| Investments                         | 3,257,614                   | 5,340,206                    | 1,140,643                | 9,738,463         |
| Accounts receivable                 | 718                         | 910                          | -                        | 1,628             |
| Taxes receivable                    | 572,825                     | 445,531                      | 67,223                   | 1,085,579         |
| Grants receivable                   | 353,679                     | 437,459                      | -                        | 791,138           |
| Other assets                        | -                           | -                            | -                        | -                 |
| Total assets                        | <u>4,221,319</u>            | <u>6,272,130</u>             | <u>1,225,526</u>         | <u>11,718,975</u> |
| <b>Liabilities</b>                  |                             |                              |                          |                   |
| Accounts payable                    | 47,348                      | 75,593                       | -                        | 122,941           |
| Due to other funds                  | 587,502                     | 56,370                       | -                        | 643,872           |
| Accrued liabilities                 | 72,226                      | -                            | -                        | 72,226            |
| Deposits                            | -                           | 10,366                       | -                        | 10,366            |
| Deferred revenue                    | -                           | -                            | 57,006                   | 57,006            |
| Total liabilities                   | <u>707,076</u>              | <u>142,329</u>               | <u>57,006</u>            | <u>906,411</u>    |
| <b>Fund balances</b>                |                             |                              |                          |                   |
| Unrestricted, reported in:          |                             |                              |                          |                   |
| Special revenue funds               | 3,514,243                   | -                            | -                        | 3,514,243         |
| Capital projects funds              | -                           | 6,129,801                    | -                        | 6,129,801         |
| Debt service funds                  | -                           | -                            | 1,168,520                | 1,168,520         |
| Total fund balances                 | <u>3,514,243</u>            | <u>6,129,801</u>             | <u>1,168,520</u>         | <u>10,812,564</u> |
| Total liabilities and fund balances | <u>\$ 4,221,319</u>         | <u>6,272,130</u>             | <u>1,225,526</u>         | <u>11,718,975</u> |

See accompanying notes to the financial statements

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NON-MAJOR GOVERNMENTAL FUNDS  
For The Year Ended June 30, 2008**

|   | Special<br>Revenue<br>Funds | Capital<br>Projects<br>Funds | Debt<br>Service<br>Funds | Total              |
|---|-----------------------------|------------------------------|--------------------------|--------------------|
| <b>Revenues</b>                                   |                             |                              |                          |                    |
| Taxes and fees                                    | \$ 3,827,911                | 2,636,669                    | 873,283                  | 7,337,863          |
| Fines and forfeitures                             | 320,359                     | -                            | -                        | 320,359            |
| Grants and gifts                                  | 1,500,734                   | 1,492,069                    | -                        | 2,992,803          |
| Charges for services                              | 192,652                     | 9,922                        | -                        | 202,574            |
| Interest income                                   | 231,885                     | 216,055                      | 28,790                   | 476,730            |
| Miscellaneous                                     | 180,808                     | 50,000                       | -                        | 230,808            |
| Total revenues                                    | <u>6,254,349</u>            | <u>4,404,715</u>             | <u>902,073</u>           | <u>11,561,137</u>  |
| <b>Expenditures</b>                               |                             |                              |                          |                    |
| Current:  |                             |                              |                          |                    |
| General government                                | 689,577                     | 4,652                        | 5,254                    | 699,483            |
| Public Safety                                     | 592,517                     | -                            | -                        | 592,517            |
| Public works                                      | 392,835                     | 903,824                      | -                        | 1,296,659          |
| Culture and recreation                            | 1,187,437                   | 454,803                      | -                        | 1,642,240          |
| Non-current                                       |                             |                              |                          |                    |
| Principal payments                                | 57,755                      | -                            | 1,575,000                | 1,632,755          |
| Interest payments                                 | 33,605                      | -                            | 736,991                  | 770,596            |
| Capital outlay                                    | 226,754                     | 2,088,704                    | 9,289                    | 2,324,747          |
| Total expenditures                                | <u>3,388,469</u>            | <u>3,451,983</u>             | <u>2,326,534</u>         | <u>9,166,986</u>   |
| Excess (deficiency) or revenues over expenditures | <u>2,865,880</u>            | <u>952,732</u>               | <u>(1,424,461)</u>       | <u>2,394,151</u>   |
| <b>Other financing sources (uses)</b>             |                             |                              |                          |                    |
| Transfers in                                      | 1,048,140                   | 4,851,933                    | 1,508,096                | 7,408,169          |
| Transfers out                                     | (4,740,449)                 | (4,206,358)                  | (11,537)                 | (8,958,344)        |
| Total other financing sources (uses)              | <u>(3,692,309)</u>          | <u>645,575</u>               | <u>1,496,559</u>         | <u>(1,550,175)</u> |
| Net change in net assets                          | <u>(826,429)</u>            | <u>1,598,307</u>             | <u>72,098</u>            | <u>843,976</u>     |
| Fund balances-beginning of year                   | 4,340,672                   | 4,531,494                    | 1,096,422                | 9,968,588          |
| Fund balances-end of the year                     | <u>\$ 3,514,243</u>         | <u>6,129,801</u>             | <u>1,168,520</u>         | <u>10,812,564</u>  |

See accompanying notes to the financial statements

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
COMBINING BALANCE SHEET  
NON-MAJOR SPECIAL REVENUE FUNDS  
As of June 30, 2008**

|                                     | 15               | 16                      | 19                  | 20                         | 21                    | 22                  |
|-------------------------------------|------------------|-------------------------|---------------------|----------------------------|-----------------------|---------------------|
|                                     | Corrections      | Tourism &<br>Promotions | Court<br>Automation | Lodgers' Tax<br>City Share | D.A.R.E.<br>Donations | Designated<br>Gifts |
| <b>Assets</b>                       |                  |                         |                     |                            |                       |                     |
| Cash and cash equivalents           | \$ 781           | 2,250                   | 3,629               | 5,908                      | 1,386                 | 2,483               |
| Investments                         | 55,083           | 99,872                  | 53,216              | 279,653                    | 17,370                | 27,516              |
| Receivables                         | -                | -                       | -                   | 559                        | -                     | -                   |
| Taxes receivable                    | -                | -                       | -                   | -                          | -                     | -                   |
| Grants receivable                   | -                | -                       | 11,785              | -                          | -                     | -                   |
| Other assets                        | -                | -                       | -                   | -                          | -                     | -                   |
| Total assets                        | <u>\$ 55,864</u> | <u>102,122</u>          | <u>68,630</u>       | <u>286,120</u>             | <u>18,756</u>         | <u>29,999</u>       |
| <b>Liabilities</b>                  |                  |                         |                     |                            |                       |                     |
| Accounts payable                    | \$ 5,357         | 2,260                   | -                   | 6,206                      | -                     | 210                 |
| Accrued liabilities                 | -                | 395                     | -                   | 7,480                      | -                     | -                   |
| Accrued compensated absences        | -                | -                       | -                   | -                          | -                     | -                   |
| Deferred revenue                    | -                | -                       | -                   | -                          | -                     | -                   |
| Total liabilities                   | <u>5,357</u>     | <u>2,655</u>            | <u>-</u>            | <u>13,686</u>              | <u>-</u>              | <u>210</u>          |
| <b>Fund balances</b>                |                  |                         |                     |                            |                       |                     |
| Restricted for:                     |                  |                         |                     |                            |                       |                     |
| Capital projects                    | -                | -                       | -                   | -                          | -                     | -                   |
| Debt service                        | -                | -                       | -                   | -                          | -                     | -                   |
| Other purposes                      | -                | -                       | -                   | -                          | -                     | -                   |
| Unrestricted, reported in:          |                  |                         |                     |                            |                       |                     |
| Special revenue funds               | 50,507           | 99,467                  | 68,630              | 272,434                    | 18,756                | 29,789              |
| Capital projects funds              | -                | -                       | -                   | -                          | -                     | -                   |
| Debt service funds                  | -                | -                       | -                   | -                          | -                     | -                   |
| Total fund balances                 | <u>50,507</u>    | <u>99,467</u>           | <u>68,630</u>       | <u>272,434</u>             | <u>18,756</u>         | <u>29,789</u>       |
| Total liabilities and fund balances | <u>\$ 55,864</u> | <u>102,122</u>          | <u>68,630</u>       | <u>286,120</u>             | <u>18,756</u>         | <u>29,999</u>       |

See accompanying notes to the financial statements

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
COMBINING BALANCE SHEET  
NON-MAJOR SPECIAL REVENUE FUNDS  
As of June 30, 2008**

|                                     | 24               | 27                 | 28                    | 31                    | 33                 | 36<br>Law<br>Enforcement<br>Protection |
|-------------------------------------|------------------|--------------------|-----------------------|-----------------------|--------------------|--|
|                                     | Grant<br>Capital | Municipal<br>Court | Police<br>Contingency | Cemetery<br>Perpetual | Fire<br>Protection |  |
| <b>Assets</b>                       |                  |                    |                       |                       |                    |  |
| Cash and cash equivalents           | \$ -             | 2,754              | 2,563                 | 100                   | 2,866              | -                                      |
| Investments                         | -                | -                  | 102,550               | 619,654               | 295,573            | -                                      |
| Receivables                         | -                | -                  | -                     | -                     | -                  | -                                      |
| Taxes receivable                    | -                | -                  | -                     | -                     | -                  | -                                      |
| Grants receivable                   | 23,691           | -                  | -                     | -                     | -                  | 72,623                                 |
| Other assets                        | -                | -                  | -                     | -                     | -                  | -                                      |
| Total assets                        | <u>\$ 23,691</u> | <u>2,754</u>       | <u>105,113</u>        | <u>619,754</u>        | <u>298,439</u>     | <u>72,623</u>                          |
| <b>Liabilities</b>                  |                  |                    |                       |                       |                    |  |
| Accounts payable                    | \$ 8,195         | 5                  | 18,959                | -                     | 192                | 1,041                                  |
| Due to other funds                  | 23,691           | -                  | -                     | -                     | -                  | 41,215                                 |
| Accrued liabilities                 | -                | 15,196             | -                     | -                     | -                  | 160                                    |
| Accrued compensated absences        | -                | -                  | -                     | -                     | -                  | -                                      |
| Deferred revenue                    | -                | -                  | -                     | -                     | -                  | -                                      |
| Total liabilities                   | <u>31,886</u>    | <u>15,201</u>      | <u>18,959</u>         | <u>-</u>              | <u>192</u>         | <u>42,416</u>                          |
| <b>Fund balances</b>                |                  |                    |                       |                       |                    |  |
| Restricted for:                     |                  |                    |                       |                       |                    |  |
| Capital projects                    | -                | -                  | -                     | -                     | -                  | -                                      |
| Debt service                        | -                | -                  | -                     | -                     | -                  | -                                      |
| Other purposes                      | -                | -                  | -                     | -                     | -                  | -                                      |
| Unrestricted, reported in:          |                  |                    |                       |                       |                    |  |
| Special revenue funds               | (8,195)          | (12,447)           | 86,154                | 619,754               | 298,247            | 30,207                                 |
| Capital projects funds              | -                | -                  | -                     | -                     | -                  | -                                      |
| Debt service funds                  | -                | -                  | -                     | -                     | -                  | -                                      |
| Total fund balances                 | <u>(8,195)</u>   | <u>(12,447)</u>    | <u>86,154</u>         | <u>619,754</u>        | <u>298,247</u>     | <u>30,207</u>                          |
| Total liabilities and fund balances | <u>\$ 23,691</u> | <u>2,754</u>       | <u>105,113</u>        | <u>619,754</u>        | <u>298,439</u>     | <u>72,623</u>                          |

See accompanying notes to the financial statements



**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
COMBINING BALANCE SHEET  
NON-MAJOR SPECIAL REVENUE FUNDS  
As of June 30, 2008**

|                                     | 37                          | 38                | 42                            | 63                       | 69                            | 71                   |
|-------------------------------------|-----------------------------|-------------------|-------------------------------|--------------------------|-------------------------------|----------------------|
|                                     | State<br>Highway<br>Cleanup | Traffic<br>Safety | 1984<br>Gross receipts<br>Tax | Community<br>Development | 1994<br>Gross Receipts<br>Tax | Senior<br>Center III |
| <b>Assets</b>                       |                             |                   |                               |                          |                               |                      |
| Cash and cash equivalents           | \$ 1,683                    | 3,643             | -                             | -                        | 2,209                         | 450                  |
| Investments                         | 12,055                      | 54,545            | 710,609                       | -                        | 602,569                       | -                    |
| Receivables                         | -                           | -                 | -                             | -                        | -                             | 159                  |
| Taxes receivable                    | -                           | -                 | 254,589                       | -                        | 254,589                       | -                    |
| Grants receivable                   | 23,193                      | -                 | -                             | -                        | -                             | 62,668               |
| Other assets                        | -                           | -                 | -                             | -                        | -                             | -                    |
| Total assets                        | <u>36,931</u>               | <u>58,188</u>     | <u>965,198</u>                | <u>-</u>                 | <u>859,367</u>                | <u>63,277</u>        |
| <b>Liabilities</b>                  |                             |                   |                               |                          |                               |                      |
| Accounts payable                    | \$ -                        | -                 | -                             | -                        | -                             | 4,872                |
| Due to other funds                  | -                           | -                 | -                             | 475,390                  | -                             | 20,439               |
| Accrued liabilities                 | 1,804                       | -                 | -                             | 12,367                   | -                             | 30,623               |
| Accrued compensated absences        | -                           | -                 | -                             | -                        | -                             | -                    |
| Deferred revenue                    | -                           | -                 | -                             | -                        | -                             | -                    |
| Total liabilities                   | <u>1,804</u>                | <u>-</u>          | <u>-</u>                      | <u>487,757</u>           | <u>-</u>                      | <u>55,934</u>        |
| <b>Fund balances</b>                |                             |                   |                               |                          |                               |                      |
| Restricted for:                     |                             |                   |                               |                          |                               |                      |
| Capital projects                    | -                           | -                 | -                             | -                        | -                             | -                    |
| Debt service                        | -                           | -                 | -                             | -                        | -                             | -                    |
| Other purposes                      | -                           | -                 | -                             | -                        | -                             | -                    |
| Unrestricted, reported in:          |                             |                   |                               |                          |                               |                      |
| Special revenue funds               | 35,127                      | 58,188            | 965,198                       | (487,757)                | 859,367                       | 7,343                |
| Capital projects funds              | -                           | -                 | -                             | -                        | -                             | -                    |
| Debt service funds                  | -                           | -                 | -                             | -                        | -                             | -                    |
| Total fund balances                 | <u>35,127</u>               | <u>58,188</u>     | <u>965,198</u>                | <u>(487,757)</u>         | <u>859,367</u>                | <u>7,343</u>         |
| Total liabilities and fund balances | <u>\$ 36,931</u>            | <u>58,188</u>     | <u>965,198</u>                | <u>-</u>                 | <u>859,367</u>                | <u>63,277</u>        |

See accompanying notes to financial statements

**STATE OF NEW MEXICO  
COMBINING BALANCE SHEET  
NON-MAJOR SPECIAL REVENUE FUNDS  
As of June 30, 2008**

|                                     | 74                            | 75                       | 89                                    | Total                       |
|-------------------------------------|-------------------------------|--------------------------|---------------------------------------|-----------------------------|
|                                     | Senior<br>Center<br>Gift Fund | Senior<br>Center<br>RSVP | ESGRT .0625%<br>Convenience<br>Center | Special<br>Revenue<br>Funds |
| <b>Assets</b>                       |                               |                          |                                       |                             |
| Cash and cash equivalents           | \$ 2,864                      | 50                       | 864                                   | 36,483                      |
| Investments                         | 21,311                        | -                        | 306,038                               | 3,257,614                   |
| Receivables                         | -                             | -                        | -                                     | 718                         |
| Taxes receivable                    | -                             | -                        | 63,647                                | 572,825                     |
| Grants receivable                   | -                             | 29,185                   | 130,534                               | 353,679                     |
| Other assets                        | -                             | -                        | -                                     | -                           |
| Total assets                        | <u>\$ 24,175</u>              | <u>29,235</u>            | <u>501,083</u>                        | <u>4,221,319</u>            |
| <b>Liabilities</b>                  |                               |                          |                                       |                             |
| Accounts payable                    | \$ -                          | 51                       | -                                     | 47,348                      |
| Due to other funds                  | -                             | 26,767                   | -                                     | 587,502                     |
| Accrued liabilities                 | -                             | 4,201                    | -                                     | 72,226                      |
| Accrued compensated absences        | -                             | -                        | -                                     | -                           |
| Deferred revenue                    | -                             | -                        | -                                     | -                           |
| Total liabilities                   | <u>-</u>                      | <u>31,019</u>            | <u>-</u>                              | <u>707,076</u>              |
| <b>Fund balances</b>                |                               |                          |                                       |                             |
| Restricted for:                     |                               |                          |                                       |                             |
| Capital projects                    | -                             | -                        | -                                     | -                           |
| Debt service                        | -                             | -                        | -                                     | -                           |
| Other purposes                      | -                             | -                        | -                                     | -                           |
| Unrestricted, reported in:          |                               |                          |                                       |                             |
| Special revenue funds               | 24,175                        | (1,784)                  | 501,083                               | 3,514,243                   |
| Capital projects funds              | -                             | -                        | -                                     | -                           |
| Debt service funds                  | -                             | -                        | -                                     | -                           |
| Total fund balances                 | <u>24,175</u>                 | <u>(1,784)</u>           | <u>501,083</u>                        | <u>3,514,243</u>            |
| Total liabilities and fund balances | <u>\$ 24,175</u>              | <u>29,235</u>            | <u>501,083</u>                        | <u>4,221,319</u>            |

See accompanying notes to the financial statements

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
COMBINING BALANCE SHEET  
NON-MAJOR DEBT SERVICE FUNDS  
As of June 30, 2008**

|                                     | 53                    | 59           | 108                             | Total                 |
|-------------------------------------|-----------------------|--------------|---------------------------------|-----------------------|
|                                     | General<br>Obligation | GRT P&I      | 2002 GRT<br>Bond<br>Acquisition | Debt Service<br>Funds |
| <b>Assets</b>                       |                       |              |                                 |                       |
| Cash and cash equivalents           | \$ -                  | 7,696        | 9,964                           | 17,660                |
| Investments                         | 882,840               | -            | 257,803                         | 1,140,643             |
| Receivables                         | -                     | -            | -                               | -                     |
| Taxes receivable                    | 67,223                | -            | -                               | 67,223                |
| Grants receivable                   | -                     | -            | -                               | -                     |
| Interest receivable                 | -                     | -            | -                               | -                     |
| Due from other governments          | -                     | -            | -                               | -                     |
| Prepaid                             | -                     | -            | -                               | -                     |
| Other assets                        | -                     | -            | -                               | -                     |
| Total assets                        | \$ <u>950,063</u>     | <u>7,696</u> | <u>267,767</u>                  | <u>1,225,526</u>      |
| <b>Liabilities</b>                  |                       |              |                                 |                       |
| Due to other funds                  | \$ -                  | -            | -                               | -                     |
| Accounts payable                    | -                     | -            | -                               | -                     |
| Accrued liabilities                 | -                     | -            | -                               | -                     |
| Accrued compensated absences        | -                     | -            | -                               | -                     |
| Deposits                            | -                     | -            | -                               | -                     |
| Deferred revenue                    | 57,006                | -            | -                               | 57,006                |
| Total liabilities                   | <u>57,006</u>         | <u>-</u>     | <u>-</u>                        | <u>57,006</u>         |
| <b>Fund balances</b>                |                       |              |                                 |                       |
| Restricted for:                     |                       |              |                                 |                       |
| Debt service                        | -                     | -            | -                               | -                     |
| Unrestricted, reported in:          |                       |              |                                 |                       |
| Debt service funds                  | 893,057               | 7,696        | 267,767                         | 1,168,520             |
| Total fund balances                 | <u>893,057</u>        | <u>7,696</u> | <u>267,767</u>                  | <u>1,168,520</u>      |
| Total liabilities and fund balances | \$ <u>950,063</u>     | <u>7,696</u> | <u>267,767</u>                  | <u>1,225,526</u>      |

See accompanying notes to the financial statements

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
COMBINING BALANCE SHEET  
NON-MAJOR CAPITAL PROJECTS FUNDS  
As of June 30, 2008**

|                                     | 40                      | 48                                      | 50                      | 54                 | 56                           | 61                            |
|-------------------------------------|-------------------------|---|-------------------------|--------------------|------------------------------|-------------------------------|
|                                     | Airport<br>Improvements | Community<br>Development<br>Block Grant | Property<br>Acquisition | Reverse<br>Osmosis | 1999<br>GRT<br>Flood Control | 1991<br>GRT<br>Infrastructure |
| <b>Assets</b>                       |                         |   |                         |                    |                              |                               |
| Cash and cash equivalents           | \$ 22,580               | -                                       | 3,264                   | 970                | 4,125                        | 225                           |
| Investments                         | 40,544                  | -                                       | 244,398                 | 628,000            | 1,111,127                    | 547,692                       |
| Receivables                         | -                       | -                                       | 910                     | -                  | -                            | -                             |
| Taxes receivable                    | -                       | -                                       | -                       | -                  | -                            | 63,647                        |
| Grants receivable                   | -                       | 85,329                                  | -                       | -                  | -                            | 352,130                       |
| Other assets                        | -                       | -                                       | -                       | -                  | -                            | -                             |
| Total assets                        | <u>\$ 63,124</u>        | <u>85,329</u>                           | <u>248,572</u>          | <u>628,970</u>     | <u>1,115,252</u>             | <u>963,694</u>                |
| <b>Liabilities</b>                  |                         |   |                         |                    |                              |                               |
| Accounts payable                    | \$ -                    | -                                       | -                       | 73,954             | -                            | -                             |
| Due to other funds                  | -                       | 56,370                                  | -                       | -                  | -                            | -                             |
| Deposits                            | -                       | -                                       | 10,366                  | -                  | -                            | -                             |
| Total liabilities                   | <u>-</u>                | <u>56,370</u>                           | <u>10,366</u>           | <u>73,954</u>      | <u>-</u>                     | <u>-</u>                      |
| <b>Fund balances</b>                |                         |   |                         |                    |                              |                               |
| Restricted for:                     |                         |   |                         |                    |                              |                               |
| Capital projects                    | -                       | -                                       | -                       | -                  | -                            | -                             |
| Other purposes                      | -                       | -                                       | -                       | -                  | -                            | -                             |
| Unrestricted, reported in:          |                         |   |                         |                    |                              |                               |
| Capital projects funds              | 63,124                  | 28,959                                  | 238,206                 | 555,016            | 1,115,252                    | 963,694                       |
| Total fund balances                 | <u>63,124</u>           | <u>28,959</u>                           | <u>238,206</u>          | <u>555,016</u>     | <u>1,115,252</u>             | <u>963,694</u>                |
| Total liabilities and fund balances | <u>\$ 63,124</u>        | <u>85,329</u>                           | <u>248,572</u>          | <u>628,970</u>     | <u>1,115,252</u>             | <u>963,694</u>                |

See accompanying notes to the financial statements

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
COMBINING BALANCE SHEET  
NON-MAJOR CAPITAL PROJECTS FUNDS  
As of June 30, 2008**

|                                     | 105                     | 106                         | 109                           | 111                        | Total               |
|-------------------------------------|-------------------------|-----------------------------|-------------------------------|----------------------------|---------------------|
|                                     | Economic<br>Development | Flood<br>Control<br>PRJ RSV | 2004<br>Capital<br>Outlay GRT | GRT<br>Bond<br>Acquisition | Capital<br>Projects |
| <b>Assets</b>                       |                         |                             |                               |                            |                     |
| Cash and cash equivalents           | \$ 2,844                | -                           | 9,239                         | 4,777                      | 48,024              |
| Investments                         | 976,030                 | 419,557                     | 1,229,682                     | 143,176                    | 5,340,206           |
| Receivables                         | -                       | -                           | -                             | -                          | 910                 |
| Taxes receivable                    | 127,295                 | -                           | 254,589                       | -                          | 445,531             |
| Grants receivable                   | -                       | -                           | -                             | -                          | 437,459             |
| Other assets                        | -                       | -                           | -                             | -                          | -                   |
| Total assets                        | <u>\$ 1,106,169</u>     | <u>419,557</u>              | <u>1,493,510</u>              | <u>147,953</u>             | <u>6,272,130</u>    |
| <b>Liabilities</b>                  |                         |                             |                               |                            |                     |
| Accounts payable                    | \$ -                    | -                           | 1,639                         | -                          | 75,593              |
| Due to other funds                  | -                       | -                           | -                             | -                          | 56,370              |
| Deposits                            | -                       | -                           | -                             | -                          | 10,366              |
| Total liabilities                   | <u>-</u>                | <u>-</u>                    | <u>1,639</u>                  | <u>-</u>                   | <u>142,329</u>      |
| <b>Fund balances</b>                |                         |                             |                               |                            |                     |
| Restricted for:                     |                         |                             |                               |                            |                     |
| Capital projects                    | -                       | -                           | -                             | -                          | -                   |
| Other purposes                      | -                       | -                           | -                             | -                          | -                   |
| Unrestricted, reported in:          |                         |                             |                               |                            |                     |
| Capital projects funds              | 1,106,169               | 419,557                     | 1,491,871                     | 147,953                    | 6,129,801           |
| Total fund balances                 | <u>1,106,169</u>        | <u>419,557</u>              | <u>1,491,871</u>              | <u>147,953</u>             | <u>6,129,801</u>    |
| Total liabilities and fund balances | <u>\$ 1,106,169</u>     | <u>419,557</u>              | <u>1,493,510</u>              | <u>147,953</u>             | <u>6,272,130</u>    |

See accompanying notes to the financial statements

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NON-MAJOR SPECIAL REVENUE FUNDS  
For The Year Ended June 30, 2008**

|  | 15               | 16                      | 19                  | 20                         | 21                    | 22                  |
|--|------------------|-------------------------|---------------------|----------------------------|-----------------------|---------------------|
|  | Corrections      | Tourism &<br>Promotions | Court<br>Automation | Lodgers' Tax<br>City Share | D.A.R.E.<br>Donations | Designated<br>Gifts |
| <b>Revenues</b>                                      |                  |                         |                     |                            |                       |                     |
| Taxes and fees                                       | 8,751            | 164,223                 | -                   | 245,939                    | -                     | -                   |
| Fines and forfeitures                                | 235,435          | -                       | 36,004              | (80)                       | -                     | -                   |
| Grants and gifts                                     | -                | 28,743                  | 38,304              | -                          | 4,560                 | -                   |
| Charges for services                                 | -                | -                       | -                   | 22,821                     | -                     | 9,828               |
| Interest income                                      | 292              | 4,746                   | 2,375               | 16,044                     | 968                   | 1,323               |
| Miscellaneous  | -                | (1)                     | -                   | (5)                        | -                     | -                   |
| Total revenues                                       | <u>244,478</u>   | <u>197,711</u>          | <u>76,683</u>       | <u>284,719</u>             | <u>5,528</u>          | <u>11,151</u>       |
| <b>Expenditures</b>                                  |                  |                         |                     |                            |                       |                     |
| Current:   |                  |                         |                     |                            |                       |                     |
| General government                                   | -                | 190,873                 | 40,461              | -                          | -                     | 10,991              |
| Public safety  | 184,652          | -                       | -                   | -                          | 11,070                | -                   |
| Public works   | -                | -                       | -                   | -                          | -                     | -                   |
| Health and welfare                                   | -                | -                       | -                   | -                          | -                     | -                   |
| Culture and recreation                               | -                | -                       | -                   | 260,068                    | -                     | -                   |
| Non-current:   |                  |                         |                     |                            |                       |                     |
| Capital outlay                                       | -                | -                       | 20,961              | 47,155                     | -                     | -                   |
| Total expenditures                                   | <u>184,652</u>   | <u>190,873</u>          | <u>61,422</u>       | <u>307,223</u>             | <u>11,070</u>         | <u>10,991</u>       |
| Excess (deficiency) of revenues<br>over expenditures | <u>59,826</u>    | <u>6,838</u>            | <u>15,261</u>       | <u>(22,504)</u>            | <u>(5,542)</u>        | <u>160</u>          |
| <b>Other financing sources (uses)</b>                |                  |                         |                     |                            |                       |                     |
| Transfers in   | 15,000           | -                       | -                   | -                          | -                     | -                   |
| Transfers out  | (9,352)          | (5,924)                 | (16,967)            | (26,581)                   | -                     | -                   |
| Total other financing source (uses)                  | <u>5,648</u>     | <u>(5,924)</u>          | <u>(16,967)</u>     | <u>(26,581)</u>            | <u>-</u>              | <u>-</u>            |
| Net change in fund balance                           | 65,474           | 914                     | (1,706)             | (49,085)                   | (5,542)               | 160                 |
| Fund balances-beginning of year                      | <u>(14,967)</u>  | <u>98,553</u>           | <u>70,336</u>       | <u>321,519</u>             | <u>24,298</u>         | <u>29,629</u>       |
| Fund balances-end of year                            | <u>\$ 50,507</u> | <u>99,467</u>           | <u>68,630</u>       | <u>272,434</u>             | <u>18,756</u>         | <u>29,789</u>       |

See accompanying notes to the financial statements

**STATE OF NEW MEXICO**  
**CITY OF ALAMOGORDO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**For The Year Ended June 30, 2008**

|  | 24                | 27                 | 28                    | 31                     | 33                 | 36<br>Law<br>Enforcement<br>Protection |
|--|-------------------|--------------------|-----------------------|------------------------|--------------------|--|
|  | Grant<br>Capital  | Municipal<br>Court | Police<br>Contingency | Cemetery<br>Operations | Fire<br>Protection |  |
| <b>Revenues</b>                                      |                   |                    |                       |                        |                    |  |
| Taxes and fees                                       | \$ -              | -                  | -                     | -                      | -                  | -                                      |
| Fines and forfeitures                                | -                 | 12,952             | -                     | -                      | -                  | -                                      |
| Grants and gifts                                     | 49,604            | -                  | -                     | -                      | 354,746            | 198,004                                |
| Charges for services                                 | -                 | -                  | -                     | -                      | -                  | -                                      |
| Interest income                                      | -                 | -                  | 7,425                 | 28,838                 | 28,546             | 1,916                                  |
| Miscellaneous  | -                 | (375)              | 24,602                | 13,775                 | 8,101              | -                                      |
| Total revenues                                       | <u>49,604</u>     | <u>12,577</u>      | <u>32,027</u>         | <u>42,613</u>          | <u>391,393</u>     | <u>199,920</u>                         |
| <b>Expenditures</b>                                  |                   |                    |                       |                        |                    |  |
| Current:   |                   |                    |                       |                        |                    |  |
| General government                                   | 57,799            | 389,453            | -                     | -                      | -                  | -                                      |
| Public safety  | -                 | -                  | 84,420                | -                      | 162,229            | 138,839                                |
| Public works   | -                 | -                  | -                     | -                      | -                  | -                                      |
| Health and welfare                                   | -                 | -                  | -                     | -                      | -                  | -                                      |
| Culture and recreation                               | -                 | -                  | -                     | -                      | -                  | -                                      |
| Non-current:   |                   |                    |                       |                        |                    |  |
| Principal payments-debt service                      | -                 | -                  | -                     | -                      | 57,755             | -                                      |
| Interest payments-debt service                       | -                 | -                  | -                     | -                      | 33,605             | -                                      |
| Capital outlay                                       | -                 | -                  | 3,616                 | -                      | 75,274             | 33,839                                 |
| Total expenditures                                   | <u>57,799</u>     | <u>389,453</u>     | <u>88,036</u>         | <u>-</u>               | <u>328,863</u>     | <u>172,678</u>                         |
| Excess (deficiency) of revenues<br>over expenditures | <u>(8,195)</u>    | <u>(376,876)</u>   | <u>(56,009)</u>       | <u>42,613</u>          | <u>62,530</u>      | <u>27,242</u>                          |
| <b>Other financing sources (uses)</b>                |                   |                    |                       |                        |                    |  |
| Transfers in   | -                 | 384,547            | -                     | -                      | -                  | -                                      |
| Transfers out  | -                 | (9,163)            | (42,473)              | -                      | -                  | -                                      |
| Total other financing source (uses)                  | <u>-</u>          | <u>375,384</u>     | <u>(42,473)</u>       | <u>-</u>               | <u>-</u>           | <u>-</u>                               |
| Net change in fund balance                           | (8,195)           | (1,492)            | (98,482)              | 42,613                 | 62,530             | 27,242                                 |
| Fund balances-beginning of year                      | -                 | (10,955)           | 184,636               | 577,141                | 235,717            | 2,965                                  |
| Fund balances-end of year                            | <u>\$ (8,195)</u> | <u>(12,447)</u>    | <u>86,154</u>         | <u>619,754</u>         | <u>298,247</u>     | <u>30,207</u>                          |

See accompanying notes to the financial statements

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NON-MAJOR SPECIAL REVENUE FUNDS  
For The Year Ended June 30, 2008**

|  | 37<br>State<br>Highway<br>Clean-up | 38<br>Traffic<br>Safety | 42<br>1984<br>Gross Receipts<br>Tax | 63<br>Community<br>Development | 69<br>1994<br>Gross receipts<br>Tax | 71<br>Senior<br>Center III |
|--|------------------------------------|-------------------------|-------------------------------------|--------------------------------|-------------------------------------|----------------------------|
| <b>Revenues</b>                                      |                                    |                         |                                     |                                |                                     |                            |
| Taxes and fees                                       | \$ 18,995                          | -                       | 1,506,668                           | -                              | 1,506,668                           | -                          |
| Fines and forfeitures                                | -                                  | 36,048                  | -                                   | -                              | -                                   | -                          |
| Grants and gifts                                     | 47,496                             | -                       | -                                   | -                              | -                                   | 512,035                    |
| Charges for services                                 | 695                                | -                       | -                                   | 16,932                         | -                                   | 142,193                    |
| Interest income                                      | 164                                | 1,957                   | 74,702                              | -                              | 39,336                              | -                          |
| Miscellaneous  | -                                  | -                       | -                                   | 132,763                        | -                                   | 4                          |
| Total revenues                                       | <u>67,350</u>                      | <u>38,005</u>           | <u>1,581,370</u>                    | <u>149,695</u>                 | <u>1,546,004</u>                    | <u>654,232</u>             |
| <b>Expenditures</b>                                  |                                    |                         |                                     |                                |                                     |                            |
| Current:   |                                    |                         |                                     |                                |                                     |                            |
| General government                                   | -                                  | -                       | -                                   | -                              | -                                   | -                          |
| Public safety  | -                                  | 11,307                  | -                                   | -                              | -                                   | -                          |
| Public works   | 51,817                             | -                       | -                                   | 341,018                        | -                                   | -                          |
| Health and welfare                                   | -                                  | -                       | -                                   | -                              | -                                   | -                          |
| Culture and recreation                               | -                                  | -                       | -                                   | -                              | -                                   | 920,386                    |
| Non-current:   |                                    |                         |                                     |                                |                                     |                            |
| Principal payments-debt service                      | -                                  | -                       | -                                   | -                              | -                                   | -                          |
| Interest payments-debt service                       | -                                  | -                       | -                                   | -                              | -                                   | -                          |
| Capital outlay                                       | -                                  | 8,186                   | -                                   | 6,716                          | -                                   | 30,967                     |
| Total expenditures                                   | <u>51,817</u>                      | <u>19,493</u>           | <u>-</u>                            | <u>347,734</u>                 | <u>-</u>                            | <u>951,353</u>             |
| Excess (deficiency) of revenues<br>over expenditures | <u>15,533</u>                      | <u>18,512</u>           | <u>1,581,370</u>                    | <u>(198,039)</u>               | <u>1,546,004</u>                    | <u>(297,121)</u>           |
| <b>Other financing sources (uses)</b>                |                                    |                         |                                     |                                |                                     |                            |
| Transfers in   | -                                  | -                       | -                                   | -                              | -                                   | 290,126                    |
| Transfers out  | (3,906)                            | -                       | (2,195,846)                         | (29,976)                       | (1,338,686)                         | (110,551)                  |
| Total other financing source (uses)                  | <u>(3,906)</u>                     | <u>-</u>                | <u>(2,195,846)</u>                  | <u>(29,976)</u>                | <u>(1,338,686)</u>                  | <u>179,575</u>             |
| Net change in fund balance                           | <u>11,627</u>                      | <u>18,512</u>           | <u>(614,476)</u>                    | <u>(228,015)</u>               | <u>207,318</u>                      | <u>(117,546)</u>           |
| Fund balances-beginning of year                      | <u>23,500</u>                      | <u>39,676</u>           | <u>1,579,674</u>                    | <u>(259,742)</u>               | <u>652,049</u>                      | <u>124,889</u>             |
| Fund balances-end of year                            | <u>\$ 35,127</u>                   | <u>58,188</u>           | <u>965,198</u>                      | <u>(487,757)</u>               | <u>859,367</u>                      | <u>7,343</u>               |

See accompanying notes to the financial statements



**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NON-MAJOR SPECIAL REVENUE FUNDS  
For The Year Ended June 30, 2008**

|  | 74<br>Senior<br>Center<br>Gift Fund | 75<br>Senior<br>Center<br>RSVP | 89<br>ESGRT .0625%<br>Convenience<br>Center | Total<br>Special<br>Revenue<br>Funds |
|--|-------------------------------------|--------------------------------|---|--------------------------------------|
| <b>Revenues</b>                                      |                                     |                                |   |                                      |
| Taxes and fees                                       | \$ -                                | -                              | 376,667                                     | 3,827,911                            |
| Fines and forfeitures                                | -                                   | -                              | -   | 320,359                              |
| Grants and gifts                                     | 6,749                               | 166,496                        | 93,997                                      | 1,500,734                            |
| Charges for services                                 | -                                   | 183                            | -   | 192,652                              |
| Interest income                                      | 1,024                               | -                              | 22,229                                      | 231,885                              |
| Miscellaneous  | -                                   | 1,944                          | -   | 180,808                              |
| Total revenues                                       | <u>7,773</u>                        | <u>168,623</u>                 | <u>492,893</u>                              | <u>6,254,349</u>                     |
| <b>Expenditures</b>                                  |                                     |                                |   |                                      |
| Current:   |                                     |                                |   |                                      |
| General government                                   | -                                   | -                              | -   | 689,577                              |
| Public safety  | -                                   | -                              | -   | 592,517                              |
| Public works   | -                                   | -                              | -   | 392,835                              |
| Health and welfare                                   | -                                   | 207,989                        | -   | 207,989                              |
| Culture and recreation                               | 6,983                               | -                              | -   | 1,187,437                            |
| Non-current:   |                                     |                                |   |                                      |
| Principal payments-debt service                      | -                                   | -                              | -   | 57,755                               |
| Interest payments-debt service                       | -                                   | -                              | -   | 33,605                               |
| Capital outlay                                       | -                                   | 40                             | -   | 226,754                              |
| Total expenditures                                   | <u>6,983</u>                        | <u>208,029</u>                 | <u>-</u>                                    | <u>3,388,469</u>                     |
| Excess (deficiency) of revenues<br>over expenditures | <u>790</u>                          | <u>(39,406)</u>                | <u>492,893</u>                              | <u>2,865,880</u>                     |
| <b>Other financing sources (uses)</b>                |                                     |                                |   |                                      |
| Transfers in   | -                                   | 36,312                         | 322,155                                     | 1,048,140                            |
| Transfers out  | (610)                               | (14,912)                       | (935,502)                                   | (4,740,449)                          |
| Total other financing source (uses)                  | <u>(610)</u>                        | <u>21,400</u>                  | <u>(613,347)</u>                            | <u>(3,692,309)</u>                   |
| Net change in fund balance                           | 180                                 | (18,006)                       | (120,454)                                   | (826,429)                            |
| Fund balances-beginning of year                      | 23,995                              | 16,222                         | 621,537                                     | 4,340,672                            |
| Fund balances-end of year                            | <u>\$ 24,175</u>                    | <u>(1,784)</u>                 | <u>501,083</u>                              | <u>3,514,243</u>                     |

See accompanying notes to the financial statements

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NON-MAJOR DEBT SERVICE FUNDS  
For The Year Ended June 30, 2008**

|  | 53                    | 59                 | 108                             | Total                 |
|--|-----------------------|--------------------|---------------------------------|-----------------------|
|  | General<br>Obligation | GRT P&I            | 2002 GRT<br>Bond<br>Acquisition | Debt Service<br>Funds |
| <b>Revenues</b>                                      |                       |                    |                                 |                       |
| Taxes and fees                                       | \$ 873,283            | -                  | -                               | 873,283               |
| Fines and forfeitures                                | -                     | -                  | -                               | -                     |
| Grants and gifts                                     | -                     | -                  | -                               | -                     |
| Charges for services                                 | -                     | -                  | -                               | -                     |
| Interest income                                      | 15,812                | -                  | 12,978                          | 28,790                |
| Miscellaneous  | -                     | -                  | -                               | -                     |
| Total revenues                                       | <u>889,095</u>        | <u>-</u>           | <u>12,978</u>                   | <u>902,073</u>        |
| <b>Expenditures</b>                                  |                       |                    |                                 |                       |
| Current:   |                       |                    |                                 |                       |
| General government                                   | 400                   | 4,854              | -                               | 5,254                 |
| Non-current:   |                       |                    |                                 |                       |
| Principal payments                                   | 650,000               | 925,000            | -                               | 1,575,000             |
| Interest payments                                    | 160,396               | 576,595            | -                               | 736,991               |
| Capital outlay                                       | -                     | -                  | 9,289                           | 9,289                 |
| Total expenditures                                   | <u>810,796</u>        | <u>1,506,449</u>   | <u>9,289</u>                    | <u>2,326,534</u>      |
| Excess (deficiency) of revenues<br>over expenditures | <u>78,299</u>         | <u>(1,506,449)</u> | <u>3,689</u>                    | <u>(1,424,461)</u>    |
| <b>Other financing sources (uses)</b>                |                       |                    |                                 |                       |
| Transfers in   | -                     | 1,508,096          | -                               | 1,508,096             |
| Transfers out  | -                     | -                  | (11,537)                        | (11,537)              |
| Total other financing source (uses)                  | <u>-</u>              | <u>1,508,096</u>   | <u>(11,537)</u>                 | <u>1,496,559</u>      |
| Net change in fund balance                           | 78,299                | 1,647              | (7,848)                         | 72,098                |
| Fund balances-beginning of year                      | <u>814,758</u>        | <u>6,049</u>       | <u>275,615</u>                  | <u>1,096,422</u>      |
| Fund balances-end of year                            | <u>\$ 893,057</u>     | <u>7,696</u>       | <u>267,767</u>                  | <u>1,168,520</u>      |

See accompanying notes to the financial statements

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NON-MAJOR CAPITAL PROJECTS FUNDS  
For The Year Ended June 30, 2008**

|  | 40                      | 48                                      | 50                      | 54                 | 56                           | 61                            |
|--|-------------------------|---|-------------------------|--------------------|------------------------------|-------------------------------|
|  | Airport<br>Improvements | Community<br>Development<br>Block Grant | Property<br>Acquisition | Reverse<br>Osmosis | 1999<br>GRT<br>Flood Control | 1991<br>GRT<br>Infrastructure |
| <b>Revenues</b>                                      |                         |   |                         |                    |                              |                               |
| Taxes and fees                                       | \$ -                    | -                                       | -                       | -                  | -                            | 376,667                       |
| Fines and forfeitures                                | -                       | -                                       | -                       | -                  | -                            | -                             |
| Grants and gifts                                     | 428,825                 | 289,139                                 | -                       | -                  | -                            | 458,366                       |
| Charges for services                                 | -                       | -                                       | 9,922                   | -                  | -                            | -                             |
| Interest income                                      | 2,078                   | 427                                     | 18,023                  | 2,817              | 50,409                       | 19,609                        |
| Miscellaneous  | -                       | 50,000                                  | -                       | -                  | -                            | -                             |
| Total revenues                                       | <u>430,903</u>          | <u>339,566</u>                          | <u>27,945</u>           | <u>2,817</u>       | <u>50,409</u>                | <u>854,642</u>                |
| <b>Expenditures</b>                                  |                         |   |                         |                    |                              |                               |
| Current:   |                         |   |                         |                    |                              |                               |
| General government                                   | -                       | -                                       | 4,652                   | -                  | -                            | -                             |
| Public safety  | -                       | -                                       | -                       | -                  | -                            | -                             |
| Public works   | -                       | -                                       | -                       | 150,000            | -                            | 753,824                       |
| Health and welfare                                   | -                       | -                                       | -                       | -                  | -                            | -                             |
| Culture and recreation                               | -                       | -                                       | -                       | -                  | -                            | -                             |
| Non-current:   |                         |   |                         |                    |                              |                               |
| Principal payments                                   | -                       | -                                       | -                       | -                  | -                            | -                             |
| Interest payments                                    | -                       | -                                       | -                       | -                  | -                            | -                             |
| Capital outlay                                       | 222,618                 | 321,308                                 | 162,896                 | 64,609             | 1,207,835                    | -                             |
| Total expenditures                                   | <u>222,618</u>          | <u>321,308</u>                          | <u>167,548</u>          | <u>214,609</u>     | <u>1,207,835</u>             | <u>753,824</u>                |
| Excess (deficiency) of revenues<br>over expenditures | <u>208,285</u>          | <u>18,258</u>                           | <u>(139,603)</u>        | <u>(211,792)</u>   | <u>(1,157,426)</u>           | <u>100,818</u>                |
| <b>Other financing sources (uses)</b>                |                         |   |                         |                    |                              |                               |
| Transfers in   | -                       | -                                       | 8,026                   | 3,543,907          | 1,300,000                    | -                             |
| Transfers out  | (216,833)               | -                                       | (11,239)                | (2,544,159)        | -                            | (115,671)                     |
| Total other financing source (uses)                  | <u>(216,833)</u>        | <u>-</u>                                | <u>(3,213)</u>          | <u>999,748</u>     | <u>1,300,000</u>             | <u>(115,671)</u>              |
| Net change in fund balance                           | (8,548)                 | 18,258                                  | (142,816)               | 787,956            | 142,574                      | (14,853)                      |
| Fund balances-beginning of year                      | 71,672                  | 10,701                                  | 381,022                 | (232,940)          | 972,678                      | 978,547                       |
| Fund balances-end of year                            | <u>\$ 63,124</u>        | <u>28,959</u>                           | <u>238,206</u>          | <u>555,016</u>     | <u>1,115,252</u>             | <u>963,694</u>                |

See accompanying notes to the financial statements

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NON-MAJOR CAPITAL PROJECTS FUNDS  
For The Year Ended June 30, 2008**

|  | 105                     | 106                         | 109                           | 111                        | Total                        |
|--|-------------------------|-----------------------------|-------------------------------|----------------------------|------------------------------|
|  | Economic<br>Development | Flood<br>Control<br>PRJ RSV | 2004<br>Capital<br>Outlay GRT | GRT<br>Bond<br>Acquisition | Capital<br>Projects<br>Funds |
| <b>Revenues</b>                                      |                         |                             |                               |                            |                              |
| Taxes and fees                                       | \$ 753,334              | -                           | 1,506,668                     | -                          | 2,636,669                    |
| Fines and forfeitures                                | -                       | -                           | -                             | -                          | -                            |
| Grants and gifts                                     | 315,739                 | -                           | -                             | -                          | 1,492,069                    |
| Charges for services                                 | -                       | -                           | -                             | -                          | 9,922                        |
| Interest income                                      | 28,073                  | 19,794                      | 64,452                        | 10,373                     | 216,055                      |
| Miscellaneous  | -                       | -                           | -                             | -                          | 50,000                       |
| Total revenues                                       | <u>1,097,146</u>        | <u>19,794</u>               | <u>1,571,120</u>              | <u>10,373</u>              | <u>4,404,715</u>             |
| <b>Expenditures</b>                                  |                         |                             |                               |                            |                              |
| Current:   |                         |                             |                               |                            |                              |
| General government                                   | -                       | -                           | -                             | -                          | 4,652                        |
| Public safety  | -                       | -                           | -                             | -                          | -                            |
| Public works   | -                       | -                           | -                             | -                          | 903,824                      |
| Health and welfare                                   | -                       | -                           | -                             | -                          | -                            |
| Culture and recreation                               | 454,803                 | -                           | -                             | -                          | 454,803                      |
| Non-current:   |                         |                             |                               |                            |                              |
| Principal payments                                   | -                       | -                           | -                             | -                          | -                            |
| Interest payments                                    | -                       | -                           | -                             | -                          | -                            |
| Capital outlay                                       | 879                     | -                           | 1,639                         | 106,920                    | 2,088,704                    |
| Total expenditures                                   | <u>455,682</u>          | <u>-</u>                    | <u>1,639</u>                  | <u>106,920</u>             | <u>3,451,983</u>             |
| Excess (deficiency) of revenues<br>over expenditures | <u>641,464</u>          | <u>19,794</u>               | <u>1,569,481</u>              | <u>(96,547)</u>            | <u>952,732</u>               |
| <b>Other financing sources (uses)</b>                |                         |                             |                               |                            |                              |
| Transfers in   | -                       | -                           | -                             | -                          | 4,851,933                    |
| Transfers out  | -                       | -                           | (1,318,456)                   | -                          | (4,206,358)                  |
| Total other financing source (uses)                  | <u>-</u>                | <u>-</u>                    | <u>(1,318,456)</u>            | <u>-</u>                   | <u>645,575</u>               |
| Net change in fund balance                           | <u>641,464</u>          | <u>19,794</u>               | <u>251,025</u>                | <u>(96,547)</u>            | <u>1,598,307</u>             |
| Fund balances-beginning of year                      | 464,705                 | 399,763                     | 1,240,846                     | 244,500                    | 4,531,494                    |
| Fund balances-end of year                            | <u>\$ 1,106,169</u>     | <u>419,557</u>              | <u>1,491,871</u>              | <u>147,953</u>             | <u>6,129,801</u>             |

See accompanying notes to the financial statements

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
FIDUCIARY FUNDS  
For The Year Ended June 30, 2008**

|                                      | Fund | Balance<br>June 30, 2007 | Additions        | Deletions          | Balance<br>June 30, 2008 |
|--------------------------------------|------|--------------------------|------------------|--------------------|--------------------------|
| <b>Police Court Bonds</b>            | 17   |                          |                  |                    |                          |
| <b>Assets</b>                        |      |                          |                  |                    |                          |
| Cash                                 | \$   | 308                      | 2,605            | -                  | 2,913                    |
| Total assets                         |      | <u>308</u>               | <u>2,605</u>     | <u>-</u>           | <u>2,913</u>             |
| <b>Liabilities</b>                   |      |                          |                  |                    |                          |
| Deposits held in custody for others  |      | 308                      | 2,605            | -                  | 2,913                    |
| Total liabilities                    | \$   | <u>308</u>               | <u>2,605</u>     | <u>-</u>           | <u>2,913</u>             |
| <b>State Judicial</b>                | 39   |                          |                  |                    |                          |
| <b>Assets</b>                        |      |                          |                  |                    |                          |
| Cash                                 | \$   | 647                      | 113,960          | (114,607)          | -                        |
| Accounts receivable                  |      | 82,930                   | -                | (10,205)           | 72,725                   |
| Allowance for uncollectible accounts |      | (82,930)                 | -                | 10,205             | (72,725)                 |
| Total assets                         |      | <u>647</u>               | <u>113,960</u>   | <u>(114,607)</u>   | <u>-</u>                 |
| <b>Liabilities</b>                   |      |                          |                  |                    |                          |
| Due to other funds                   |      | -                        | 1,841            | -                  | 1,841                    |
| Deposits held in custody for others  |      | 647                      | 112,119          | (114,607)          | (1,841)                  |
| Total liabilities                    | \$   | <u>647</u>               | <u>113,960</u>   | <u>(114,607)</u>   | <u>-</u>                 |
| <b>ESGRT Income</b>                  | 41   |                          |                  |                    |                          |
| <b>Assets</b>                        |      |                          |                  |                    |                          |
| Cash                                 | \$   | 6,114                    | 1,242,994        | (1,130,523)        | 118,585                  |
| Investments                          |      | 105,093                  | -                | (105,093)          | -                        |
| Accounts receivable                  |      | 69,560                   | -                | (15,012)           | 54,548                   |
| Due from other funds                 |      | -                        | 29,678           | -                  | 29,678                   |
| Total assets                         |      | <u>180,767</u>           | <u>1,272,672</u> | <u>(1,250,628)</u> | <u>202,811</u>           |
| <b>Liabilities</b>                   |      |                          |                  |                    |                          |
| Deposits held in custody for others  |      | 180,767                  | 1,272,672        | (1,250,628)        | 202,811                  |
| Total liabilities                    | \$   | <u>180,767</u>           | <u>1,272,672</u> | <u>(1,250,628)</u> | <u>202,811</u>           |
| <b>Public Housing Authority</b>      | 92   |                          |                  |                    |                          |
| <b>Assets</b>                        |      |                          |                  |                    |                          |
| Cash                                 | \$   | -                        | 560,772          | (560,772)          | -                        |
| Accounts receivable                  |      | 8                        | -                | (8)                | -                        |
| Total assets                         |      | <u>8</u>                 | <u>560,772</u>   | <u>(560,780)</u>   | <u>-</u>                 |
| <b>Liabilities</b>                   |      |                          |                  |                    |                          |
| Accounts payable                     |      | -                        | 78               | -                  | 78                       |
| Due to other funds                   |      | 22,537                   | 5,300            | -                  | 27,837                   |
| Accrued liabilities                  |      | 36,445                   | 5,061            | -                  | 41,506                   |
| Deposits held in custody for others  |      | (58,974)                 | 550,333          | (560,780)          | (69,421)                 |
| Total liabilities                    | \$   | <u>8</u>                 | <u>560,772</u>   | <u>(560,780)</u>   | <u>-</u>                 |
| <b>Total</b>                         |      |                          |                  |                    |                          |
| <b>Assets</b>                        |      |                          |                  |                    |                          |
| Cash                                 | \$   | 7,069                    | 1,920,331        | (1,805,902)        | 121,498                  |
| Investments                          |      | 105,093                  | -                | (105,093)          | -                        |
| Accounts receivable                  |      | 152,498                  | -                | (25,225)           | 127,273                  |
| Due from other funds                 |      | -                        | 29,678           | -                  | 29,678                   |
| Allowance for uncollectible accounts |      | (82,930)                 | -                | 10,205             | (72,725)                 |
| Total assets                         |      | <u>181,730</u>           | <u>1,950,009</u> | <u>(1,926,015)</u> | <u>205,724</u>           |
| <b>Liabilities</b>                   |      |                          |                  |                    |                          |
| Accounts payable                     |      | -                        | 78               | -                  | 78                       |
| Due to other funds                   |      | 22,537                   | 7,141            | -                  | 29,678                   |
| Accrued liabilities                  |      | 36,445                   | 5,061            | -                  | 41,506                   |
| Deposits held in custody for others  |      | 122,748                  | 1,937,729        | (1,926,015)        | 134,462                  |
| Total liabilities                    | \$   | <u>181,730</u>           | <u>1,950,009</u> | <u>(1,926,015)</u> | <u>205,724</u>           |

See accompanying notes to the financial statements

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
BALANCE SHEET  
COMPONENT UNIT - LANDFILL  
As of June 30, 2008**

|   |    | 55,94<br>Component<br>Unit<br>Landfill |
|---|----|--|
| <b>Assets</b>                                     |    |  |
| Cash and cash equivalents                         | \$ | 9,714                                  |
| Investments                                       |    | 3,270,554                              |
| Receivables, net                                  |    | 65,981                                 |
| Taxes receivable                                  |    | 2,795                                  |
| Total current assets                              |    | 3,349,044                              |
| Non-current assets                                |    |  |
| Restricted cash                                   |    | -                                      |
| Restricted cash held in investments               |    | 355,000                                |
| Capital assets, net                               |    | 1,950,878                              |
| Total assets                                      | \$ | 5,654,922                              |
| <b>Liabilities</b>                                |    |  |
| Current liabilities                               |    |  |
| Accounts payable                                  | \$ | 40                                     |
| Accrued liabilities                               |    | 17,341                                 |
| Accrued interest payable                          |    | 1,575                                  |
| Compensated absences                              |    | 9,795                                  |
| Bonds, notes and leases payable                   |    | 350,000                                |
| Total current liabilities                         |    | 378,751                                |
| Long-term liabilities                             |    |  |
| Landfill post-closure                             |    | 427,786                                |
| Total long-term liabilities                       |    | 427,786                                |
| Total liabilities                                 |    | 806,537                                |
| <b>Net Assets</b>                                 |    |  |
| Investment in capital assets, net of related debt |    | 1,600,878                              |
| Restricted for:                                   |    |  |
| Other purposes                                    |    | 355,000                                |
| Unreserved  |    | 2,892,507                              |
| Total net assets                                  |    | 4,848,385                              |
| Total liabilities and net assets                  | \$ | 5,654,922                              |

See accompanying notes to the financial statements

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS  
COMPONENT UNIT - LANDFILL  
For The Year Ended June 30, 2008**

|  |    | 55,94<br>Component<br>Unit<br>Landfill |
|--|----|--|
| Operating revenues                                   |    |  |
| Charges for services                                 | \$ | 1,423,313                              |
| Miscellaneous  |    | 15,275                                 |
| Total revenues                                       |    | 1,438,588                              |
| Operating expenses:                                  |    |  |
| Personnel services                                   |    | 305,183                                |
| Repairs and maintenance                              |    | 131,173                                |
| Supplies   |    | 126,697                                |
| Other services and insurance                         |    | 199,828                                |
| Depreciation   |    | 82,885                                 |
| Total operating expenses                             |    | 845,766                                |
| Excess (deficiency) of revenues<br>over expenditures |    | 592,822                                |
| Non-operating revenues (expenses):                   |    |  |
| Interest and investment revenue                      |    | 164,499                                |
| Interest payments                                    |    | (34,447)                               |
| Gain/ Loss on sale of assets                         |    | -                                      |
| Capital contributions                                |    | -                                      |
| Transfers in   |    | 653,763                                |
| Transfers out  |    | (617,488)                              |
| Total non-operating revenues (expenses)              |    | 166,327                                |
| Change in net assets                                 |    | 759,149                                |
| Net assets-beginning of year                         |    | 4,296,386                              |
| Restatement  |    | (207,150)                              |
| Net assets-beginning of year - restated              |    | 4,089,236                              |
| Net assets-end of the year                           | \$ | 4,848,385                              |

See accompanying notes to the financial statements

**SUPPLEMENTAL INFORMATION**



**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
FUND DESCRIPTIONS  
FOR THE YEAR ENDED JUNE 30, 2008**

**SPECIAL REVENUE FUNDS**

Special Revenue Funds are created to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Funds included are:

*Corrections (F15)* – 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.

*Tourism and Promotions (F16)* – to account for various promotional and tourism attraction programs. NMSA 3-38-15.

*Court Automation (F19)* – to account for the collections and disbursement of penalty assessments to develop a statewide computer system for all Municipal Courts.

*Lodgers Tax – City Share (F20)* – to account for revenues generated through the use of the Civic Center. NMSA 3-38-25.

*D.A.R.E. Donations (F21)* – to account for revenues and expenditures designated for the educational programs provided by D.A.R.E. officers.

*Designated Gift Fund (F22)* – to account for receipts and disbursements of funds donated for designated purposes.

*Grant Capital Improvement Fund (F24)* – to account for receipts and disbursements of grant funds for capital projects.

*Municipal Court (F27)* – to account for collections and disbursements associated with traffic violations. NMSA 33-3-25.

*Police Contingency (F28)* – to account for revenues and costs associated with confiscated items and investigations programs. NMSA 7-12-15.

*Perpetual Care/Cemetery (F31)* – This fund is established to account for the accumulation of funds for the future maintenance of the cemetery.

*Fire protection (F33)* – to account for revenues accumulated by the State from taxes for the operation, betterment, and maintenance of local fire departments. NMSA 59A-53-1.

*Law Enforcement Protection (F36)* – 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 Cleanup (F37)* – to account for a grant from the New Mexico State Highway and Transportation Department for the keep Alamogordo Beautiful program. NMSA 67-15-1.

*Traffic Safety Grant (F38)* – This fund is created to account for fees attached to each penalty assessment and traffic conviction under the State Motor Vehicle Code. The monies are used for public outreach programs, educational activities and programs to promote traffic safety in our area.

*1984 Gross Receipts Tax (F42)* - to account for a one-quarter of one percent gross receipts tax used for the cost of maintenance and repairs of the City street. NMSA 1978 7-1-6.9.

*Community Development (F63)* – This fund serves to account for the operational cost of maintaining and developing plans, specifications and records of public works projects within the City. 1994

*Gross Receipts Tax (F69)* – 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.

*Senior Center (F71)* – to account for grants and user fees to provide services for persons 60 and over. (State Grant and City Ordinance).

*Senior Center Gift Fund (F74)* – This fund is created to account for donations and proceeds from fund raising events. Expenditures are restricted to building improvements or special events.

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
FUND DESCRIPTIONS  
FOR THE YEAR ENDED JUNE 30, 2008**

**SPECIAL REVENUE FUNDS — (continued)**

*Retired and Senior Volunteer Program (F75)* – 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 .0625%/Convenience Center (F89)* – to account for the Environmental Gross Receipts Tax that is used for the activities of the Convenience Center. NMSA 7019D-10.

**DEBT SERVICE FUNDS**

*General Obligation (Property Tax) (F53)* – 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.

*Gross Receipts Tax Principal and Interest Fund (F59)* – This fund accounts for accumulating monies for payment of gross receipts for revenue bonds.

*2002 GRT (F108)* – The purpose of this fund is to account for the refunding and discharging the outstanding 1994 Gross Receipts Tax Revenue Bonds and the City's flood control system, public buildings, land for open space, public parks, public recreational buildings or other recreational facilities and equipment for street maintenance.

**CAPITAL PROJECTS FUNDS**

The Capital Projects Fund accounts for all resources used for maintaining, improving, acquiring and/or constructing of City facilities, except those financed by Enterprise Funds.

Funds included are:

*Airport Improvements (F40)* – to account for the state and federal funding for the Airport Pavement Rehabilitation.

*Community Development Block Grant (CDBG) (F48)* – to account for funds used for community housing rehabilitation and infrastructure projects for low to moderate-income families.

*1986 Gross Receipts Tax (F49)* – to account for one-quarter of one percent gross receipts increments dedicated for the cost of maintenance, repairs and activities related to the treatment of water facilities.

*Property Acquisition (F50)* – 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.

*Reverse Osmosis Project Reserve (F54)* – 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.

*1999 Gross Receipts Flood Control Fund (F56)* – to account for bond proceeds for the purpose of paying for flood control.

*Municipal Infrastructure (F61)* – to account for the 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.

*Economic Development (FI05)* – to account for projects that are not funded from specific revenue dedications.

*Alamogordo Flood Control (FI06)* – This fund is created to account for the bond proceeds for the purpose of providing flood protection to the city.

*2004 GRT Capital Outlay (FI09)* – This fund accounts for ¼ 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.

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
FUND DESCRIPTIONS  
FOR THE YEAR ENDED JUNE 30, 2008**

**CAPITAL PROJECTS FUNDS — (continued)**

*2004 Gross Receipts Bond Acquisition Fund (F111)* – The purpose of this fund is to account for the funding and discharging of the outstanding 1996 GRT revenue bonds and the City’s flood control system, public buildings and public recreational buildings.

**FIDUCIARY FUNDS**

*Police Court Bond Fund (F17)* – This fund is established to account for collection, holding and reimbursement of jail bonds.

*State Judicial Fund (F39)* – This fund is established to account for collection, holding and reimbursement of judicial revenues and expenditures.

*ESGRT Income (Otero/Lincoln County Landfill JPA) (F41)* – This fund is established to account for the Environmental Services Gross Receipts Tax distributions from Otero and Lincoln County Solid Waste Authority members.

*Public Housing Authority-Clearing Account (F92)* – This account is created to account for disbursements processed for the Public Housing Authority by the City of Alamogordo.

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO**

**Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis)  
Corrections-City Expense - 015  
For the Year Ended June 30, 2008**

|  | Budgeted Amounts      |                       | Actual               | Variance                    |
|--|-----------------------|-----------------------|----------------------|-----------------------------|
|  | Original              | Final                 |                      | Favorable/<br>(Unfavorable) |
| <b>Revenues</b>  |                       |                       |                      |                             |
| Taxes & Fees   | \$ 4,850              | \$ 4,850              | \$ 8,750             | \$ 3,900                    |
| Fines and forfeitures  | 203,455               | 203,455               | 235,435              | 31,980                      |
| Interest income  | <u>-</u>              | <u>-</u>              | <u>292</u>           | <u>292</u>                  |
| <br>Total revenues   | <br><u>208,305</u>    | <br><u>208,305</u>    | <br><u>244,477</u>   | <br><u>36,172</u>           |
| <b>Expenditures</b>  |                       |                       |                      |                             |
| Current:   |                       |                       |                      |                             |
| Public Safety  | 316,083               | 316,083               | 197,740              | 118,343                     |
| Non-current:   |                       |                       |                      |                             |
| Capital outlay   | <u>-</u>              | <u>-</u>              | <u>-</u>             | <u>-</u>                    |
| <br>Total expenditures   | <br><u>316,083</u>    | <br><u>316,083</u>    | <br><u>197,740</u>   | <br><u>118,343</u>          |
| <br>Excess (deficiency) of revenues over expenditures  | <br><u>(107,778)</u>  | <br><u>(107,778)</u>  | <br><u>46,738</u>    | <br><u>154,516</u>          |
| <b>Other financing sources (uses)</b>  |                       |                       |                      |                             |
| Transfers in   | 114,152               | 114,152               | 15,000               | (99,152)                    |
| Transfers out  | <u>(9,352)</u>        | <u>(9,352)</u>        | <u>(9,352)</u>       | <u>-</u>                    |
| Total other financing sources (uses)   | <u>104,800</u>        | <u>104,800</u>        | <u>5,648</u>         | <u>(99,152)</u>             |
| <br>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses | <br><u>\$ (2,978)</u> | <br><u>\$ (2,978)</u> | <br><u>\$ 52,386</u> | <br><u>\$ 55,364</u>        |
| <br>Budgeted cash carryover  | <br><u>3,478</u>      | <br><u>3,478</u>      |                      |                             |
|  | <u>\$ 500</u>         | <u>\$ 500</u>         |                      |                             |

**RECONCILIATION FROM BUDGET/ACTUAL TO GAAP**

|   |                  |
|---|------------------|
| Change in net assets (Budget Basis)                         | \$ 52,386        |
| To adjust applicable revenue accruals and deferrals         | -                |
| To adjust applicable expenditures and accruals and payments | <u>13,088</u>    |
| Change in net assets (GAAP basis)                           | <u>\$ 65,474</u> |

See accompanying notes to financial statements

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO**

**Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis)  
Tourism and Promotions - 016  
For the Year Ended June 30, 2008**

|  | Budgeted Amounts |             | Actual     | Variance<br>Favorable/<br>(Unfavorable) |
|--|------------------|-------------|------------|---|
|  | Original         | Final       |            |   |
| <b>Revenues</b>  |                  |             |            |   |
| Taxes & Fees   | \$ 156,216       | \$ 156,216  | \$ 164,223 | \$ 8,007                                |
| Grants and gifts   | 25,000           | 25,000      | 28,743     | 3,743                                   |
| Miscellaneous  | (10)             | (10)        | (3)        | 7                                       |
| Interest income  | 2,777            | 2,777       | 4,746      | 1,969                                   |
| <br>Total revenues   | 183,983          | 183,983     | 197,709    | 13,726                                  |
| <br><b>Expenditures</b>  |                  |             |            |   |
| Current:   |                  |             |            |   |
| General government   | 243,339          | 243,339     | 189,610    | 53,729                                  |
| Non-current:   |                  |             |            |   |
| Capital outlay   | -                | -           | -          | -                                       |
| <br>Total expenditures   | 243,339          | 243,339     | 189,610    | 53,729                                  |
| <br>Excess (deficiency) of revenues over expenditures  | (59,356)         | (59,356)    | 8,099      | 67,455                                  |
| <br><b>Other financing sources (uses)</b>  |                  |             |            |   |
| Transfers in   | -                | -           | -          | -                                       |
| Transfers out  | (5,924)          | (5,924)     | (5,924)    | -                                       |
| Total other financing sources (uses)   | (5,924)          | (5,924)     | (5,924)    | -                                       |
| <br>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses | \$ (65,280)      | \$ (65,280) | \$ 2,175   | \$ 67,455                               |
| <br>Budgeted cash carryover  | 99,946           | 99,946      |            |   |
|  | \$ 34,666        | \$ 34,666   |            |   |

RECONCILIATION FROM BUDGET/ACTUAL TO GAAP

|   |  |          |
|---|--|----------|
| Change in net assets (Budget Basis)                         |  | \$ 2,175 |
| To adjust applicable revenue accruals and deferrals         |  | -        |
| To adjust applicable expenditures and accruals and payments |  | (1,261)  |
| Change in net assets (GAAP basis)                           |  | \$ 914   |

See accompanying notes to financial statements

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO**

**Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis)  
Court Automation - 019  
For the Year Ended June 30, 2008**

|  | Budgeted Amounts |            | Actual     | Variance                    |
|--|------------------|------------|------------|-----------------------------|
|  | Original         | Final      |            | Favorable/<br>(Unfavorable) |
| <b>Revenues</b>  |                  |            |            |                             |
| Fines and forfeitures  | \$ 22,165        | \$ 37,165  | \$ 36,004  | \$ (1,161)                  |
| Grants and gifts   | 46,264           | 55,694     | 32,090     | (23,604)                    |
| Interest income  | 755              | 755        | 2,375      | 1,620                       |
| Total revenues   | 69,184           | 93,614     | 70,470     | (23,144)                    |
| <b>Expenditures</b>  |                  |            |            |                             |
| Current:   |                  |            |            |                             |
| General government   | 52,778           | 25,733     | 22,914     | 2,819                       |
| Non-current:   |                  |            |            |                             |
| Capital outlay   | 11,750           | 57,045     | 38,508     | 18,537                      |
| Total expenditures   | 64,528           | 82,778     | 61,422     | 21,356                      |
| Excess (deficiency) of revenues over expenditures  | 4,656            | 10,836     | 9,047      | (1,789)                     |
| <b>Other financing sources (uses)</b>  |                  |            |            |                             |
| Transfers in   | -                | -          | -          | -                           |
| Transfers out  | (16,967)         | (16,967)   | (16,967)   | -                           |
| Total other financing sources (uses)   | (16,967)         | (16,967)   | (16,967)   | -                           |
| Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses | \$ (12,311)      | \$ (6,131) | \$ (7,920) | \$ (1,789)                  |
| Budgeted cash carryover  | 64,765           | 64,765     |            |                             |
|  | \$ 52,454        | \$ 58,634  |            |                             |

**RECONCILIATION FROM BUDGET/ACTUAL TO GAAP**

|   |            |
|---|------------|
| Change in net assets (Budget Basis)                         | \$ (7,920) |
| To adjust applicable revenue accruals and deferrals         | 6,214      |
| To adjust applicable expenditures and accruals and payments | -          |
| Change in net assets (GAAP basis)                           | \$ (1,706) |

See accompanying notes to financial statements

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis)  
Lodger's Tax City Share - 20  
For the Year Ended June 30, 2008**

|  | <u>Budgeted Amounts</u> |                     | <u>Actual</u>      | Variance                    |
|--|-------------------------|---------------------|--------------------|-----------------------------|
|  | <u>Original</u>         | <u>Final</u>        |                    | Favorable/<br>(Unfavorable) |
| <b>Revenues</b>  |                         |                     |                    |                             |
| Taxes and fees   | \$ 236,725              | \$ 236,725          | \$ 245,939         | \$ 9,214                    |
| Fines and forfeitures  | 1,200                   | 1,200               | (80)               | (1,280)                     |
| Charges for services   | 25,000                  | 25,000              | 22,821             | (2,179)                     |
| Interest income  | 18,830                  | 18,830              | 16,044             | (2,786)                     |
| Miscellaneous  | (10)                    | (10)                | (4)                | 6                           |
|  | <u>281,745</u>          | <u>281,745</u>      | <u>284,719</u>     | <u>2,974</u>                |
| <b>Expenditures</b>  |                         |                     |                    |                             |
| Current:   |                         |                     |                    |                             |
| Culture and recreation   | 298,025                 | 311,265             | 246,881            | 64,384                      |
| Non-current:   |                         |                     |                    |                             |
| Capital outlay   | <u>79,221</u>           | <u>100,521</u>      | <u>52,511</u>      | <u>48,010</u>               |
|  | <u>377,246</u>          | <u>411,786</u>      | <u>299,392</u>     | <u>112,394</u>              |
| Excess (deficiency) of revenues over expenditures  | <u>(95,501)</u>         | <u>(130,041)</u>    | <u>(14,672)</u>    | <u>115,369</u>              |
| <b>Other financing sources (uses)</b>  |                         |                     |                    |                             |
| Transfers in   | -                       | -                   | -                  | -                           |
| Transfers out  | <u>(27,610)</u>         | <u>(27,610)</u>     | <u>(26,581)</u>    | <u>1,029</u>                |
| Total other financing sources (uses)   | <u>(27,610)</u>         | <u>(27,610)</u>     | <u>(26,581)</u>    | <u>1,029</u>                |
| Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses | <u>\$ (123,111)</u>     | <u>\$ (157,651)</u> | <u>\$ (41,253)</u> | <u>\$ 116,398</u>           |
| Budgeted cash carryover  | <u>326,140</u>          | <u>326,140</u>      |                    |                             |
|  | <u>\$ 203,029</u>       | <u>\$ 168,489</u>   |                    |                             |

**RECONCILIATION FROM BUDGET/ACTUAL TO GAAP**

|   |                    |
|---|--------------------|
| Change in net assets (Budget Basis)                         | \$ (41,253)        |
| To adjust applicable revenue accruals and deferrals         | -                  |
| To adjust applicable expenditures and accruals and payments | <u>(7,832)</u>     |
| Change in net assets (GAAP basis)                           | <u>\$ (49,085)</u> |

See accompanying notes to financial statements

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO**

**Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis)**

**D.A.R.E Donation - 021**

**For the Year Ended June 30, 2008**

|  | Budgeted Amounts  |                   | Actual            | Variance<br>Favorable/<br>(Unfavorable) |
|--|-------------------|-------------------|-------------------|---|
|  | Original          | Final             |                   |   |
| <b>Revenues</b>  |                   |                   |                   |   |
| Grants and gifts   | \$ 5,000          | \$ 5,000          | \$ 4,559          | \$ (441)                                |
| Interest income  | <u>752</u>        | <u>752</u>        | <u>968</u>        | <u>216</u>                              |
| Total revenues   | <u>5,752</u>      | <u>5,752</u>      | <u>5,527</u>      | <u>(225)</u>                            |
| <b>Expenditures</b>  |                   |                   |                   |   |
| Current:   |                   |                   |                   |   |
| Public safety  | 8,838             | 12,838            | 11,070            | 1,768                                   |
| Non-current:   |                   |                   |                   |   |
| Capital outlay   | <u>-</u>          | <u>-</u>          | <u>-</u>          | <u>-</u>                                |
| Total expenditures   | <u>8,838</u>      | <u>12,838</u>     | <u>11,070</u>     | <u>1,768</u>                            |
| Excess (deficiency) of revenues over expenditures  | <u>(3,086)</u>    | <u>(7,086)</u>    | <u>(5,542)</u>    | <u>1,544</u>                            |
| <b>Other financing sources (uses)</b>  |                   |                   |                   |   |
| Transfers in   | -                 | -                 | -                 | -                                       |
| Transfers out  | <u>-</u>          | <u>-</u>          | <u>-</u>          | <u>-</u>                                |
| Total other financing sources (uses)   | <u>-</u>          | <u>-</u>          | <u>-</u>          | <u>-</u>                                |
| Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses | <u>\$ (3,086)</u> | <u>\$ (7,086)</u> | <u>\$ (5,542)</u> | <u>\$ 1,544</u>                         |
| Budgeted cash carryover  | <u>24,298</u>     | <u>24,298</u>     |                   |   |
|  | <u>\$ 21,212</u>  | <u>\$ 17,212</u>  |                   |   |

**RECONCILIATION FROM BUDGET/ACTUAL TO GAAP**

|   |                   |
|---|-------------------|
| Change in net assets (Budget Basis)                         | \$ (5,542)        |
| To adjust applicable revenue accruals and deferrals         | -                 |
| To adjust applicable expenditures and accruals and payments | <u>-</u>          |
| Change in net assets (GAAP basis)                           | <u>\$ (5,542)</u> |

See accompanying notes to financial statements



**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO**

**Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis)  
Designated Gift - 022  
For the Year Ended June 30, 2008**

|  | Budgeted Amounts |             | Actual   | Variance<br>Favorable/<br>(Unfavorable) |
|--|------------------|-------------|----------|---|
|  | Original         | Final       |          |   |
| <b>Revenues</b>  |                  |             |          |   |
| Grants and gifts   | \$ -             | \$ -        | \$ -     | \$ -                                    |
| User Fees  | \$ 850           | \$ 5,531    | \$ 9,826 | \$ 4,295                                |
| Interest income  | 801              | 801         | 1,323    | 522                                     |
| Total revenues   | 1,651            | 6,332       | 11,149   | 4,817                                   |
| <b>Expenditures</b>  |                  |             |          |   |
| Current:   |                  |             |          |   |
| General government   | 29,629           | 34,460      | 10,780   | 23,680                                  |
| Non-current:   |                  |             |          |   |
| Capital outlay   | -                | -           | -        | -                                       |
| Total expenditures   | 29,629           | 34,460      | 10,780   | 23,680                                  |
| Excess (deficiency) of revenues over expenditures  | (27,978)         | (28,128)    | 369      | 28,497                                  |
| <b>Other financing sources (uses)</b>  |                  |             |          |   |
| Transfers in   | -                | -           | -        | -                                       |
| Transfers out  | -                | -           | -        | -                                       |
| Total other financing sources (uses)   | -                | -           | -        | -                                       |
| Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses | \$ (27,978)      | \$ (28,128) | \$ 369   | \$ 28,497                               |
| Budgeted cash carryover  | 29,629           | 29,629      |          |   |
|  | \$ 1,651         | \$ 1,501    |          |   |

**RECONCILIATION FROM BUDGET/ACTUAL TO GAAP**

|   |    |       |
|---|----|-------|
| Change in net assets (Budget Basis)                         | \$ | 369   |
| To adjust applicable revenue accruals and deferrals         |    | -     |
| To adjust applicable expenditures and accruals and payments |    | (209) |
| Change in net assets (GAAP basis)                           | \$ | 160   |

See accompanying notes to financial statements

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO**

**Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis)  
Grant Capital Improvement - 024  
For the Year Ended June 30, 2008**

|  | Budgeted Amounts |           | Actual   | Variance<br>Favorable/<br>(Unfavorable) |
|--|------------------|-----------|----------|---|
|  | Original         | Final     |          |   |
| <b>Revenues</b>  |                  |           |          |   |
| Grants   | 333,631          | 333,631   | 55,084   | (278,547)                               |
| Total revenues   | 333,631          | 333,631   | 55,084   | (278,547)                               |
| <b>Expenditures</b>  |                  |           |          |   |
| Current:   |                  |           |          |   |
| General government   | 304,461          | 304,461   | 49,604   | 254,857                                 |
| Non-current:   |                  |           |          |   |
| Capital outlay   | -                | -         | -        | -                                       |
| Total expenditures   | 304,461          | 304,461   | 49,604   | 254,857                                 |
| Excess (deficiency) of revenues over expenditures  | 29,170           | 29,170    | 5,480    | (23,690)                                |
| <b>Other financing sources (uses)</b>  |                  |           |          |   |
| Transfers in   | -                | -         | -        | -                                       |
| Transfers out  | -                | -         | -        | -                                       |
| Total other financing sources (uses)   | -                | -         | -        | -                                       |
| Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses | \$ 29,170        | \$ 29,170 | \$ 5,480 | \$ (23,690)                             |

**RECONCILIATION FROM BUDGET/ACTUAL TO GAAP**

|   |    |         |
|---|----|---------|
| Change in net assets (Budget Basis)                         | \$ | 5,480   |
| To adjust applicable revenue accruals and deferrals         |    | (5,480) |
| To adjust applicable expenditures and accruals and payments |    | (8,195) |
| Change in net assets (GAAP basis)                           | \$ | (8,195) |

See accompanying notes to financial statements

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO**

**Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis)  
Municipal Court - 027  
For the Year Ended June 30, 2008**

|  | Budgeted Amounts |           | Actual    | Variance                    |
|--|------------------|-----------|-----------|-----------------------------|
|  | Original         | Final     |           | Favorable/<br>(Unfavorable) |
| <b>Revenues</b>  |                  |           |           |                             |
| Fines and forfeitures  | \$ 13,000        | \$ 13,000 | \$ 12,952 | \$ (48)                     |
| Miscellaneous  | 1,600            | 1,600     | (375)     | (1,975)                     |
| Total revenues   | 14,600           | 14,600    | 12,577    | (2,023)                     |
| <b>Expenditures</b>  |                  |           |           |                             |
| Current:   |                  |           |           |                             |
| General government   | 435,402          | 435,402   | 387,158   | 48,244                      |
| Non-current:   |                  |           |           |                             |
| Capital outlay   | -                | -         | -         | -                           |
| Total expenditures   | 435,402          | 435,402   | 387,158   | 48,244                      |
| Excess (deficiency) of revenues over expenditures  | (420,802)        | (420,802) | (374,581) | 46,221                      |
| <b>Other financing sources (uses)</b>  |                  |           |           |                             |
| Transfers in   | 432,966          | 432,966   | 384,547   | (48,419)                    |
| Transfers out  | (10,771)         | (10,771)  | (9,163)   | 1,608                       |
| Total other financing sources (uses)   | 422,195          | 422,195   | 375,384   | (46,811)                    |
| Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses | \$ 1,393         | \$ 1,393  | \$ 803    | \$ (590)                    |
| Budgeted cash carryover  | 1,951            | 1,951     |           |                             |
|  | \$ 3,344         | \$ 3,344  |           |                             |

**RECONCILIATION FROM BUDGET/ACTUAL TO GAAP**

|   |    |         |
|---|----|---------|
| Change in net assets (Budget Basis)                         | \$ | 803     |
| To adjust applicable revenue accruals and deferrals         |    | -       |
| To adjust applicable expenditures and accruals and payments |    | (2,295) |
| Change in net assets (GAAP basis)                           | \$ | (1,492) |

See accompanying notes to financial statements

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO**

**Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis)  
Police Contingency - 028  
For the Year Ended June 30, 2008**

|  | Budgeted Amounts |              | Actual      | Variance<br>Favorable/<br>(Unfavorable) |
|--|------------------|--------------|-------------|---|
|  | Original         | Final        |             |   |
| <b>Revenues</b>  |                  |              |             |   |
| Interest income  | \$ 11,606        | \$ 11,606    | \$ 7,425    | \$ (4,181)                              |
| Miscellaneous  | 47,000           | 47,000       | 24,621      | (22,379)                                |
| Total revenues   | 58,606           | 58,606       | 32,046      | (26,560)                                |
| <b>Expenditures</b>  |                  |              |             |   |
| Current:   |                  |              |             |   |
| Public safety  | 101,091          | 101,091      | 83,221      | 17,870                                  |
| Non-current:   |                  |              |             |   |
| Capital outlay   | 75,567           | 75,567       | 3,616       | 71,951                                  |
| Total expenditures   | 176,658          | 176,658      | 86,837      | 89,821                                  |
| Excess (deficiency) of revenues over expenditures  | (118,052)        | (118,052)    | (54,791)    | 63,261                                  |
| <b>Other financing sources (uses)</b>  |                  |              |             |   |
| Transfers in   | -                | -            | -           | -                                       |
| Transfers out  | (63,710)         | (63,710)     | (42,473)    | 21,238                                  |
| Total other financing sources (uses)   | (63,710)         | (63,710)     | (42,473)    | 21,238                                  |
| Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses | \$ (181,762)     | \$ (181,762) | \$ (97,263) | \$ 84,499                               |
| Budgeted cash carryover  | 201,876          | 201,876      |             |   |
|  | \$ 20,114        | \$ 20,114    |             |   |

RECONCILIATION FROM BUDGET/ACTUAL TO GAAP

|   |             |
|---|-------------|
| Change in net assets (Budget Basis)                         | \$ (97,263) |
| To adjust applicable revenue accruals and deferrals         | (20)        |
| To adjust applicable expenditures and accruals and payments | (1,199)     |
| Change in net assets (GAAP basis)                           | \$ (98,482) |

See accompanying notes to financial statements

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO**

**Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis)  
Cemetery - Perpetual Care - 031  
For the Year Ended June 30, 2008**

|  | Budgeted Amounts |               | Actual        | Variance                    |
|--|------------------|---------------|---------------|-----------------------------|
|  | Original         | Final         |               | Favorable/<br>(Unfavorable) |
| <b>Revenues</b>  |                  |               |               |                             |
| Interest income  | \$ 22,910        | \$ 22,910     | \$ 28,838     | \$ 5,928                    |
| Miscellaneous - Land Sales   | 9,525            | 9,525         | 13,775        | 4,250                       |
| <br>Total revenues   | <br>32,435       | <br>32,435    | <br>42,613    | <br>10,178                  |
| <b>Expenditures</b>  |                  |               |               |                             |
| Current:   |                  |               |               |                             |
| General government   | -                | -             | -             | -                           |
| Non-current:   |                  |               |               |                             |
| Capital outlay   | -                | -             | -             | -                           |
| <br>Total expenditures   | <br>-            | <br>-         | <br>-         | <br>-                       |
| <br>Excess (deficiency) of revenues over expenditures  | <br>32,435       | <br>32,435    | <br>42,613    | <br>10,178                  |
| <b>Other financing sources (uses)</b>  |                  |               |               |                             |
| Transfers in   | -                | -             | -             | -                           |
| Transfers out  | -                | -             | -             | -                           |
| Total other financing sources (uses)   | -                | -             | -             | -                           |
| <br>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses | <br>\$ 32,435    | <br>\$ 32,435 | <br>\$ 42,613 | <br>\$ 10,178               |
| <br>Budgeted cash carryover  | <br>577,141      | <br>577,141   |               |                             |
|  | \$ 609,576       | \$ 609,576    |               |                             |

**RECONCILIATION FROM BUDGET/ACTUAL TO GAAP**

|   |           |
|---|-----------|
| Change in net assets (Budget Basis)                         | \$ 42,613 |
| To adjust applicable revenue accruals and deferrals         | -         |
| To adjust applicable expenditures and accruals and payments | -         |
| Change in net assets (GAAP basis)                           | \$ 42,613 |

See accompanying notes to financial statements

**STATE OF NEW MEXICO**  
**CITY OF ALAMOGORDO**  
**Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis)**  
**Fire Protection - 033**  
**For the Year Ended June 30, 2008**

|   | <u>Budgeted Amounts</u> |                        | <u>Actual</u>        | Variance                    |
|---|-------------------------|------------------------|----------------------|-----------------------------|
|   | <u>Original</u>         | <u>Final</u>           |                      | Favorable/<br>(Unfavorable) |
| <b>Revenues</b>   |                         |                        |                      |                             |
| Grants and gifts  | \$ 331,532              | \$ 354,746             | \$ 354,746           | \$ -                        |
| Miscellaneous   | -                       | -                      | 8,101                | 8,101                       |
| Interest income   | <u>17,143</u>           | <u>17,143</u>          | <u>28,546</u>        | 11,403                      |
| <br>Total revenues  | <br><u>348,675</u>      | <br><u>371,889</u>     | <br><u>391,393</u>   | <br><u>19,504</u>           |
| <b>Expenditures</b>   |                         |                        |                      |                             |
| Current:  |                         |                        |                      |                             |
| Public safety   | 276,361                 | 323,668                | 253,397              | 70,271                      |
| Non-current:  |                         |                        |                      |                             |
| Capital outlay  | <u>149,500</u>          | <u>139,500</u>         | <u>75,274</u>        | <u>64,226</u>               |
| <br>Total expenditures  | <br><u>425,861</u>      | <br><u>463,168</u>     | <br><u>328,671</u>   | <br><u>134,497</u>          |
| <br>Excess (deficiency) of revenues over<br>expenditures  | <br><u>(77,186)</u>     | <br><u>(91,279)</u>    | <br><u>62,722</u>    | <br><u>154,001</u>          |
| <b>Other financing sources (uses)</b>   |                         |                        |                      |                             |
| Transfers in  | -                       | -                      | -                    | -                           |
| Transfers out   | <u>-</u>                | <u>-</u>               | <u>-</u>             | <u>-</u>                    |
| Total other financing sources (uses)  | <u>-</u>                | <u>-</u>               | <u>-</u>             | <u>-</u>                    |
| <br>Excess (deficiency) of revenues and<br>other financing sources over<br>expenditures and other financing<br>uses | <br><u>\$ (77,186)</u>  | <br><u>\$ (91,279)</u> | <br><u>\$ 62,722</u> | <br><u>\$ 154,001</u>       |
| <br>Budgeted cash carryover   | <br><u>235,717</u>      | <br><u>235,717</u>     |                      |                             |
|   | <br><u>\$ 158,531</u>   | <br><u>\$ 144,438</u>  |                      |                             |

**RECONCILIATION FROM BUDGET/ACTUAL TO GAAP**

|  |                  |
|--|------------------|
| Change in net assets (Budget Basis)                            | \$ 62,722        |
| To adjust applicable revenue accruals and deferrals            | -                |
| To adjust applicable expenditures<br>and accruals and payments | <u>(192)</u>     |
| Change in net assets (GAAP basis)                              | <u>\$ 62,530</u> |

See accompanying notes to financial statements

**STATE OF NEW MEXICO**  
**CITY OF ALAMOGORDO**  
**Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis)**  
**Law Enforcement Protection - 036**  
**For the Year Ended June 30, 2008**

|  | <u>Budgeted Amounts</u> |                  | <u>Actual</u>      | Variance                    |
|--|-------------------------|------------------|--------------------|-----------------------------|
|  | <u>Original</u>         | <u>Final</u>     |                    | Favorable/<br>(Unfavorable) |
| <b>Revenues</b>  |                         |                  |                    |                             |
| Grants and gifts   | \$ 171,472              | \$ 202,544       | \$ 145,121         | \$ (57,423)                 |
| Interest income  | <u>1,778</u>            | <u>1,778</u>     | <u>1,917</u>       | <u>139</u>                  |
| Total revenues   | <u>173,250</u>          | <u>204,322</u>   | <u>147,038</u>     | <u>(57,284)</u>             |
| <b>Expenditures</b>  |                         |                  |                    |                             |
| Current:   |                         |                  |                    |                             |
| Public safety  | 124,156                 | 142,628          | 141,086            | 1,542                       |
| Non-current:   |                         |                  |                    |                             |
| Capital outlay   | <u>20,506</u>           | <u>33,856</u>    | <u>33,839</u>      | <u>17</u>                   |
| Total expenditures   | <u>144,662</u>          | <u>176,484</u>   | <u>174,924</u>     | <u>1,560</u>                |
| Excess (deficiency) of revenues over expenditures  | <u>28,588</u>           | <u>27,838</u>    | <u>(27,887)</u>    | <u>(55,725)</u>             |
| <b>Other financing sources (uses)</b>  |                         |                  |                    |                             |
| Transfers in   | -                       | -                | -                  | -                           |
| Transfers out  | <u>-</u>                | <u>-</u>         | <u>-</u>           | <u>-</u>                    |
| Total other financing sources (uses)   | <u>-</u>                | <u>-</u>         | <u>-</u>           | <u>-</u>                    |
| Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses | <u>\$ 28,588</u>        | <u>\$ 27,838</u> | <u>\$ (27,887)</u> | <u>\$ (55,725)</u>          |
| Budgeted cash carryover  | <u>-</u>                | <u>-</u>         |                    |                             |
|  | <u>\$ 28,588</u>        | <u>\$ 27,838</u> |                    |                             |

**RECONCILIATION FROM BUDGET/ACTUAL TO GAAP**

|   |                  |
|---|------------------|
| Change in net assets (Budget Basis)                         | \$ (27,887)      |
| To adjust applicable revenue accruals and deferrals         | 52,882           |
| To adjust applicable expenditures and accruals and payments | <u>2,247</u>     |
| Change in net assets (GAAP basis)                           | <u>\$ 27,242</u> |

See accompanying notes to financial statements

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO**

**Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis)  
State Highway Cleanup - 037  
For the Year Ended June 30, 2008**

|  | Budgeted Amounts    |                      | Actual               | Variance                    |
|--|---------------------|----------------------|----------------------|-----------------------------|
|  | Original            | Final                |                      | Favorable/<br>(Unfavorable) |
| <b>Revenues</b>  |                     |                      |                      |                             |
| Taxes and fees   | \$ 16,000           | \$ 16,000            | \$ 18,995            | \$ 2,995                    |
| Grants and gifts   | 74,805              | 91,205               | 52,402               | (38,803)                    |
| Charges for services   | -                   | 1,000                | 695                  | (305)                       |
| Investment Income  | -                   | -                    | <u>165</u>           | 165                         |
| <br>Total revenues   | <br><u>90,805</u>   | <br><u>108,205</u>   | <br><u>72,256</u>    | <br><u>(35,949)</u>         |
| <b>Expenditures</b>  |                     |                      |                      |                             |
| Current:   |                     |                      |                      |                             |
| Public works   | 87,263              | 88,866               | 52,108               | 36,758                      |
| Non-current:   |                     |                      |                      |                             |
| Capital outlay   | <u>-</u>            | <u>-</u>             | <u>-</u>             | <u>-</u>                    |
| <br>Total expenditures   | <br><u>87,263</u>   | <br><u>88,866</u>    | <br><u>52,108</u>    | <br><u>36,758</u>           |
| <br>Excess (deficiency) of revenues over expenditures  | <br><u>3,542</u>    | <br><u>19,339</u>    | <br><u>20,148</u>    | <br><u>809</u>              |
| <b>Other financing sources (uses)</b>  |                     |                      |                      |                             |
| Transfers in   | -                   | -                    | -                    | -                           |
| Transfers out  | <u>(4,008)</u>      | <u>(4,008)</u>       | <u>(3,906)</u>       | <u>102</u>                  |
| Total other financing sources (uses)   | <u>(4,008)</u>      | <u>(4,008)</u>       | <u>(3,906)</u>       | <u>102</u>                  |
| <br>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses | <br><u>\$ (466)</u> | <br><u>\$ 15,331</u> | <br><u>\$ 16,242</u> | <br><u>\$ 911</u>           |

**RECONCILIATION FROM BUDGET/ACTUAL TO GAAP**

|   |                  |
|---|------------------|
| Change in net assets (Budget Basis)                         | \$ 16,242        |
| To adjust applicable revenue accruals and deferrals         | (4,906)          |
| To adjust applicable expenditures and accruals and payments | <u>291</u>       |
| Change in net assets (GAAP basis)                           | <u>\$ 11,627</u> |

See accompanying notes to financial statements



**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO**

**Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis)  
Traffic Safety - 038  
For the Year Ended June 30, 2008**

|  | Budgeted Amounts |             | Actual    | Variance                    |
|--|------------------|-------------|-----------|-----------------------------|
|  | Original         | Final       |           | Favorable/<br>(Unfavorable) |
| <b>Revenues</b>  |                  |             |           |                             |
| Fines and forfeitures  | \$ 18,500        | \$ 18,500   | \$ 36,048 | \$ 17,548                   |
| Interest income  | 1,627            | 1,627       | 1,957     | 330                         |
| Total revenues   | 20,127           | 20,127      | 38,005    | 17,878                      |
| <b>Expenditures</b>  |                  |             |           |                             |
| Current:   |                  |             |           |                             |
| Public safety  | 8,500            | 13,500      | 11,307    | 2,193                       |
| Non-current:   |                  |             |           |                             |
| Capital outlay   | 32,000           | 27,000      | 8,186     | 18,814                      |
| Total expenditures   | 40,500           | 40,500      | 19,493    | 21,007                      |
| Excess (deficiency) of revenues over expenditures  | (20,373)         | (20,373)    | 18,512    | 38,885                      |
| <b>Other financing sources (uses)</b>  |                  |             |           |                             |
| Transfers in   | -                | -           | -         | -                           |
| Transfers out  | -                | -           | -         | -                           |
| Total other financing sources (uses)   | -                | -           | -         | -                           |
| Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses | \$ (20,373)      | \$ (20,373) | \$ 18,512 | \$ 38,885                   |
| Budgeted cash carryover  | 39,676           | 39,676      |           |                             |
|  | \$ 19,303        | \$ 19,303   |           |                             |

**RECONCILIATION FROM BUDGET/ACTUAL TO GAAP**

|   |           |
|---|-----------|
| Change in net assets (Budget Basis)                         | \$ 18,512 |
| To adjust applicable revenue accruals and deferrals         | -         |
| To adjust applicable expenditures and accruals and payments | -         |
| Change in net assets (GAAP basis)                           | \$ 18,512 |

See accompanying notes to financial statements

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO**

**Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis)  
1984 Gross Receipts Tax - 042  
For the Year Ended June 30, 2008**

|  | Budgeted Amounts |                | Actual       | Variance<br>Favorable/<br>(Unfavorable) |
|--|------------------|----------------|--------------|---|
|  | Original         | Final          |              | (Unfavorable)                           |
| <b>Revenues</b>  |                  |                |              |   |
| Taxes and fees   | \$ 1,512,244     | \$ 1,512,244   | \$ 1,502,604 | \$ (9,640)                              |
| Interest income  | 63,026           | 63,026         | 74,701       | 11,675                                  |
| Total revenues   | 1,575,270        | 1,575,270      | 1,577,305    | 2,035                                   |
| <b>Expenditures</b>  |                  |                |              |   |
| Current:   |                  |                |              |   |
|  | -                | -              | -            | -                                       |
| Non-current:   |                  |                |              |   |
| Capital outlay   | -                | -              | -            | -                                       |
| Total expenditures   | -                | -              | -            | -                                       |
| Excess (deficiency) of revenues over expenditures  | 1,575,270        | 1,575,270      | 1,577,305    | 2,035                                   |
| <b>Other financing sources (uses)</b>  |                  |                |              |   |
| Transfers in   | -                | -              | -            | -                                       |
| Transfers out  | (2,768,723)      | (2,768,723)    | (2,195,846)  | 572,878                                 |
| Total other financing sources (uses)   | (2,768,723)      | (2,768,723)    | (2,195,846)  | 572,878                                 |
| Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses | \$ (1,193,453)   | \$ (1,193,453) | \$ (618,541) | \$ 574,912                              |
| Budgeted cash carryover  | 1,329,149        | 1,329,149      |              |   |
|  | \$ 135,696       | \$ 135,696     |              |   |

**RECONCILIATION FROM BUDGET/ACTUAL TO GAAP**

|   |              |
|---|--------------|
| Change in net assets (Budget Basis)                         | \$ (618,541) |
| To adjust applicable revenue accruals and deferrals         | 4,065        |
| To adjust applicable expenditures and accruals and payments | -            |
| Change in net assets (GAAP basis)                           | \$ (614,476) |

See accompanying notes to financial statements

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO**

**Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis)  
Community Development - 063  
For the Year Ended June 30, 2008**

|  | Budgeted Amounts |            | Actual       | Variance                    |
|--|------------------|------------|--------------|-----------------------------|
|  | Original         | Final      |              | Favorable/<br>(Unfavorable) |
| <b>Revenues</b>  |                  |            |              |                             |
| Charges for services   | \$ 10,510        | \$ 10,510  | \$ 16,932    | \$ 6,422                    |
| Miscellaneous  | 792,895          | 792,895    | 132,763      | (660,132)                   |
| Total revenues   | 803,405          | 803,405    | 149,696      | (653,709)                   |
| <b>Expenditures</b>  |                  |            |              |                             |
| Current:   |                  |            |              |                             |
| General government   | 469,118          | 469,351    | 341,319      | 128,032                     |
| Non-current:   |                  |            |              |                             |
| Capital outlay   | 33,133           | 57,004     | 6,716        | 50,288                      |
| Total expenditures   | 502,251          | 526,355    | 348,035      | 178,320                     |
| Excess (deficiency) of revenues over expenditures  | 301,154          | 277,050    | (198,340)    | (475,390)                   |
| <b>Other financing sources (uses)</b>  |                  |            |              |                             |
| Transfers in   | -                | -          | -            | -                           |
| Transfers out  | (23,398)         | (29,976)   | (29,976)     | -                           |
| Total other financing sources (uses)   | (23,398)         | (29,976)   | (29,976)     | -                           |
| Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses | \$ 277,756       | \$ 247,074 | \$ (228,316) | \$ (475,390)                |

**RECONCILIATION FROM BUDGET/ACTUAL TO GAAP**

|   |              |
|---|--------------|
| Change in net assets (Budget Basis)                         | \$ (228,316) |
| To adjust applicable revenue accruals and deferrals         | -            |
| To adjust applicable expenditures and accruals and payments | 301          |
| Change in net assets (GAAP basis)                           | \$ (228,015) |

See accompanying notes to financial statements

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO**

**Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis)  
1994 Gross Receipts Tax - 069  
For the Year Ended June 30, 2008**

|  | Budgeted Amounts |              | Actual       | Variance                    |
|--|------------------|--------------|--------------|-----------------------------|
|  | Original         | Final        |              | Favorable/<br>(Unfavorable) |
| <b>Revenues</b>  |                  |              |              |                             |
| Taxes and fees   | \$ 1,512,244     | \$ 1,512,244 | \$ 1,502,604 | \$ (9,640)                  |
| Interest income  | 33,730           | 33,730       | 39,336       | 5,606                       |
| Total revenues   | 1,545,974        | 1,545,974    | 1,541,939    | (4,035)                     |
| <b>Expenditures</b>  |                  |              |              |                             |
| Current:   |                  |              |              |                             |
| Public works   | -                | -            | -            | -                           |
| Non-current:   |                  |              |              |                             |
| Capital outlay   | -                | -            | -            | -                           |
| Total expenditures   | -                | -            | -            | -                           |
| Excess (deficiency) of revenues over expenditures  | 1,545,974        | 1,545,974    | 1,541,939    | (4,035)                     |
| <b>Other financing sources (uses)</b>  |                  |              |              |                             |
| Transfers in   | -                | -            | -            | -                           |
| Transfers out  | (1,807,456)      | (1,844,456)  | (1,338,686)  | 505,770                     |
| Total other financing sources (uses)   | (1,807,456)      | (1,844,456)  | (1,338,686)  | 505,770                     |
| Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses | \$ (261,482)     | \$ (298,482) | \$ 203,253   | \$ 501,735                  |
| Budgeted cash carryover  | 401,524          | 401,524      |              |                             |
|  | \$ 140,042       | \$ 103,042   |              |                             |

**RECONCILIATION FROM BUDGET/ACTUAL TO GAAP**

|   |    |         |
|---|----|---------|
| Change in net assets (Budget Basis)                         | \$ | 203,253 |
| To adjust applicable revenue accruals and deferrals         |    | 4,065   |
| To adjust applicable expenditures and accruals and payments |    | -       |
| Change in net assets (GAAP basis)                           | \$ | 207,318 |

See accompanying notes to financial statements

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO**

**Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis)  
Senior Center III -0 71  
For the Year Ended June 30, 2008**

|  | Budgeted Amounts |              | Actual       | Variance                    |
|--|------------------|--------------|--------------|-----------------------------|
|  | Original         | Final        |              | Favorable/<br>(Unfavorable) |
| <b>Revenues</b>  |                  |              |              |                             |
| Grants and gifts   | \$ 490,189       | \$ 548,468   | \$ 449,367   | \$ (99,101)                 |
| Charges for services   | 116,878          | 116,878      | 142,193      | 25,315                      |
| Miscellaneous  | 100              | 100          | 4            | (96)                        |
| Total revenues   | 607,167          | 665,446      | 591,565      | (73,881)                    |
| <b>Expenditures</b>  |                  |              |              |                             |
| Current:   |                  |              |              |                             |
| Health and welfare   | 944,994          | 1,015,649    | 909,185      | 106,464                     |
| Non-current:   |                  |              |              |                             |
| Capital outlay   | 52,322           | 46,344       | 30,967       | 15,377                      |
| Total expenditures   | 997,316          | 1,061,993    | 940,152      | 121,841                     |
| Excess (deficiency) of revenues over expenditures  | (390,149)        | (396,547)    | (348,587)    | 47,960                      |
| <b>Other financing sources (uses)</b>  |                  |              |              |                             |
| Transfers in   | 355,038          | 359,338      | 290,126      | (69,212)                    |
| Transfers out  | (111,506)        | (111,818)    | (110,551)    | 1,267                       |
| Total other financing sources (uses)   | 243,532          | 247,520      | 179,575      | (67,945)                    |
| Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses | \$ (146,617)     | \$ (149,027) | \$ (169,012) | \$ (19,985)                 |
| Budgeted cash carryover  | 149,027          | 149,027      |              |                             |
|  | \$ 2,410         | \$ -         |              |                             |

**RECONCILIATION FROM BUDGET/ACTUAL TO GAAP**

|   |              |
|---|--------------|
| Change in net assets (Budget Basis)                         | \$ (169,012) |
| To adjust applicable revenue accruals and deferrals         | 62,667       |
| To adjust applicable expenditures and accruals and payments | (11,201)     |
| Change in net assets (GAAP basis)                           | \$ (117,546) |

See accompanying notes to financial statements

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO**

**Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis)  
Senior Center Gift - 074  
For the Year Ended June 30, 2008**

|  | Budgeted Amounts |             | Actual   | Variance<br>Favorable/<br>(Unfavorable) |
|--|------------------|-------------|----------|---|
|  | Original         | Final       |          |   |
| <b>Revenues</b>  |                  |             |          |   |
| Grants and gifts   | \$ 5,460         | \$ 9,460    | \$ 6,749 | \$ (2,711)                              |
| Interest income  | 700              | 700         | 1,025    | 325                                     |
| Total revenues   | 6,160            | 10,160      | 7,774    | (2,386)                                 |
| <b>Expenditures</b>  |                  |             |          |   |
| Current:   |                  |             |          |   |
| General government   | 26,368           | 29,918      | 6,983    | 22,935                                  |
| Non-current:   |                  |             |          |   |
| Capital outlay   | -                | -           | -        | -                                       |
| Total expenditures   | 26,368           | 29,918      | 6,983    | 22,935                                  |
| Excess (deficiency) of revenues over expenditures  | (20,208)         | (19,758)    | 790      | 20,548                                  |
| <b>Other financing sources (uses)</b>  |                  |             |          |   |
| Transfers in   | -                | -           | -        | -                                       |
| Transfers out  | (610)            | (610)       | (610)    | -                                       |
| Total other financing sources (uses)   | (610)            | (610)       | (610)    | -                                       |
| Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses | \$ (20,818)      | \$ (20,368) | \$ 180   | \$ 20,548                               |
| Budgeted cash carryover  | 23,995           | 23,995      |          |   |
|  | \$ 3,177         | \$ 3,627    |          |   |

**RECONCILIATION FROM BUDGET/ACTUAL TO GAAP**

|   |    |     |  |
|---|----|-----|--|
| Change in net assets (Budget Basis)                         | \$ | 180 |  |
| To adjust applicable revenue accruals and deferrals         |    | -   |  |
| To adjust applicable expenditures and accruals and payments |    | -   |  |
| Change in net assets (GAAP basis)                           | \$ | 180 |  |

See accompanying notes to financial statements

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO**

**Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis)  
Retired & Senior Volunteer Program - 075  
For the Year Ended June 30, 2008**

|  | Budgeted Amounts |            | Actual      | Variance<br>Favorable/<br>(Unfavorable) |
|--|------------------|------------|-------------|---|
|  | Original         | Final      |             |   |
| <b>Revenues</b>  |                  |            |             |   |
| Grants and gifts   | \$ 219,242       | \$ 228,696 | \$ 172,973  | \$ (55,723)                             |
| Miscellaneous  | -                | -          | (77)        | (77)                                    |
| Charges for services   | 200              | 200        | 183         | (17)                                    |
| Total revenues   | 219,442          | 228,896    | 173,079     | (55,817)                                |
| <b>Expenditures</b>  |                  |            |             |   |
| Current:   |                  |            |             |   |
| Health and welfare   | 224,703          | 228,469    | 207,401     | 21,068                                  |
| Non-current:   |                  |            |             |   |
| Capital outlay   | -                | -          | -           | -                                       |
| Total expenditures   | 224,703          | 228,469    | 207,401     | 21,068                                  |
| Excess (deficiency) of revenues over expenditures  | (5,261)          | 427        | (34,322)    | (34,749)                                |
| <b>Other financing sources (uses)</b>  |                  |            |             |   |
| Transfers in   | 36,000           | 36,312     | 36,312      | -                                       |
| Transfers out  | (14,912)         | (14,912)   | (14,912)    | -                                       |
| Total other financing sources (uses)   | 21,088           | 21,400     | 21,400      | -                                       |
| Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses | \$ 15,827        | \$ 21,827  | \$ (12,922) | \$ (34,749)                             |
| Budgeted cash carryover  | -                | -          |             |   |
|  | \$ 15,827        | \$ 21,827  |             |   |

**RECONCILIATION FROM BUDGET/ACTUAL TO GAAP**

|   |             |
|---|-------------|
| Change in net assets (Budget Basis)                         | \$ (12,922) |
| To adjust applicable revenue accruals and deferrals         | (4,456)     |
| To adjust applicable expenditures and accruals and payments | (628)       |
| Change in net assets (GAAP basis)                           | \$ (18,006) |

See accompanying notes to financial statements

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO**

**Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis)  
ESGRT .0625% - Convenience Center - 089  
For the Year Ended June 30, 2008**

|  | Budgeted Amounts    |                     | Actual              | Variance                    |
|--|---------------------|---------------------|---------------------|-----------------------------|
|  | Original            | Final               |                     | Favorable/<br>(Unfavorable) |
| <b>Revenues</b>  |                     |                     |                     |                             |
| Taxes and fees   | \$ 378,061          | \$ 378,061          | \$ 375,651          | \$ (2,410)                  |
| Grants and gifts   | 232,283             | 232,283             | -                   | (232,283)                   |
| Interest income  | 21,441              | 21,441              | 22,228              | 787                         |
|  | <u>631,785</u>      | <u>631,785</u>      | <u>397,879</u>      | <u>(233,906)</u>            |
| <b>Expenditures</b>  |                     |                     |                     |                             |
| Current:   |                     |                     |                     |                             |
| General government   | 15,612              | 15,612              | 5,980               | 9,632                       |
| Non-current:   |                     |                     |                     |                             |
| Capital outlay   | 189,453             | 189,453             | 182,927             | 6,526                       |
|  | <u>205,065</u>      | <u>205,065</u>      | <u>188,907</u>      | <u>16,158</u>               |
| Excess (deficiency) of revenues over expenditures  | <u>426,720</u>      | <u>426,720</u>      | <u>208,972</u>      | <u>(217,748)</u>            |
| <b>Other financing sources (uses)</b>  |                     |                     |                     |                             |
| Transfers in   | 399,488             | 399,488             | 322,155             | (77,333)                    |
| Transfers out  | (1,008,863)         | (1,008,863)         | (752,513)           | 256,350                     |
| Total other financing sources (uses)   | <u>(609,375)</u>    | <u>(609,375)</u>    | <u>(430,358)</u>    | <u>179,017</u>              |
| Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses | <u>\$ (182,655)</u> | <u>\$ (182,655)</u> | <u>\$ (221,386)</u> | <u>\$ (38,731)</u>          |
| Budgeted cash carryover  | <u>528,288</u>      | <u>528,288</u>      |                     |                             |
|  | <u>\$ 345,633</u>   | <u>\$ 345,633</u>   |                     |                             |

**RECONCILIATION FROM BUDGET/ACTUAL TO GAAP**

|   |                     |
|---|---------------------|
| Change in net assets (Budget Basis)                         | \$ (221,386)        |
| To adjust applicable revenue accruals and deferrals         | 95,013              |
| To adjust applicable expenditures and accruals and payments | 5,919               |
| Change in net assets (GAAP basis)                           | <u>\$ (120,454)</u> |

See accompanying notes to financial statements



**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO**

**Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis)  
General Obligation - 053  
For the Year Ended June 30, 2008**

|  | Budgeted Amounts |                | Actual        | Variance                    |
|--|------------------|----------------|---------------|-----------------------------|
|  | Original         | Final          |               | Favorable/<br>(Unfavorable) |
| <b>Revenues</b>  |                  |                |               |                             |
| Taxes and fees   | \$ 790,342       | \$ 790,342     | \$ 886,102    | \$ 95,760                   |
| Interest income  | 11,141           | 11,141         | 15,813        | 4,672                       |
| <br>Total revenues   | <br>801,483      | <br>801,483    | <br>901,915   | <br>100,432                 |
| <b>Expenditures</b>  |                  |                |               |                             |
| Current:   |                  |                |               |                             |
| General government   | 450              | 450            | 400           | 50                          |
| Non-current:   |                  |                |               |                             |
| Principal payments   | 650,000          | 650,000        | 650,000       | -                           |
| Interest payments  | 160,397          | 160,397        | 160,396       | 1                           |
| <br>Total expenditures   | <br>810,847      | <br>810,847    | <br>810,796   | <br>51                      |
| <br>Excess (deficiency) of revenues over expenditures  | <br>(9,364)      | <br>(9,364)    | <br>91,119    | <br>100,483                 |
| <b>Other financing sources (uses)</b>  |                  |                |               |                             |
| Transfers in   | -                | -              | -             | -                           |
| Transfers out  | -                | -              | -             | -                           |
| Total other financing sources (uses)   | -                | -              | -             | -                           |
| <br>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses | <br>\$ (9,364)   | <br>\$ (9,364) | <br>\$ 91,119 | <br>\$ 100,483              |
| <br>Budgeted cash carryover  | <br>791,722      | <br>791,722    |               |                             |
|  | \$ 782,358       | \$ 782,358     |               |                             |

RECONCILIATION FROM BUDGET/ACTUAL TO GAAP

|   |           |
|---|-----------|
| Change in net assets (Budget Basis)                         | \$ 91,119 |
| To adjust applicable revenue accruals and deferrals         | (12,820)  |
| To adjust applicable expenditures and accruals and payments | -         |
| Change in net assets (GAAP basis)                           | \$ 78,299 |

See accompanying notes to financial statements

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO**

**Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis)  
Gross Receipts Tax Principal & Interest - 059  
For the Year Ended June 30, 2008**

|  | Budgeted Amounts |             | Actual      | Variance                    |
|--|------------------|-------------|-------------|-----------------------------|
|  | Original         | Final       |             | Favorable/<br>(Unfavorable) |
| <b>Revenues</b>  |                  |             |             |                             |
| Interest income  | \$ -             | \$ -        | \$ -        | \$ -                        |
| <br>Total revenues   | -                | -           | -           | -                           |
| <br><b>Expenditures</b>  |                  |             |             |                             |
| Current:   |                  |             |             |                             |
| General government   | 5,000            | 5,000       | 4,853       | 147                         |
| Non-current:   |                  |             |             |                             |
| Principal payments   | 925,000          | 925,000     | 925,000     | -                           |
| Interest payments  | 578,096          | 578,096     | 576,596     | 1,500                       |
| <br>Total expenditures   | 1,508,096        | 1,508,096   | 1,506,449   | 1,647                       |
| <br>Excess (deficiency) of revenues over expenditures  | (1,508,096)      | (1,508,096) | (1,506,449) | 1,647                       |
| <br><b>Other financing sources (uses)</b>  |                  |             |             |                             |
| Transfers in   | 1,508,096        | 1,508,096   | 1,508,096   | -                           |
| Transfers out  | -                | -           | -           | -                           |
| Total other financing sources (uses)   | 1,508,096        | 1,508,096   | 1,508,096   | -                           |
| <br>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses | \$ -             | \$ -        | \$ 1,647    | \$ 1,647                    |
| <br>Budgeted cash carryover  | 6,049            | 6,049       |             |                             |
|  | \$ 6,049         | \$ 6,049    |             |                             |

RECONCILIATION FROM BUDGET/ACTUAL TO GAAP

|   |    |       |
|---|----|-------|
| Change in net assets (Budget Basis)                         | \$ | 1,647 |
| To adjust applicable revenue accruals and deferrals         |    | -     |
| To adjust applicable expenditures and accruals and payments |    | -     |
| Change in net assets (GAAP basis)                           | \$ | 1,647 |

See accompanying notes to financial statements

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO**

**Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis)  
2002 GRT Bond Acquisition - 108  
For the Year Ended June 30, 2008**

|  | Budgeted Amounts |           | Actual    | Variance<br>Favorable/<br>(Unfavorable) |
|--|------------------|-----------|-----------|---|
|  | Original         | Final     |           |   |
| <b>Revenues</b>  |                  |           |           |   |
| Interest income  | \$ -             | \$ -      | \$ 12,978 | \$ 12,978                               |
| Total revenues   | -                | -         | 12,978    | 12,978                                  |
| <b>Expenditures</b>  |                  |           |           |   |
| Current:   | -                | -         | -         | -                                       |
| Non-current:   |                  |           |           |   |
| Capital outlay   | -                | 264,078   | 9,289     | 254,789                                 |
| Total expenditures   | -                | 264,078   | 9,289     | 254,789                                 |
| Excess (deficiency) of revenues over expenditures  | -                | (264,078) | 3,689     | 267,767                                 |
| <b>Other financing sources (uses)</b>  |                  |           |           |   |
| Transfers in   | -                | -         | -         | -                                       |
| Transfers out  | -                | (11,537)  | (11,537)  | -                                       |
| Total other financing sources (uses)   | -                | (11,537)  | (11,537)  | -                                       |
| Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses | -                | (275,615) | (7,848)   | 267,767                                 |
| Budgeted cash carryover  | 275,615          | 275,615   |           |   |
|  | \$ 275,615       | \$ -      |           |   |

RECONCILIATION FROM BUDGET/ACTUAL TO GAAP

|   |            |
|---|------------|
| Change in net assets (Budget Basis)                         | \$ (7,848) |
| To adjust applicable revenue accruals and deferrals         | -          |
| To adjust applicable expenditures and accruals and payments | -          |
| Change in net assets (GAAP basis)                           | \$ (7,848) |

See accompanying notes to financial statements

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO**

**Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis)  
Airport Improvements - 040  
For the Year Ended June 30, 2008**

|  | Budgeted Amounts |              | Actual     | Variance                    |
|--|------------------|--------------|------------|-----------------------------|
|  | Original         | Final        |            | Favorable/<br>(Unfavorable) |
| <b>Revenues</b>  |                  |              |            |                             |
| Grants and gifts   | \$ -             | \$ 2,239,549 | \$ 455,285 | \$ (1,784,264)              |
| Interest income  | -                | 900          | 2,078      | 1,178                       |
|  |                  |              |            |                             |
| Total revenues   | -                | 2,240,449    | 457,363    | (1,783,086)                 |
| <b>Expenditures</b>  |                  |              |            |                             |
| Current:   | -                | -            | -          | -                           |
| Non-current:   |                  |              |            |                             |
| Capital outlay   | -                | 2,266,901    | 222,618    | (2,044,283)                 |
|  |                  |              |            |                             |
| Total expenditures   | -                | 2,266,901    | 222,618    | (2,044,283)                 |
| Excess (deficiency) of revenues over expenditures  | -                | (26,452)     | 234,745    | 261,197                     |
| <b>Other financing sources (uses)</b>  |                  |              |            |                             |
| Transfers in   | -                | -            | -          | -                           |
| Transfers out  | -                | -            | (216,833)  | (216,833)                   |
|  |                  |              |            |                             |
| Total other financing sources (uses)   | -                | -            | (216,833)  | (216,833)                   |
| Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses | \$ -             | \$ (26,452)  | \$ 17,912  | \$ 44,364                   |
| Budgeted cash carryover  | 45,212           | 45,212       |            |                             |
|  |                  |              |            |                             |
|  | \$ 45,212        | \$ 18,760    |            |                             |

RECONCILIATION FROM BUDGET/ACTUAL TO GAAP

|   |    |          |
|---|----|----------|
| Change in net assets (Budget Basis)                         | \$ | 17,912   |
| To adjust applicable revenue accruals and deferrals         |    | (26,460) |
| To adjust applicable expenditures and accruals and payments |    | -        |
| Change in net assets (GAAP basis)                           | \$ | (8,548)  |

See accompanying notes to financial statements

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO**  
**Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis)**  
**Community Development Block Grant - 048**  
**For the Year Ended June 30, 2008**

|  | <u>Budgeted Amounts</u> |                    | <u>Actual</u>          | Variance                           |
|--|-------------------------|--------------------|------------------------|------------------------------------|
|  | <u>Original</u>         | <u>Final</u>       |                        | Favorable/<br><u>(Unfavorable)</u> |
| <b>Revenues</b>  |                         |                    |                        |                                    |
| Grants and gifts   | \$ 500,000              | \$ 500,000         | \$ 203,810             | \$ (296,190)                       |
| Miscellaneous  | \$ 50,000               | \$ 50,000          | \$ 50,000              | \$ -                               |
| Interest income  | <u>-</u>                | <u>-</u>           | <u>426</u>             | <u>\$ 426</u>                      |
| <br>Total revenues   | <br><u>550,000</u>      | <br><u>550,000</u> | <br><u>254,236</u>     | <br><u>(295,764)</u>               |
| <b>Expenditures</b>  |                         |                    |                        |                                    |
| Current:   | -                       | -                  | -                      | -                                  |
| Non-current:   |                         |                    |                        |                                    |
| Capital outlay   | <u>550,000</u>          | <u>550,000</u>     | <u>321,308</u>         | <u>228,692</u>                     |
| <br>Total expenditures   | <br><u>550,000</u>      | <br><u>550,000</u> | <br><u>321,308</u>     | <br><u>228,692</u>                 |
| <br>Excess (deficiency) of revenues over expenditures  | <br><u>-</u>            | <br><u>-</u>       | <br><u>(67,072)</u>    | <br><u>(67,072)</u>                |
| <b>Other financing sources (uses)</b>  |                         |                    |                        |                                    |
| Transfers in   | -                       | -                  | -                      | -                                  |
| Transfers out  | <u>-</u>                | <u>-</u>           | <u>-</u>               | <u>-</u>                           |
| <br>Total other financing sources (uses)   | <br><u>-</u>            | <br><u>-</u>       | <br><u>-</u>           | <br><u>-</u>                       |
| <br>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses | <br><u>\$ -</u>         | <br><u>\$ -</u>    | <br><u>\$ (67,072)</u> | <br><u>\$ (67,072)</u>             |
| <br>Budgeted cash carryover  | <br><u>10,701</u>       | <br><u>10,701</u>  |                        |                                    |
|  | <u>\$ 10,701</u>        | <u>\$ 10,701</u>   |                        |                                    |

**RECONCILIATION FROM BUDGET/ACTUAL TO GAAP**

|   |                  |
|---|------------------|
| Change in net assets (Budget Basis)                         | \$ (67,072)      |
| To adjust applicable revenue accruals and deferrals         | 85,330           |
| To adjust applicable expenditures and accruals and payments | <u>-</u>         |
| Change in net assets (GAAP basis)                           | <u>\$ 18,258</u> |

See accompanying notes to financial statements

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis)  
1986 Gross Receipts Tax - 049  
For the Year Ended June 30, 2008**

|   | <u>Budgeted Amounts</u> |                           | <u>Actual</u>           | Variance                    |
|---|-------------------------|---------------------------|-------------------------|-----------------------------|
|   | <u>Original</u>         | <u>Final</u>              |                         | Favorable/<br>(Unfavorable) |
| <b>Revenues</b>   |                         |                           |                         |                             |
| Taxes and fees  | \$ 1,522,328            | \$ 1,512,244              | \$ 1,502,604            | \$ (9,640)                  |
| Grants and gifts  | 425,137                 | 425,137                   | 1,304                   | (423,833)                   |
| Interest income   | <u>140,000</u>          | <u>200,000</u>            | <u>180,427</u>          | <u>(19,573)</u>             |
| <br>Total revenues  | <br><u>2,087,465</u>    | <br><u>2,137,381</u>      | <br><u>1,684,334</u>    | <br><u>(453,047)</u>        |
| <b>Expenditures</b>   |                         |                           |                         |                             |
| Current:  |                         |                           |                         |                             |
| General government  | 540,000                 | 1,806,228                 | 542,541                 | 1,263,687                   |
| Non-current:  |                         |                           |                         |                             |
| Capital outlay  | <u>-</u>                | <u>1,031,502</u>          | <u>84,055</u>           | <u>947,447</u>              |
| <br>Total expenditures  | <br><u>540,000</u>      | <br><u>2,837,730</u>      | <br><u>626,595</u>      | <br><u>2,211,135</u>        |
| <br>Excess (deficiency) of revenues over<br>expenditures  | <br><u>1,547,465</u>    | <br><u>(700,349)</u>      | <br><u>1,057,739</u>    | <br><u>1,758,088</u>        |
| <b>Other financing sources (uses)</b>   |                         |                           |                         |                             |
| Transfers in  | -                       | -                         | -                       | -                           |
| Transfers out   | <u>(883,653)</u>        | <u>(449,528)</u>          | <u>(33,369)</u>         | <u>416,159</u>              |
| <br>Total other financing sources (uses)  | <br><u>(883,653)</u>    | <br><u>(449,528)</u>      | <br><u>(33,369)</u>     | <br><u>416,159</u>          |
| <br>Excess (deficiency) of revenues and<br>other financing sources over<br>expenditures and other financing<br>uses | <br><u>\$ 663,812</u>   | <br><u>\$ (1,149,877)</u> | <br><u>\$ 1,024,370</u> | <br><u>\$ 2,174,247</u>     |
| <br>Budgeted cash carryover   | <br><u>3,176,016</u>    | <br><u>3,176,016</u>      |                         |                             |
|   | <br><u>\$ 3,839,828</u> | <br><u>\$ 2,026,139</u>   |                         |                             |

**RECONCILIATION FROM BUDGET/ACTUAL TO GAAP**

|  |                     |
|--|---------------------|
| Change in net assets (Budget Basis)                            | \$ 1,024,370        |
| To adjust applicable revenue accruals and deferrals            | 752,280             |
| To adjust applicable expenditures<br>and accruals and payments | <u>(29,599)</u>     |
| Change in net assets (GAAP basis)                              | <u>\$ 1,747,051</u> |

See accompanying notes to financial statements

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO**

**Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis)  
Property Acquisition - 050  
For the Year Ended June 30, 2008**

|  | Budgeted Amounts |              | Actual       | Variance                    |
|--|------------------|--------------|--------------|-----------------------------|
|  | Original         | Final        |              | Favorable/<br>(Unfavorable) |
| <b>Revenues</b>  |                  |              |              |                             |
| Taxes and fees   | \$ -             | \$ 12,000    | \$ 10,253    | \$ (1,747)                  |
| Interest income  | 2,500            | 12,904       | 18,025       | 5,121                       |
| Miscellaneous  | 7,500            | -            | -            | -                           |
|  |                  |              |              |                             |
| Total revenues   | 10,000           | 24,904       | 28,278       | 3,374                       |
| <b>Expenditures</b>  |                  |              |              |                             |
| Current:   |                  |              |              |                             |
| General government   | 9,141            | 6,064        | 4,652        | 1,412                       |
| Non-current:   |                  |              |              |                             |
| Capital outlay   | 409,653          | 539,000      | 174,135      | 364,865                     |
|  |                  |              |              |                             |
| Total expenditures   | 418,794          | 545,064      | 178,788      | 366,276                     |
| Excess (deficiency) of revenues over expenditures  | (408,794)        | (520,160)    | (150,510)    | 369,650                     |
| <b>Other financing sources (uses)</b>  |                  |              |              |                             |
| Transfers in   | 133,653          | 133,653      | 8,026        | (125,627)                   |
| Transfers out  | -                | -            | -            | -                           |
|  |                  |              |              |                             |
| Total other financing sources (uses)   | 133,653          | 133,653      | 8,026        | (125,627)                   |
| Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses | \$ (275,141)     | \$ (386,507) | \$ (142,484) | \$ 244,023                  |
| Budgeted cash carryover  | 388,694          | 388,694      |              |                             |
|  | \$ 113,553       | \$ 2,187     |              |                             |

**RECONCILIATION FROM BUDGET/ACTUAL TO GAAP**

|   |              |
|---|--------------|
| Change in net assets (Budget Basis)                         | \$ (142,484) |
| To adjust applicable revenue accruals and deferrals         | (333)        |
| To adjust applicable expenditures and accruals and payments | 1            |
| Change in net assets (GAAP basis)                           | \$ (142,816) |

See accompanying notes to financial statements

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO**

**Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis)  
Reverse Osmosis Prj Rsv - 054  
For the Year Ended June 30, 2008**

|  | Budgeted Amounts    |                       | Actual                  | Variance                    |
|--|---------------------|-----------------------|-------------------------|-----------------------------|
|  | Original            | Final                 |                         | Favorable/<br>(Unfavorable) |
| <b>Revenues</b>  |                     |                       |                         |                             |
| Grants and gifts   | \$ -                | \$ 150,000            | \$ -                    | \$ (150,000)                |
| Miscellaneous  | -                   | 5,819,299             | 3,518,564               | (2,300,735)                 |
| Interest income  | <u>2,800</u>        | <u>3,000</u>          | <u>2,817</u>            | <u>(183)</u>                |
| <br>Total revenues   | <br><u>2,800</u>    | <br><u>5,972,299</u>  | <br><u>3,521,380</u>    | <br><u>(2,450,919)</u>      |
| <b>Expenditures</b>  |                     |                       |                         |                             |
| Current:   |                     |                       |                         |                             |
| Public works   | -                   | -                     | -                       | -                           |
| Non-current:   |                     |                       |                         |                             |
| Capital outlay   | <u>-</u>            | <u>5,894,472</u>      | <u>2,537,185</u>        | <u>3,357,287</u>            |
| <br>Total expenditures   | <br><u>-</u>        | <br><u>5,894,472</u>  | <br><u>2,537,185</u>    | <br><u>3,357,287</u>        |
| <br>Excess (deficiency) of revenues over expenditures  | <br><u>2,800</u>    | <br><u>77,827</u>     | <br><u>984,195</u>      | <br><u>906,368</u>          |
| <b>Other financing sources (uses)</b>  |                     |                       |                         |                             |
| Transfers in   | -                   | 315,875               | 25,343                  | (290,532)                   |
| Transfers out  | <u>-</u>            | <u>-</u>              | <u>-</u>                | <u>-</u>                    |
| Total other financing sources (uses)   | <u>-</u>            | <u>315,875</u>        | <u>25,343</u>           | <u>(290,532)</u>            |
| <br>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses | <br><u>\$ 2,800</u> | <br><u>\$ 393,702</u> | <br><u>\$ 1,009,539</u> | <br><u>\$ 615,837</u>       |

**RECONCILIATION FROM BUDGET/ACTUAL TO GAAP**

|   |                   |
|---|-------------------|
| Change in net assets (Budget Basis)                         | \$ 1,009,539      |
| To adjust applicable revenue accruals and deferrals         | -                 |
| To adjust applicable expenditures and accruals and payments | <u>(221,583)</u>  |
| Change in net assets (GAAP basis)                           | <u>\$ 787,956</u> |

See accompanying notes to financial statements



**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO**

**Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis)  
Alamogordo Flood Control - 056  
For the Year Ended June 30, 2008**

|  | Budgeted Amounts |              | Actual      | Variance<br>Favorable/<br>(Unfavorable) |
|--|------------------|--------------|-------------|---|
|  | Original         | Final        |             |   |
| <b>Revenues</b>  |                  |              |             |   |
| Interest income  | \$ 60,000        | \$ 40,000    | \$ 50,409   | \$ 10,409                               |
| Total revenues   | 60,000           | 40,000       | 50,409      | 10,409                                  |
| <b>Expenditures</b>  |                  |              |             |   |
| Current:   |                  |              |             |   |
|  | -                | -            | -           | -                                       |
| Non-current:   |                  |              |             |   |
| Capital outlay   | 1,600,000        | 2,296,614    | 1,207,835   | 1,088,779                               |
| Total expenditures   | 1,600,000        | 2,296,614    | 1,207,835   | 1,088,779                               |
| Excess (deficiency) of revenues over expenditures  | (1,540,000)      | (2,256,614)  | (1,157,426) | 1,099,188                               |
| <b>Other financing sources (uses)</b>  |                  |              |             |   |
| Transfers in   | 250,000          | 1,300,000    | 1,300,000   | -                                       |
| Transfers out  | -                | -            | -           | -                                       |
| Total other financing sources (uses)   | 250,000          | 1,300,000    | 1,300,000   | -                                       |
| Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses | \$ (1,290,000)   | \$ (956,614) | \$ 142,574  | \$ 1,099,188                            |
| Budgeted cash carryover  | 972,678          | 972,678      |             |   |
|  | \$ (317,322)     | \$ 16,064    |             |   |

RECONCILIATION FROM BUDGET/ACTUAL TO GAAP

|   |            |
|---|------------|
| Change in net assets (Budget Basis)                         | \$ 142,574 |
| To adjust applicable revenue accruals and deferrals         | -          |
| To adjust applicable expenditures and accruals and payments | -          |
| Change in net assets (GAAP basis)                           | \$ 142,574 |

See accompanying notes to financial statements

**STATE OF NEW MEXICO**  
**CITY OF ALAMOGORDO**  
**Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis)**  
**Municipal Infrastructure - 061**  
**For the Year Ended June 30, 2008**

|   | <u>Budgeted Amounts</u> |                         | <u>Actual</u>          | Variance                    |
|---|-------------------------|-------------------------|------------------------|-----------------------------|
|   | <u>Original</u>         | <u>Final</u>            |                        | Favorable/<br>(Unfavorable) |
| <b>Revenues</b>   |                         |                         |                        |                             |
| Taxes and fees  | \$ 380,582              | \$ 378,061              | \$ 375,651             | \$ (2,410)                  |
| Grants  | \$ -                    | \$ 1,097,067            | \$ 441,461             | \$ (655,606)                |
| Interest income   | <u>5,000</u>            | <u>5,000</u>            | <u>19,609</u>          | <u>14,609</u>               |
| <br>Total revenues  | <br><u>385,582</u>      | <br><u>1,480,128</u>    | <br><u>836,720</u>     | <br><u>(643,408)</u>        |
| <b>Expenditures</b>   |                         |                         |                        |                             |
| Current:  | -                       | -                       | -                      | -                           |
| Non-current:  | -                       | 1,500,030               | 753,824                | 746,206                     |
| <br>Total expenditures  | <br><u>-</u>            | <br><u>1,500,030</u>    | <br><u>753,824</u>     | <br><u>746,206</u>          |
| <br>Excess (deficiency) of revenues over<br>expenditures  | <br><u>385,582</u>      | <br><u>(19,902)</u>     | <br><u>82,896</u>      | <br><u>(1,389,614)</u>      |
| <b>Other financing sources (uses)</b>   |                         |                         |                        |                             |
| Transfers in  | -                       | 300,000                 | -                      | (300,000)                   |
| Transfers out   | <u>(464,240)</u>        | <u>(832,377)</u>        | <u>(115,671)</u>       | <u>716,706</u>              |
| Total other financing sources (uses)  | <u>(464,240)</u>        | <u>(532,377)</u>        | <u>(115,671)</u>       | <u>416,706</u>              |
| <br>Excess (deficiency) of revenues and<br>other financing sources over<br>expenditures and other financing<br>uses | <br><u>\$ (78,658)</u>  | <br><u>\$ (552,279)</u> | <br><u>\$ (32,775)</u> | <br><u>\$ (972,907)</u>     |
| <br>Budgeted cash carryover   | <br><u>580,691</u>      | <br><u>580,691</u>      |                        |                             |
|   | <u>\$ 502,033</u>       | <u>\$ 28,412</u>        |                        |                             |

RECONCILIATION FROM BUDGET/ACTUAL TO GAAP

|  |                    |
|--|--------------------|
| Change in net assets (Budget Basis)                            | \$ (32,775)        |
| To adjust applicable revenue accruals and deferrals            | 17,922             |
| To adjust applicable expenditures<br>and accruals and payments | <u>-</u>           |
| Change in net assets (GAAP basis)                              | <u>\$ (14,853)</u> |

See accompanying notes to financial statements

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO**  
**Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis)**  
**Economic Development - 105**  
**For the Year Ended June 30, 2008**

|   | <u>Budgeted Amounts</u> |                       | <u>Actual</u>         | Variance                    |
|---|-------------------------|-----------------------|-----------------------|-----------------------------|
|   | <u>Original</u>         | <u>Final</u>          |                       | Favorable/<br>(Unfavorable) |
| <b>Revenues</b>   |                         |                       |                       |                             |
| Taxes and fees  | \$ 761,164              | \$ 756,122            | \$ 751,302            | \$ (4,820)                  |
| Grants  | -                       | 315,740               | 315,739               | (1)                         |
| Interest income   | <u>20,000</u>           | <u>16,061</u>         | <u>28,071</u>         | <u>12,010</u>               |
| <br>Total revenues  | <br><u>781,164</u>      | <br><u>1,087,923</u>  | <br><u>1,095,113</u>  | <br><u>7,190</u>            |
| <b>Expenditures</b>   |                         |                       |                       |                             |
| Current:  |                         |                       |                       |                             |
|   | 1,050,000               | 517,749               | 454,803               | 62,946                      |
| Non-current:  |                         |                       |                       |                             |
| Capital outlay  | <u>-</u>                | <u>31,444</u>         | <u>6,071</u>          | <u>25,373</u>               |
| <br>Total expenditures  | <br><u>1,050,000</u>    | <br><u>549,193</u>    | <br><u>460,874</u>    | <br><u>88,319</u>           |
| <br>Excess (deficiency) of revenues over<br>expenditures  | <br><u>(268,836)</u>    | <br><u>538,730</u>    | <br><u>634,239</u>    | <br><u>95,509</u>           |
| <b>Other financing sources (uses)</b>   |                         |                       |                       |                             |
| Transfers in  |                         |                       |                       | -                           |
| Transfers out   | <u>-</u>                | <u>-</u>              | <u>-</u>              | <u>-</u>                    |
| Total other financing sources (uses)  | <u>-</u>                | <u>-</u>              | <u>-</u>              | <u>-</u>                    |
| <br>Excess (deficiency) of revenues and<br>other financing sources over<br>expenditures and other financing<br>uses | <br><u>\$ (268,836)</u> | <br><u>\$ 538,730</u> | <br><u>\$ 634,239</u> | <br><u>\$ 95,509</u>        |
| <br>Budgeted cash carryover   | <br><u>344,635</u>      | <br><u>344,635</u>    |                       |                             |
|   | <u>\$ 75,799</u>        | <u>\$ 883,365</u>     |                       |                             |

RECONCILIATION FROM BUDGET/ACTUAL TO GAAP

|  |                   |
|--|-------------------|
| Change in net assets (Budget Basis)                            | \$ 634,239        |
| To adjust applicable revenue accruals and deferrals            | 2,033             |
| To adjust applicable expenditures<br>and accruals and payments | <u>5,192</u>      |
| Change in net assets (GAAP basis)                              | <u>\$ 641,464</u> |

See accompanying notes to financial statements

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO**

**Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis)  
PRS RSV Flood Control - 106  
For the Year Ended June 30, 2008**

|  | Budgeted Amounts |            | Actual    | Variance<br>Favorable/<br>(Unfavorable) |
|--|------------------|------------|-----------|---|
|  | Original         | Final      |           |   |
| <b>Revenues</b>  |                  |            |           |   |
| Interest income  | \$ 10,456        | \$ 16,272  | \$ 19,794 | \$ 3,522                                |
| Total revenues   | 10,456           | 16,272     | 19,794    | 3,522                                   |
| <b>Expenditures</b>  |                  |            |           |   |
| Current:   | -                | -          | -         | -                                       |
| Non-current:   | -                | -          | -         | -                                       |
| Total expenditures   | -                | -          | -         | -                                       |
| Excess (deficiency) of revenues over expenditures  | 10,456           | 16,272     | 19,794    | 3,522                                   |
| <b>Other financing sources (uses)</b>  |                  |            |           |   |
| Transfers in   | -                | -          | -         | -                                       |
| Transfers out  | -                | -          | -         | -                                       |
| Total other financing sources (uses)   | -                | -          | -         | -                                       |
| Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses | \$ 10,456        | \$ 16,272  | \$ 19,794 | \$ 3,522                                |
| Budgeted cash carryover  | 399,763          | 399,763    |           |   |
|  | \$ 410,219       | \$ 416,035 |           |   |

RECONCILIATION FROM BUDGET/ACTUAL TO GAAP

|   |    |        |
|---|----|--------|
| Change in net assets (Budget Basis)                         | \$ | 19,794 |
| To adjust applicable revenue accruals and deferrals         |    | -      |
| To adjust applicable expenditures and accruals and payments |    | -      |
| Change in net assets (GAAP basis)                           | \$ | 19,794 |

See accompanying notes to financial statements

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO**

**Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis)  
2002 GRT Capital Outlay - 109  
For the Year Ended June 30, 2008**

|  | Budgeted Amounts |              | Actual       | Variance                    |
|--|------------------|--------------|--------------|-----------------------------|
|  | Original         | Final        |              | Favorable/<br>(Unfavorable) |
| <b>Revenues</b>  |                  |              |              |                             |
| Taxes and fees   | \$ 1,522,328     | \$ 1,512,244 | \$ 1,502,604 | \$ (9,640)                  |
| Interest income  | 5,000            | 30,000       | 64,452       | 34,452                      |
| Total revenues   | 1,527,328        | 1,542,244    | 1,567,056    | 24,812                      |
| <b>Expenditures</b>  |                  |              |              |                             |
| Current:   |                  |              |              |                             |
|  | -                | -            | -            | -                           |
| Non-current:   |                  |              |              |                             |
| Capital outlay   | -                | -            | -            | -                           |
| Total expenditures   | -                | -            | -            | -                           |
| Excess (deficiency) of revenues over expenditures  | 1,527,328        | 1,542,244    | 1,567,056    | 24,812                      |
| <b>Other financing sources (uses)</b>  |                  |              |              |                             |
| Transfers in   | -                | -            | -            | -                           |
| Transfers out  | (1,453,260)      | (2,359,308)  | (1,318,456)  | 1,040,852                   |
| Total other financing sources (uses)   | (1,453,260)      | (2,359,308)  | (1,318,456)  | 1,040,852                   |
| Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses | \$ 74,068        | \$ (817,064) | \$ 248,599   | \$ 1,065,663                |
| Budgeted cash carryover  | 990,321          | 990,321      |              |                             |
|  | \$ 1,064,389     | \$ 173,257   |              |                             |

**RECONCILIATION FROM BUDGET/ACTUAL TO GAAP**

|   |            |
|---|------------|
| Change in net assets (Budget Basis)                         | \$ 248,599 |
| To adjust applicable revenue accruals and deferrals         | 4,065      |
| To adjust applicable expenditures and accruals and payments | (1,639)    |
| Change in net assets (GAAP basis)                           | \$ 251,025 |

See accompanying notes to financial statements

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO**

**Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis)  
04 GRT Bond Acquisition - 111  
For the Year Ended June 30, 2008**

|  | Budgeted Amounts |              | Actual      | Variance                    |
|--|------------------|--------------|-------------|-----------------------------|
|  | Original         | Final        |             | Favorable/<br>(Unfavorable) |
| <b>Revenues</b>  |                  |              |             |                             |
| Miscellaneous  | \$ -             | \$ -         | \$ -        | \$ -                        |
| Interest income  | -                | -            | 10,373      | 10,373                      |
|  |                  |              |             |                             |
| Total revenues   | -                | -            | 10,373      | 10,373                      |
| <b>Expenditures</b>  |                  |              |             |                             |
| Current:   |                  |              |             |                             |
| General government   | -                | -            | -           | -                           |
| Non-current:   |                  |              |             |                             |
| Capital outlay   | -                | 244,500      | 106,920     | 137,580                     |
|  |                  |              |             |                             |
| Total expenditures   | -                | 244,500      | 106,920     | 137,580                     |
| Excess (deficiency) of revenues over expenditures  |                  |              |             |                             |
|  | -                | (244,500)    | (96,547)    | 147,953                     |
| <b>Other financing sources (uses)</b>  |                  |              |             |                             |
| Transfers in   | -                | -            | -           | -                           |
| Transfers out  | -                | -            | -           | -                           |
|  |                  |              |             |                             |
| Total other financing sources (uses)   | -                | -            | -           | -                           |
| Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses |                  |              |             |                             |
|  | \$ -             | \$ (244,500) | \$ (96,547) | \$ 147,953                  |
| Budgeted cash carryover  |                  |              |             |                             |
|  | 244,500          | 244,500      |             |                             |
|  |                  |              |             |                             |
|  | \$ 244,500       | \$ -         |             |                             |

**RECONCILIATION FROM BUDGET/ACTUAL TO GAAP**

|   |             |
|---|-------------|
| Change in net assets (Budget Basis)                         | \$ (96,547) |
| To adjust applicable revenue accruals and deferrals         | -           |
| To adjust applicable expenditures and accruals and payments | -           |
| Change in net assets (GAAP basis)                           | \$ (96,547) |

See accompanying notes to financial statements

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO**  
**Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis)**  
**Water and Sewer - Operating - 081**  
**For the Year Ended June 30, 2008**

|  | Budgeted Amounts    |                     | Actual            | Variance                    |
|--|---------------------|---------------------|-------------------|-----------------------------|
|  | Original            | Final               |                   | Favorable/<br>(Unfavorable) |
| <b>Revenues</b>  |                     |                     |                   |                             |
| Taxes and fees   | \$ 34,120           | \$ 34,120           | \$ 23,285         | \$ (10,835)                 |
| Charges for services   | 7,408,642           | 7,408,642           | 7,243,397         | (165,245)                   |
| Interest income  | 119,033             | 119,033             | 131,885           | 12,852                      |
| Grants and gifts   | 290,534             | 290,534             | 90,534            | (200,000)                   |
| Miscellaneous  | 130,943             | 132,502             | 231,729           | 99,227                      |
|  | <u>7,983,272</u>    | <u>7,984,831</u>    | <u>7,720,831</u>  | <u>(264,000)</u>            |
| <b>Total revenues</b>  |                     |                     |                   |                             |
| <b>Expenditures</b>  |                     |                     |                   |                             |
| Operating:   |                     |                     |                   |                             |
| Salaries and benefits  | 1,398,595           | 1,431,929           | 1,350,517         | 81,412                      |
| Supplies   | 182,304             | 179,184             | 167,048           | 12,136                      |
| Maintenance  | 341,695             | 414,345             | 344,971           | 69,374                      |
| Other services   | 1,092,819           | 3,748,699           | 3,118,218         | 630,481                     |
| Non-operating:   |                     |                     |                   |                             |
| Capital outlay   | 1,243,050           | 2,717,700           | 1,550,456         | 1,167,244                   |
|  | <u>4,258,463</u>    | <u>8,491,857</u>    | <u>6,531,210</u>  | <u>1,960,647</u>            |
| <b>Total expenditures</b>  |                     |                     |                   |                             |
| Excess (deficiency) of revenues over expenditures  | <u>3,724,809</u>    | <u>(507,026)</u>    | <u>1,189,621</u>  | <u>1,696,647</u>            |
| <b>Other financing sources (uses)</b>  |                     |                     |                   |                             |
| Transfers in   | 865,725             | 865,725             | 268,743           | (596,982)                   |
| Transfers out  | (1,196,096)         | (1,196,096)         | (1,147,223)       | 48,873                      |
| Total other financing sources (uses)   | <u>(330,371)</u>    | <u>(330,371)</u>    | <u>(878,480)</u>  | <u>(548,109)</u>            |
| Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses | <u>\$ 3,394,438</u> | <u>\$ (837,397)</u> | <u>\$ 311,142</u> | <u>\$ 1,148,539</u>         |
| Budgeted cash carryover  | <u>2,786,706</u>    | <u>2,786,706</u>    |                   |                             |
|  | <u>\$ 6,181,144</u> | <u>\$ 1,949,309</u> |                   |                             |

**RECONCILIATION FROM BUDGET/ACTUAL TO GAAP**

|   |                     |
|---|---------------------|
| Change in net assets (Budget Basis)                         | \$ 311,142          |
| To adjust applicable revenue accruals and deferrals         | 3,395,767           |
| To adjust applicable expenditures and accruals and payments | <u>(4,106,519)</u>  |
| Change in net assets (GAAP basis)                           | <u>\$ (399,610)</u> |

See accompanying notes to financial statements

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO**

**Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis)  
98 Joint Water and Sewer Improvement Bond P & I - 082  
For the Year Ended June 30, 2008**

|   | Budgeted Amounts |           | Actual      | Variance<br>Favorable/<br>(Unfavorable) |
|---|------------------|-----------|-------------|---|
|   | Original         | Final     |             |   |
| <b>Revenues</b>   |                  |           |             |   |
| Interest income   | \$ 17,533        | \$ 17,533 | \$ 21,223   | \$ 3,690                                |
| <br>Total revenues  | 17,533           | 17,533    | 21,223      | 3,690                                   |
| <br><b>Expenditures</b>   |                  |           |             |   |
| Current:  |                  |           |             |   |
| General government  |                  |           |             |   |
| Non-current:  |                  |           |             |   |
| Principle payments  | 508,000          | 508,000   | 505,000     | 3,000                                   |
| Interest payments   | 404,126          | 404,126   | 404,125     | 1                                       |
| <br>Total expenditures  | 912,126          | 912,126   | 909,125     | 3,001                                   |
| <br>Excess (deficiency) of revenues over<br>expenditures  | (894,593)        | (894,593) | (887,902)   | 6,691                                   |
| <br><b>Other financing sources (uses)</b>   |                  |           |             |   |
| Transfers in  | 912,125          | 912,125   | 873,270     | (38,855)                                |
| Transfers out   | -                | -         | -           | -                                       |
| <br>Total other financing sources (uses)  | 912,125          | 912,125   | 873,270     | (38,855)                                |
| <br>Excess (deficiency) of revenues and<br>other financing sources over<br>expenditures and other financing<br>uses | \$ 17,532        | \$ 17,532 | \$ (14,632) | \$ (32,164)                             |

RECONCILIATION FROM BUDGET/ACTUAL TO GAAP

|  |             |
|--|-------------|
| Change in net assets (Budget Basis)                            | \$ (14,632) |
| To adjust applicable revenue accruals and deferrals            | -           |
| To adjust applicable expenditures<br>and accruals and payments | -           |
| Change in net assets (GAAP basis)                              | \$ (14,632) |

See accompanying notes to financial statements



**STATE OF NEW MEXICO**

**CITY OF ALAMOGORDO**

**Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis)**

**Solid Waste - 086**

**For the Year Ended June 30, 2008**

|  | Budgeted Amounts   |                    | Actual           | Variance                    |
|--|--------------------|--------------------|------------------|-----------------------------|
|  | Original           | Final              |                  | Favorable/<br>(Unfavorable) |
| <b>Revenues</b>  |                    |                    |                  |                             |
| User Fees  | \$ 1,470,804       | \$ 1,577,821       | \$ 1,601,874     | \$ 24,053                   |
| Interest income  | 5,000              | 1,310              | 387              | (923)                       |
| Miscellaneous  | 3,600              | -                  | (8)              | (8)                         |
|  | <u>1,479,404</u>   | <u>1,579,131</u>   | <u>1,602,253</u> | <u>23,122</u>               |
| <b>Total revenues</b>  |                    |                    |                  |                             |
|  | <u>1,479,404</u>   | <u>1,579,131</u>   | <u>1,602,253</u> | <u>23,122</u>               |
| <b>Expenditures</b>  |                    |                    |                  |                             |
| Operating:   |                    |                    |                  |                             |
| Salaries and benefits  | 135,229            | 150,399            | 142,477          | 7,922                       |
| Supplies   | 18,600             | 21,460             | 20,398           | 1,062                       |
| Maintenance  | 7,654              | 7,580              | 4,727            | 2,853                       |
| Other Services   | 1,455,093          | 1,522,039          | 1,425,159        | 96,880                      |
| Non-operating:   |                    |                    |                  |                             |
| Capital outlay   | 23,300             | 152,836            | 7,690            | -                           |
|  | <u>1,639,876</u>   | <u>1,854,314</u>   | <u>1,600,451</u> | <u>108,716</u>              |
| <b>Total expenditures</b>  |                    |                    |                  |                             |
|  | <u>1,639,876</u>   | <u>1,854,314</u>   | <u>1,600,451</u> | <u>108,716</u>              |
| Excess (deficiency) of revenues over expenditures  | <u>(160,472)</u>   | <u>(275,183)</u>   | <u>1,802</u>     | <u>(85,594)</u>             |
| <b>Other financing sources (uses)</b>  |                    |                    |                  |                             |
| Transfers in   | 216,500            | 345,915            | 198,500          | (147,415)                   |
| Transfers out  | (98,396)           | (102,892)          | (102,892)        | -                           |
| Total other financing sources (uses)   | <u>118,104</u>     | <u>243,023</u>     | <u>95,608</u>    | <u>(147,415)</u>            |
| Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses | <u>\$ (42,368)</u> | <u>\$ (32,160)</u> | <u>\$ 97,410</u> | <u>\$ (233,009)</u>         |
| Budgeted cash carryover  | <u>32,676</u>      | <u>32,676</u>      |                  |                             |
|  | <u>\$ (9,692)</u>  | <u>\$ 516</u>      |                  |                             |

RECONCILIATION FROM BUDGET/ACTUAL TO GAAP

|   |                 |
|---|-----------------|
| Change in net assets (Budget Basis)                         | \$ 97,410       |
| To adjust applicable revenue accruals and deferrals         | 286             |
| To adjust applicable expenditures and accruals and payments | <u>(97,404)</u> |
| Change in net assets (GAAP basis)                           | <u>\$ 292</u>   |

See accompanying notes to financial statements

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO**  
**Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis)**  
**Bonito Lake - 088**  
**For the Year Ended June 30, 2008**

|  | Budgeted Amounts    |                    | Actual             | Variance                    |
|--|---------------------|--------------------|--------------------|-----------------------------|
|  | Original            | Final              |                    | Favorable/<br>(Unfavorable) |
| <b>Revenues</b>  |                     |                    |                    |                             |
| Charges for services   | \$ 189,250          | \$ 189,250         | \$ 118,602         | \$ (70,648)                 |
| Interest income  | 13,000              | 21,561             | 24,282             | 2,721                       |
| Grants   | -                   | 465,581            | 80,381             | (385,200)                   |
| Miscellaneous  | -                   | 9,500              | 14,954             | 5,454                       |
|  | <u>202,250</u>      | <u>685,892</u>     | <u>238,220</u>     | <u>(447,672)</u>            |
| <b>Expenditures</b>  |                     |                    |                    |                             |
| Operating:   |                     |                    |                    |                             |
| Salaries and benefits  | 130,047             | 132,400            | 113,949            | 18,451                      |
| Supplies   | 22,025              | 22,934             | 16,310             | 6,624                       |
| Maintenance  | 21,404              | 20,313             | 17,874             | 2,439                       |
| Other services   | 62,909              | 474,574            | 141,988            | 332,586                     |
| Non-operating:   |                     |                    |                    |                             |
| Capital outlay   | <u>179,633</u>      | <u>82,738</u>      | <u>19,459</u>      | <u>63,279</u>               |
| Total expenditures   | <u>416,018</u>      | <u>732,959</u>     | <u>309,580</u>     | <u>423,379</u>              |
| Excess (deficiency) of revenues over expenditures  | <u>(213,768)</u>    | <u>(47,067)</u>    | <u>(71,360)</u>    | <u>(24,293)</u>             |
| <b>Other financing sources (uses)</b>  |                     |                    |                    |                             |
| Transfers in   | 59,043              | 63,695             | 55,785             | (7,910)                     |
| Transfers out  | <u>(31,819)</u>     | <u>(44,720)</u>    | <u>(44,150)</u>    | <u>570</u>                  |
| Total other financing sources (uses)   | <u>27,224</u>       | <u>18,975</u>      | <u>11,635</u>      | <u>(7,340)</u>              |
| Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses | <u>\$ (186,544)</u> | <u>\$ (28,092)</u> | <u>\$ (59,725)</u> | <u>\$ (31,633)</u>          |
| Budgeted cash carryover  | <u>500,017</u>      | <u>500,017</u>     |                    |                             |
|  | <u>\$ 313,473</u>   | <u>\$ 471,925</u>  |                    |                             |

**RECONCILIATION FROM BUDGET/ACTUAL TO GAAP**

|   |                    |
|---|--------------------|
| Change in net assets (Budget Basis)                         | \$ (59,725)        |
| To adjust applicable revenue accruals and deferrals         | 19,826             |
| To adjust applicable expenditures and accruals and payments | <u>12,676</u>      |
| Change in net assets (GAAP basis)                           | <u>\$ (27,223)</u> |

See accompanying notes to financial statements

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO**  
**Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis)**  
**Desert Lakes Golf Course - 090**  
**For the Year Ended June 30, 2008**

|  | Budgeted Amounts  |                    | Actual             | Variance                    |
|--|-------------------|--------------------|--------------------|-----------------------------|
|  | Original          | Final              |                    | Favorable/<br>(Unfavorable) |
| <b>Revenues</b>  |                   |                    |                    |                             |
| Charges for services   | \$ 670,500        | \$ 1,107,000       | \$ 1,090,380       | \$ (16,620)                 |
| Interest income  | -                 | 2,834              | 4,430              | 1,596                       |
| Miscellaneous  | 1,250             | 1,250              | 1,400              | 150                         |
|  | <u>671,750</u>    | <u>1,111,084</u>   | <u>1,096,210</u>   | <u>(14,874)</u>             |
| <b>Expenditures</b>  |                   |                    |                    |                             |
| Operating:   |                   |                    |                    |                             |
| Salaries and benefits  | 304,986           | 319,471            | 257,560            | 61,911                      |
| Supplies   | 57,404            | 70,496             | 64,907             | 5,589                       |
| Maintenance  | 44,304            | 85,175             | 77,724             | 7,452                       |
| Other services   | 384,818           | 779,739            | 758,627            | 21,112                      |
| Non-operating:   |                   |                    |                    |                             |
| Capital outlay   | -                 | 56,000             | 50,685             | 5,315                       |
|  | <u>791,512</u>    | <u>1,310,881</u>   | <u>1,209,502</u>   | <u>101,379</u>              |
| Excess (deficiency) of revenues over expenditures  | <u>(119,762)</u>  | <u>(199,797)</u>   | <u>(113,292)</u>   | <u>86,505</u>               |
| <b>Other financing sources (uses)</b>  |                   |                    |                    |                             |
| Transfers in   | 171,661           | 171,661            | 159,815            | (11,846)                    |
| Transfers out  | (51,899)          | (62,476)           | (60,597)           | 1,879                       |
| Total other financing sources (uses)   | <u>119,762</u>    | <u>109,185</u>     | <u>99,218</u>      | <u>(9,967)</u>              |
| Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses | <u>\$ -</u>       | <u>\$ (90,612)</u> | <u>\$ (14,074)</u> | <u>\$ 76,538</u>            |
| Budgeted cash carryover  | <u>171,615</u>    | <u>171,615</u>     |                    |                             |
|  | <u>\$ 171,615</u> | <u>\$ 81,003</u>   |                    |                             |

**RECONCILIATION FROM BUDGET/ACTUAL TO GAAP**

|   |              |
|---|--------------|
| Change in net assets (Budget Basis)                         | \$ (14,074)  |
| To adjust applicable revenue accruals and deferrals         | -            |
| To adjust applicable expenditures and accruals and payments | (155,404)    |
| Change in net assets (GAAP basis)                           | \$ (169,478) |

See accompanying notes to financial statements

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO**

**Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis)  
White Sands Regional Airport - 091  
For the Year Ended June 30, 2008**

|   | Budgeted Amounts        |                         | Actual                | Variance                    |
|---|-------------------------|-------------------------|-----------------------|-----------------------------|
|   | Original                | Final                   |                       | Favorable/<br>(Unfavorable) |
| <b>Revenues</b>   |                         |                         |                       |                             |
| Taxes and Fees  | -                       | 120,000                 | 78,740                | \$ (41,260)                 |
| Charges for services  | \$ 2,495                | \$ 8,180                | \$ 14,632             | \$ 6,452                    |
| Investment Income   |                         |                         | \$ 6,875              | 6,875                       |
| Miscellaneous   | <u>100,922</u>          | <u>133,354</u>          | <u>153,460</u>        | <u>20,106</u>               |
| <br>Total revenues  | <br><u>103,417</u>      | <br><u>261,534</u>      | <br><u>253,708</u>    | <br><u>(7,826)</u>          |
| <b>Expenditures</b>   |                         |                         |                       |                             |
| Operating:  |                         |                         |                       |                             |
| Salaries and benefits   | 106,787                 | 106,787                 | 102,197               | 4,590                       |
| Supplies  | 8,639                   | 8,974                   | 6,969                 | 2,005                       |
| Maintenance   | 25,889                  | 26,889                  | 17,067                | 9,822                       |
| Other Services  | 172,656                 | 260,946                 | 33,063                | 227,883                     |
| Non-operating:  |                         |                         |                       |                             |
| Capital outlay  | <u>34,470</u>           | <u>34,845</u>           | <u>10,030</u>         | <u>24,815</u>               |
| <br>Total expenditures  | <br><u>348,441</u>      | <br><u>438,441</u>      | <br><u>169,326</u>    | <br><u>269,115</u>          |
| <br>Excess (deficiency) of revenues over<br>expenditures  | <br><u>(245,024)</u>    | <br><u>(176,907)</u>    | <br><u>84,382</u>     | <br><u>261,289</u>          |
| <b>Other financing sources (uses)</b>   |                         |                         |                       |                             |
| Transfers in  | 62,504                  | 52,504                  | 52,504                | -                           |
| Transfers out   | <u>(10,733)</u>         | <u>(10,733)</u>         | <u>(10,733)</u>       | <u>-</u>                    |
| Total other financing sources (uses)  | <u>51,771</u>           | <u>41,771</u>           | <u>41,771</u>         | <u>-</u>                    |
| <br>Excess (deficiency) of revenues and<br>other financing sources over<br>expenditures and other financing<br>uses | <br><u>\$ (193,253)</u> | <br><u>\$ (135,136)</u> | <br><u>\$ 126,153</u> | <br><u>\$ 261,289</u>       |
| <br>Budgeted cash carryover   | <br><u>161,707</u>      | <br><u>161,707</u>      |                       |                             |
|   | <u>\$ (31,546)</u>      | <u>\$ 26,571</u>        |                       |                             |

**RECONCILIATION FROM BUDGET/ACTUAL TO GAAP**

|  |                   |
|--|-------------------|
| Change in net assets (Budget Basis)                            | \$ 126,153        |
| To adjust applicable revenue accruals and deferrals            | 216,832           |
| To adjust applicable expenditures<br>and accruals and payments | <u>(129,729)</u>  |
| Change in net assets (GAAP basis)                              | <u>\$ 213,256</u> |

See accompanying notes to financial statements

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO**

**Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis)  
04W/S RevBd Emer Swr Proj. - 110  
For the Year Ended June 30, 2008**

|  | Budgeted Amounts |              | Actual    | Variance                    |
|--|------------------|--------------|-----------|-----------------------------|
|  | Original         | Final        |           | Favorable/<br>(Unfavorable) |
| <b>Revenues</b>  |                  |              |           |                             |
| Bond proceeds  | \$ -             | \$ -         | \$ -      | \$ -                        |
| Interest income  | -                | -            | 20,565    | 20,565                      |
|  |                  |              |           |                             |
| Total revenues   | -                | -            | 20,565    | 20,565                      |
| <b>Expenditures</b>  |                  |              |           |                             |
| Current:   |                  |              |           |                             |
| General government   | -                | -            | -         | -                           |
| Non-current:   |                  |              |           |                             |
| Capital outlay   | -                | 12,989       | -         | 12,989                      |
|  |                  |              |           |                             |
| Total expenditures   | -                | 12,989       | -         | 12,989                      |
| Excess (deficiency) of revenues over expenditures  |                  |              |           |                             |
|  | -                | (12,989)     | 20,565    | 33,554                      |
| <b>Other financing sources (uses)</b>  |                  |              |           |                             |
| Transfers in   | -                | -            | -         | -                           |
| Transfers out  | -                | (388,211)    | (1,327)   | 386,884                     |
|  |                  |              |           |                             |
| Total other financing sources (uses)   | -                | (388,211)    | (1,327)   | 386,884                     |
| Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses |                  |              |           |                             |
|  | \$ -             | \$ (401,200) | \$ 19,238 | \$ 420,438                  |
| Budgeted cash carryover  |                  |              |           |                             |
|  | 423,848          | 423,848      |           |                             |
|  |                  |              |           |                             |
|  | \$ 423,848       | \$ 22,648    |           |                             |

RECONCILIATION FROM BUDGET/ACTUAL TO GAAP

|   |           |
|---|-----------|
| Change in net assets (Budget Basis)                         | \$ 19,238 |
| To adjust applicable revenue accruals and deferrals         | -         |
| To adjust applicable expenditures and accruals and payments | -         |
|   |           |
| Change in net assets (GAAP basis)                           | \$ 19,238 |

See accompanying notes to financial statements

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO**

**Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis)  
Public Housing Authority - 092  
For the Year Ended June 30, 2008**

|   | Budgeted Amounts |           | Actual     | Variance                    |
|---|------------------|-----------|------------|-----------------------------|
|   | Original         | Final     |            | Favorable/<br>(Unfavorable) |
| <b>Operating revenues</b>                         |                  |           |            |                             |
| Charges for services                              | \$ -             | \$ -      | \$ -       | \$ -                        |
| <b>Grants</b>                                     | -                | -         | -          | -                           |
| Miscellaneous                                     | 564,925          | 662,101   | 550,324    | (111,777)                   |
| Total operating revenues                          | 564,925          | 662,101   | 550,324    | (111,777)                   |
| <br>  |                  |           |            |                             |
| Tenant services                                   | -                | -         | -          | -                           |
| Other operating                                   | 564,925          | 626,950   | 555,710    | 71,240                      |
| Total operating expenses                          | 564,925          | 626,950   | 555,710    | 71,240                      |
| <br>  |                  |           |            |                             |
| <b>Non-operating revenues</b>                     |                  |           |            |                             |
| Interest Income                                   | -                | -         | -          | -                           |
| Transfers In                                      | -                | -         | -          | -                           |
| Transfers Out                                     | -                | -         | -          | -                           |
| Total non-operating revenues (expenses)           | -                | -         | -          | -                           |
| <br>  |                  |           |            |                             |
| Excess (deficiency) of revenues over expenditures | \$ -             | \$ 35,151 | \$ (5,386) | \$ (40,537)                 |

RECONCILIATION FROM BUDGET/ACTUAL TO GAAP

|   |             |
|---|-------------|
| Change in net assets (Budget Basis)                         | \$ (5,386)  |
| To adjust applicable revenue accruals and deferrals         | -           |
| To adjust applicable expenditures and accruals and payments | (5,061)     |
| Change in net assets (GAAP basis)                           | \$ (10,447) |

See accompanying notes to financial statements

**STATE OF NEW MEXICO**  
**CITY OF ALAMOGORDO**  
**Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis)**  
**Landfill - Operating - 094**  
**For Year Ended June 30, 2008**

|   | Budgeted Amounts |              | Actual       | Variance                    |
|---|------------------|--------------|--------------|-----------------------------|
|   | Original         | Final        |              | Favorable/<br>(Unfavorable) |
| <b>Operating revenues</b>                         |                  |              |              |                             |
| Charges for services                              | \$ 1,185,000     | \$ 1,260,000 | \$ 1,423,219 | \$ 163,219                  |
| Investment Income                                 | 62,000           | 101,415      | 146,275      | 44,860                      |
| Miscellaneous                                     | 6,440            | -            | 15,275       | 15,275                      |
| Total operating revenues                          | 1,253,440        | 1,361,415    | 1,584,769    | 223,354                     |
| <b>Operating expense</b>                          |                  |              |              |                             |
| Operating:  |                  |              |              |                             |
| Salaries and benefits                             | 301,811          | 336,093      | 303,964      | 32,129                      |
| Supplies  | 102,500          | 142,930      | 131,871      | 11,059                      |
| Maintenance                                       | 209,761          | 207,737      | 131,161      | 76,576                      |
| Other Services                                    | 201,135          | 218,912      | 142,994      | 75,918                      |
| Capital Outlay                                    | 275,000          | 305,117      | 20,908       | 284,209                     |
| Total expenditures                                | 1,090,207        | 1,210,789    | 730,898      | 479,891                     |
| Excess (deficiency) of revenues over expenditures | 163,233          | 150,626      | 853,872      | 703,246                     |
| <b>Non-operating revenues (expenses)</b>          |                  |              |              |                             |
| Interest income                                   | -                | -            | -            | -                           |
| Transfers in                                      | -                | -            | -            | -                           |
| Transfers out                                     | (344,660)        | (296,075)    | (296,075)    | -                           |
| Total non-operating revenues (expenses)           | (344,660)        | (296,075)    | (296,075)    | -                           |
| Excess (deficiency) of revenues over expenditures | \$ (181,427)     | \$ (145,449) | \$ 557,797   | \$ 703,246                  |
| Budgeted cash carryover                           | 1,710,847        | 1,710,847    |              |                             |
|   | \$ 1,529,420     | \$ 1,565,398 |              |                             |

**RECONCILIATION FROM BUDGET/ACTUAL TO GAAP**

|   |            |
|---|------------|
| Change in net assets (Budget Basis)                         | \$ 557,797 |
| To adjust applicable revenue accruals and deferrals         | 672,081    |
| To adjust applicable expenditures and accruals and payments | (470,729)  |
| Change in net assets (GAAP basis)                           | \$ 759,149 |

See accompanying notes to financial statements

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2008**

| <b>Federal Grantor/Pass-Through<br/>Program Title</b>                                     | <b>Federal<br/>CFDA<br/>Number</b> | <b>Pass-Through<br/>Grantor No.</b> | <b>Grant Award<br/>Expended</b> |
|---|------------------------------------|-------------------------------------|---------------------------------|
| <b>U.S. Department of Housing and Urban Development</b>                                   |                                    |                                     |                                 |
| Low Income Housing Rent Subsidy<br>Passed through the NM Mortgage Finance Authority       | 14.850                             | N/A                                 | \$ 440,289                      |
| Home Investment Partnerships Program  | 14.xxx                             | 04-01-COA-HOR-001                   | 108,275                         |
| Public Housing Capital Fund Program   | 14.872                             | N/A                                 | 118,624                         |
| CDBG Funds - Plaza Hacienda Sidewalks   | 14.228 *                           | 07-C-NR-I-01-G-01                   | 321,267                         |
|   |                                    |                                     | <b>988,455</b>                  |
| <b>U.S. Environmental Protection Agency</b>   |                                    |                                     |                                 |
| Passed through the NM Environment Department<br>Regional Water Supply                     | 66.606                             | XP-0976485010                       | <b>25,439</b>                   |
| <b>U.S. Department of Transportation</b>  |                                    |                                     |                                 |
| Airport Improvement Program   | 20.106 *                           | 3-35-0001-014-2007                  | <b>428,825</b>                  |
| <b>U.S. Economic Development Agency</b>   |                                    |                                     |                                 |
| Airport Business Park   | 11.303                             | 08-01-03960                         | <b>5,192</b>                    |
| <b>U.S. Department of Health and Human Services</b>                                       |                                    |                                     |                                 |
| Passed through the North Central NM Economic<br>Development District Area Agency on Aging |                                    |                                     |                                 |
| Special Program for Aging - Title IIIc  | 93.045                             | 2007-08-64012                       | 92,015                          |
| Commodities in lieu of cash   | 93.053                             | 2007-08 64012                       | 47,208                          |
|   |                                    |                                     | <b>139,223</b>                  |
| <b>U.S. Department of Interior</b>  |                                    |                                     |                                 |
| Passed through the NMEMRD<br>Bonito Lake Hazardous Fuels Reduction                        | 15.228                             | 06-521-04GG-0103                    | <b>113,145</b>                  |
| <b>U.S. Department of Justice</b>   |                                    |                                     |                                 |
| Department of Public Safety Vest Grant  | 16.607                             | N/A                                 | <b>9,360</b>                    |
| <b>Corporation For National and Community Service</b>                                     |                                    |                                     |                                 |
| Retired and Senior Volunteer Program  | 94.002                             | 05SRWNM012                          | <b>20,080</b>                   |
| <b>U.S. Department of Homeland Security</b>   |                                    |                                     |                                 |
| Disaster Grants - Public Assistance   | 97.xxx *                           | FEMA-1659-DR-NM                     | <b>460,120</b>                  |
| Total federal awards expended   |                                    |                                     | <b>\$ 2,189,839</b>             |

Note 1. Basis for Presentation

The accompanying schedule of federal awards is presented on the budgetary GAAP basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

\*Major Program

See independent auditors' report

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



**City of Alamogordo**  
**Schedule of Joint Powers Agreements and Memorandums of Understanding**  
**For the Year Ended June 30, 2008**

| Joint Powers Agreement  | Participants  | Responsible Party                                       | Description  | Beginning and Ending Dates            | Total estimated project amount and amount applicable to Agency | Amount contributed by City during current fiscal year | Audit Responsibility                                   | Fiscal agent and responsible reporting entity          |
|---|---|---|--|---------------------------------------|--|---|--|--|
| 1 Dispatch Services (B-3)   | City of Alamogordo<br>Otero County<br>Village of Tularosa | Otero County<br>City of Alamogordo                      | Utilization of ambulance services as required with dispatch services.  | 7/1/2004 thru 6/30/2009<br>Indefinite | \$ 169,030.75  | \$ 108,264.20 or 64.05%                               | Otero County   | Otero County   |
| 2 Regarding Retired senior volunteer services (B-3)                                 | City of Alamogordo<br>Otero County                        | City of Alamogordo                                      | Transportation services case management & nutrition for retired senior residents.  | 7/1/2006 thru 6/30/2008<br>Indefinite | \$ 603,198.00  | \$ 181,252.00   | City of Alamogordo                                     | City of Alamogordo                                     |
| 3 Mutual aid contract for fire protection and rescue services. (E-1)                | Otero County Volunteer Fire Dept.<br>City of Alamogordo   | DPS (Dept. Public S. Otero County Volunteer Fire Dept.) | Mutual aid for both Volunteer fire depts. in Otero County & City of Alamogordo   | 7/1/2004 thru 6/30/2008<br>Indefinite | As Budgeted per each Department                                | As Budgeted per each Department                       | City of Alamogordo<br>Otero County                     | City of Alamogordo<br>Otero County                     |
| 4 Voting Machines (B-3)   | Otero County<br>City of Alamogordo                        | Otero County  | Agreement with Otero County & City of Alamogordo to have sufficient voting machines as needed for elections  | 7/1/2004 thru 6/30/2008<br>Indefinite | \$ 25.00 plus hourly rate as deemed necessary for tech.        | N/A   | Otero County<br>City of Alamogordo                     | Otero County<br>City of Alamogordo                     |
| 5 Wildfire suppression (C-1)  | State of NM<br>Forestry Division<br>City of Alamogordo    | State of NM<br>Forestry Division<br>City of Alamogordo  | Support wildland fire suppression and services outside the city boundaries, as needed.   | 7/1/2004 thru 6/30/2008<br>Indefinite | As Budgeted per each Department                                | As Budgeted per each Department                       | City of Alamogordo<br>State of NM<br>Forestry Division | City of Alamogordo<br>State of NM<br>Forestry Division |
| 6 Development of Scenic Drive for use by New Mexico State University (D-1 Projects) | City of Alamogordo<br>Otero County<br>NM State University | City of Alamogordo                                      | Agreement for the use of approx. 23 acres for development equipment, maintenance & facilities.   | 12/17/1985 thru 12/17/2035            | N/A  | N/A   | City of Alamogordo                                     | City of Alamogordo                                     |
| 7 Issue business licenses through the City of Alamogordo (B-2)                      | City of Alamogordo<br>NM Taxation & Rev.                  | 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. | 8/9/1996 thru 6/30/2008<br>Indefinite | As Budgeted per each Department                                | As Budgeted per each Department                       | City of Alamogordo                                     | City of Alamogordo                                     |

**City of Alamogordo**  
**Schedule of Joint Powers Agreements and Memorandums of Understanding**  
**For the Year Ended June 30, 2008**

| Joint Powers Agreement   | Participants  | Responsible Party   | Description   | Beginning and Ending Dates             | Total estimated project amount and amount applicable to Agency | Amount contributed by City during current fiscal year | Audit Responsibility  | Fiscal agent and responsible reporting entity   |
|--|---|---|---|--|--|---|---|---|
| 8 Ambulance services & Medical Response (A-2)  | City of Alamogordo<br>Otero County<br>Village of Tularosa<br>Village of Cloudcroft  | City of Alamogordo<br>Otero County<br>Village of Tularosa<br>Village of Cloudcroft  | Participation in a combined ambulance operation to provide efficient & emergency medical services   | 7/1/2004 thru 6/30/2012                | \$ 163,169.09  | \$ 163,169.09   | City of Alamogordo<br>Otero County<br>Village of Tularosa<br>Village of Cloudcroft  | City of Alamogordo<br>Otero County<br>Village of Tularosa<br>Village of Cloudcroft  |
| 9 40 Year water study (A-4)  | City of Alamogordo<br>Village of Tularosa<br>Otero County<br>Lincoln County   | City of Alamogordo<br>Village of Tularosa<br>Otero County<br>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 | 6/19/1987 thru 6/19/2027               | As Budgeted per each Department                                | As Budgeted per each Department                       | City of Alamogordo<br>Village of Tularosa<br>Otero County<br>Lincoln County   | City of Alamogordo<br>Village of Tularosa<br>Otero County<br>Lincoln County   |
| 10 Affordable housing for low to moderate income (A-3)   | NM State Housing<br>City of Alamogordo  | City of Alamogordo  | Disbursement of State affordable housing program funds and/or home investment partnerships program funds                                      | 5/8/1995 thru 6/30/2008<br>Indefinite  | As Budgeted per each Department                                | As Budgeted per each Department                       | City of Alamogordo  | City of Alamogordo  |
| 11 Solid Waste (B-3)   | City of Alamogordo<br>Otero County<br>Village of Cloudcroft<br>Village of Tularosa  | City of Alamogordo<br>Otero County<br>Village of Cloudcroft<br>Village of Tularosa  | Disposal and maintenance of Solid waste as required.  | 6/2/1995 thru 6/30/2008<br>Indefinite  | As Budgeted per each Department                                | As Budgeted per each Department                       | City of Alamogordo<br>Otero County<br>Village of Cloudcroft<br>Village of Tularosa  | City of Alamogordo<br>Otero County<br>Village of Cloudcroft<br>Village of Tularosa  |
| 12 Regional Landfill "Otero County Solid Waste Authority" & "Lincoln County Solid Waste Authority" (B-3) | City of Alamogordo<br>Otero County<br>Village of Cloudcroft<br>Village of Tularosa<br>Lincoln County<br>Village of Ruidoso<br>VillageofRuidosoDwn<br>Town of Carrizozo<br>Village of Capitan<br>Village of Corona | City of Alamogordo<br>Otero County<br>Village of Cloudcroft<br>Village of Tularosa<br>Lincoln County<br>Village of Ruidoso<br>VillageofRuidosoDwn<br>Town of Carrizozo<br>Village of Capitan<br>Village of Corona | Operation of the landfill as is required for the purpose of the environmental services and solid waste disposal.                              | 9/30/1993 thru 6/30/2008<br>Indefinite | As Budgeted per each Department                                | As Budgeted per each Department                       | City of Alamogordo<br>Otero County<br>Village of Cloudcroft<br>Village of Tularosa<br>Lincoln County<br>Village of Ruidoso<br>VillageofRuidosoDwn<br>Town of Carrizozo<br>Village of Capitan<br>Village of Corona | City of Alamogordo<br>Otero County<br>Village of Cloudcroft<br>Village of Tularosa<br>Lincoln County<br>Village of Ruidoso<br>VillageofRuidosoDwn<br>Town of Carrizozo<br>Village of Capitan<br>Village of Corona |

**City of Alamogordo**  
**Schedule of Joint Powers Agreements and Memorandums of Understanding**  
**For the Year Ended June 30, 2008**

| Joint Powers Agreement   | Participants   | Responsible Party   | Description   | Beginning and Ending Dates      | Total estimated project amount and amount applicable to Agency | Amount contributed by City during current fiscal year | Audit Responsibility | Fiscal agent and responsible reporting entity |
|--|--|---|---|---------------------------------|--|---|----------------------|---|
| 13 Provide meals for home bound citizens (B-3)                     | City of Alamogordo<br>Otero County<br>(La Luz Area)                  | City of Alamogordo  | Provide meal services for the home bound citizens in the La Luz area  | 7/1/2006<br>thru<br>6/30/2008   | \$ 13,484.00   | \$ -  | City of Alamogordo   | City of Alamogordo                            |
| 14 Provide meals for home bound citizens (B-3)                     | City of Alamogordo<br>Otero County                                   | City of Alamogordo  | Provide meal at the Alamogordo Senior Center for the citizens of Otero County   | 7/1/2006<br>thru<br>6/30/2008   | \$ 81,917.18   | \$ 44,358.00  | City of Alamogordo   | City of Alamogordo                            |
| 15 Library services (B-3)  | City of Alamogordo<br>Otero County                                   | City of Alamogordo  | Library services for the residents of Otero County  | 7/1/2006<br>thru<br>6/30/2007   | \$ 779,253.00  | \$ 535,659.00   | City of Alamogordo   | City of Alamogordo                            |
| 16 Reciprocal use of land facilities, & equipment (A-2)            | City of Alamogordo<br>Alamogordo Municipal School District #1        | City of Alamogordo<br>Alamogordo Municipal School District #1 | Cooperative agreements for both parties for the use of lands,   | 7/1/2004<br>thru<br>6/30/2008   | \$38.01/hr for service<br>\$10.33/hr for lifeguard             | \$38.01/hr for service<br>\$10.33/hr for lifeguard    | City of Alamogordo   | City of Alamogordo                            |
| 17 06-521-04GG-0103<br>Bonito Lake Hazardous Fuels Reduction (B-2) | NM Energy Minerals & Natural Resources Dept.<br>& City of Alamogordo | City of Alamogordo  | Reduces the fire hazard in the treated areas to "low". This will adjoin future thinning projects that are planned on Forest Service Lands and adjacent private lands. | 3/29/2006<br>thru<br>12/31/2008 | \$475,000  | \$39,900.00   | City of Alamogordo   |   |
| 18 Use of Facilities, Equipment, and Land (A-2)                    | Alamogordo Municipal School District No. 1 & the City of Alamogordo  | Alamogordo Municipal School District No. 1                    | Use of City Facilities, Equipment and Land  | 7/1/2006<br>thru<br>6/30/2008   |  |   |                      |   |

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
SCHEDULE OF PLEDGED COLLATERAL  
BY BANK AND ACCOUNT  
As of June 30, 2008**

Schedule 1

| <u>Account Name</u>                                       | <u>Account Type</u> | <u>First National Bank</u> | <u>Wells Fargo Bank</u> | <u>First National Bank of Ruidoso</u> | <u>New Mexico Finance Authority</u> | <u>Bank of Albuquerque</u> | <u>Pioneer Savings Bank</u> | <u>Alamogordo Federal Savings &amp; Loan</u> | <u>Book Balance</u> |
|---|---------------------|----------------------------|-------------------------|---------------------------------------|-------------------------------------|----------------------------|-----------------------------|--|---------------------|
| General Operating   | Checking            | \$ 2,252,154               | -                       | -                                     | -                                   | -                          | -                           | -  | 2,064,298           |
| PHA-Section 8   | Checking            | 56,230                     | -                       | -                                     | -                                   | -                          | -                           | -  | 56,230              |
| PHA-Home Ownership  | Checking            | 25,862                     | -                       | -                                     | -                                   | -                          | -                           | -  | 25,766              |
| PHA-Operations  | Checking            | 131,005                    | -                       | -                                     | -                                   | -                          | -                           | -  | 117,159             |
| PHA-Section 8 Escrow                                      | Checking            | 4,570                      | -                       | -                                     | -                                   | -                          | -                           | -  | 4,570               |
| PHA-Low Rent  | Checking            | 24,242                     | -                       | -                                     | -                                   | -                          | -                           | -  | 24,242              |
| PHA-Home Ownership Reserve                                | Checking            | 121,903                    | -                       | -                                     | -                                   | -                          | -                           | -  | 121,759             |
| General Operating   | Checking            | -                          | 202,085                 | -                                     | -                                   | -                          | -                           | -  | 202,946             |
| General Operating   | Checking            | -                          | -                       | 2,001                                 | -                                   | -                          | -                           | -  | 2,001               |
| Money market  | Savings             | -                          | 327,777                 | -                                     | -                                   | -                          | -                           | -  | 327,777             |
| New Mexico Finance Authority                              | Debt Service        | -                          | -                       | -                                     | 8,794                               | -                          | -                           | -  | 8,794               |
| Bank of Albuquerque                                       | Reserve             | -                          | -                       | -                                     | -                                   | 120,299                    | -                           | -  | 120,299             |
| Certificate of deposit                                    | CD                  | -                          | 100,249                 | -                                     | -                                   | -                          | -                           | -  | 100,000             |
| Certificate of deposit                                    | CD                  | -                          | 100,236                 | -                                     | -                                   | -                          | -                           | -  | 100,000             |
| Certificate of deposit                                    | CD                  | -                          | 100,254                 | -                                     | -                                   | -                          | -                           | -  | 100,000             |
| Certificate of deposit                                    | CD                  | -                          | 98,406                  | -                                     | -                                   | -                          | -                           | -  | 100,000             |
| Certificate of deposit                                    | CD                  | -                          | 97,100                  | -                                     | -                                   | -                          | -                           | -  | 100,000             |
| Certificate of deposit                                    | CD                  | -                          | 99,313                  | -                                     | -                                   | -                          | -                           | -  | 100,000             |
| Certificate of deposit                                    | CD                  | -                          | 99,449                  | -                                     | -                                   | -                          | -                           | -  | 100,000             |
| Certificate of deposit                                    | CD                  | -                          | -                       | -                                     | -                                   | -                          | 350,000                     | -  | 350,000             |
| Certificate of deposit                                    | CD                  | -                          | -                       | -                                     | -                                   | -                          | 500,000                     | -  | 500,000             |
| Certificate of deposit                                    | CD                  | 500,000                    | -                       | -                                     | -                                   | -                          | -                           | -  | 500,000             |
| Certificate of deposit                                    | CD                  | 250,000                    | -                       | -                                     | -                                   | -                          | -                           | -  | 250,000             |
| Certificate of deposit                                    | CD                  | 500,000                    | -                       | -                                     | -                                   | -                          | -                           | -  | 500,000             |
| Certificate of deposit                                    | CD                  | -                          | -                       | -                                     | -                                   | -                          | -                           | 522,130                                      | 522,130             |
| Total amount of deposit in bank                           |                     | 3,865,966                  | 1,224,869               | 2,001                                 | 8,794                               | 120,299                    | 850,000                     | 522,130                                      | 6,397,971           |
| FDIC coverage   |                     | (200,000)                  | (800,000)               | (2,001)                               | N/A                                 | -                          | (100,000)                   | (100,000)                                    | (1,202,001)         |
| Total uninsured public funds                              |                     | 3,665,966                  | 424,869                 | -                                     | -                                   | 120,299                    | 750,000                     | 422,130                                      | 5,195,970           |
| 50% Collateral Requirement<br>(Section 6-10-17 NMSA 1978) |                     | \$ 1,832,983               | 212,435                 | -                                     | -                                   | 60,150                     | 375,000                     | 211,065                                      | 2,597,985           |

|                                      | First<br>National<br>Bank | Wells<br>Fargo<br>Bank | First<br>National<br>Bank of<br>Ruidoso | New Mexico<br>Finance<br>Authority | Bank<br>of<br>Albuquerque | Pioneer<br>Savings<br>Bank | Alamogordo<br>Federal<br>Savings &<br>Loan | Book<br>Balance             |
|--------------------------------------|---------------------------|------------------------|---|------------------------------------|---------------------------|----------------------------|--|-----------------------------|
| Pledged security at:                 |                           |                        |   |                                    |                           |                            |  |                             |
| Federal Home Loan Bank-Dallas        |                           |                        |   |                                    |                           |                            |  |                             |
| FHLB 312966EH3 Due 04/01/2014        | \$ -                      | -                      | -                                       | -                                  | -                         | -                          | -  | -                           |
| FHLB 011464DE1 Due 08/01/2011        | -                         | -                      | -                                       | -                                  | -                         | -                          | -  | -                           |
| FHLB 31384YAH9 Due 09/01/2027        | 104,367                   | -                      | -                                       | -                                  | -                         | -                          | -  | -                           |
| FHLB 31405CL31 Due 06/01/2019        | 1,082,718                 | -                      | -                                       | -                                  | -                         | -                          | -  | -                           |
| FHLB 3128GUKL5 Due 06/01/2017        | 762,499                   | -                      | -                                       | -                                  | -                         | -                          | -  | -                           |
| FHLB 777628RNO Due 03/01/2008        | -                         | -                      | -                                       | -                                  | -                         | -                          | -  | -                           |
| FHLB 561059EV4 Due 01/15/2010        | -                         | -                      | -                                       | -                                  | -                         | -                          | -  | -                           |
| FHLB 3133MJX39 Due 11/14/2008        | -                         | -                      | -                                       | -                                  | -                         | -                          | -  | -                           |
| FNMA 31408ALJ07 12/01/2035           | -                         | -                      | -                                       | -                                  | -                         | 616,320                    | -  | -                           |
| Irrevocable Standby Letter of Credit | -                         | -                      | -                                       | -                                  | -                         | -                          | 218,350                                    | -                           |
| US Treasury Notes                    | -                         | -                      | -                                       | -                                  | 120,756                   | -                          | -  | -                           |
| Wells Fargo-California               | -                         | -                      | -                                       | -                                  | -                         | -                          | -  | -                           |
| FNCL 31409YM87 Due 05/01/2036        | -                         | 1,090,603              | -                                       | -                                  | -                         | -                          | -  | -                           |
|                                      | <u>1,949,584</u>          | <u>1,090,603</u>       | <u>-</u>                                | <u>-</u>                           | <u>120,756</u>            | <u>616,320</u>             | <u>218,350</u>                             | <u>-</u>                    |
| Freddie Mac Discount Note            | -                         | 527,169                | -                                       | -                                  | -                         | -                          | -  | 527,169                     |
| Federal Home Loan Note               | -                         | 550,000                | -                                       | -                                  | -                         | -                          | -  | 550,000                     |
| Freddie Mac Discount Note            | -                         | 996,741                | -                                       | -                                  | -                         | -                          | -  | 996,741                     |
| Federal Home Loan Note               | -                         | 500,482                | -                                       | -                                  | -                         | -                          | -  | 500,482                     |
| Federal Home Loan Note               | -                         | 350,000                | -                                       | -                                  | -                         | -                          | -  | 350,000                     |
| Federal Home Loan Note               | -                         | 250,338                | -                                       | -                                  | -                         | -                          | -  | 250,338                     |
| Federal Home Loan Note               | -                         | 500,000                | -                                       | -                                  | -                         | -                          | -  | 500,000                     |
| Federal Home Loan Note               | -                         | 1,076,054              | -                                       | -                                  | -                         | -                          | -  | 1,076,054                   |
| Fannie Mae Discount Note             | -                         | 500,344                | -                                       | -                                  | -                         | -                          | -  | 500,344                     |
| State of New Mexico LGIP Fund        | -                         | -                      | -                                       | -                                  | -                         | -                          | -  | 18,613,485                  |
| Petty cash                           | -                         | -                      | -                                       | -                                  | -                         | -                          | -  | 2,325                       |
| Cash advance                         | -                         | -                      | -                                       | -                                  | -                         | -                          | -  | 916                         |
| Start-up cash                        | -                         | -                      | -                                       | -                                  | -                         | -                          | -  | 3,645                       |
|                                      |                           |                        |   |                                    |                           |                            |  | <u>23,871,499</u>           |
| Amount over collateralized           | \$ <u>(116,601)</u>       | <u>(878,169)</u>       | <u>-</u>                                | <u>-</u>                           | <u>(60,607)</u>           | <u>(241,320)</u>           | <u>(7,285)</u>                             |                             |
| Total book balance                   |                           |                        |   |                                    |                           |                            |  | \$ <u><u>30,269,470</u></u> |

**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**

Mr. Hector Balderas,  
New Mexico State Auditor  
and  
The Honorable Mayor  
Steve W. Brockett  
and  
City Commission of the City of Alamogordo  
Alamogordo, New Mexico

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, the budgetary comparisons for the general fund and major special revenue funds, the aggregate remaining fund information, and the combining and individual funds including budgetary comparisons presented as supplemental information of the City of Alamogordo, New Mexico, as of and for the year ended June 30, 2008, and have issued our report thereon dated November 5, 2008. We conducted our audit in accordance with auditing standards general accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the City of Alamogordo, State of New Mexico's internal control. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies in internal control over financial reporting: 07-06, 07-08, 08-01, and 08-02

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City of Alamogordo, State of New Mexico's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we consider items 07-06 and 08-01 to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Alamogordo, State of New Mexico's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 08-02.

City of Alamogordo, State of New Mexico's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit City of Alamogordo, State of New Mexico's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the City Commission, Legislative Finance Committee, Department of Finance and Administration, the State Auditor, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Hinkle & Landers, P.C.  
November 5, 2008

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH  
MAJOR PROGRAM AND INTERNAL CONTROL  
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Mr. Hector Balderas,  
New Mexico State Auditor  
and  
The Honorable Mayor  
Steve W. Brockett  
and  
City Commission of the City of Alamogordo  
Alamogordo, New Mexico

Compliance

We have audited the compliance of the City of Alamogordo, State of New Mexico, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2008. The City of Alamogordo, State of New Mexico's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City of Alamogordo, State of New Mexico's management. Our responsibility is to express an opinion on the City of Alamogordo, State of New Mexico's compliance based on our audit.

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

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the year ended June 30, 2008.



## Internal Control Over Compliance

The management of the City of Alamogordo, State of New Mexico, is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City of Alamogordo, State of New Mexico's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance, and accordingly we do not express an opinion on the effectiveness of the City's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the City Commission, management, Legislative Finance Committee, Department of Finance and Administration, the State Auditor, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

The image shows a handwritten signature in black ink that reads "Hinkle & Landers, P.C." in a cursive, flowing script.

Hinkle & Landers, P.C.  
November 5, 2008

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For The Year Ended June 30, 2008**

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

Financial Statements

Type of auditors' report issued Unqualified

Internal Control over financial reporting:

Material weaknesses identified? X Yes    \_\_\_ No

Significant deficiencies identified that are  
not considered to be material weaknesses? X Yes    \_\_\_ No

Non-compliance material to financial statements noted? X Yes    \_\_\_ No

Federal Awards

Internal Control

Material weaknesses identified? \_\_\_ Yes    X No

Significant deficiencies identified that are  
not considered to be material weaknesses? \_\_\_ Yes    X No

Type of auditors' report issued on major programs Unqualified

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

Identification of major program as noted below:

| CFDA Numbers Funding<br>Source | Name of Federal Programs             | Funding Source                                       |
|--------------------------------|--------------------------------------|--|
| 14.228                         | Community Development Block<br>Grant | US Department of<br>Housing and Urban<br>Development |
| 20.106                         | Airport Improvement Program          | US Department of<br>Transportation                   |
| 97.xxx                         | Disaster Grants – Public Assistance  | US Department of<br>Homeland Security                |

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

Auditee qualified as low-risk auditee? \_\_\_ Yes    X No

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For The Year Ended June 30, 2008**

**SECTION II AND III- FINANCIAL STATEMENTS AND FEDERAL AWARD FINDINGS**

| <b>Finding</b>                                     | <b>Status of<br/>Current and<br/>Prior Year<br/>Findings</b> | <b>Financial<br/>Statement<br/>Finding</b> | <b>Federal<br/>Awards<br/>Finding</b> |
|--|--|--|---------------------------------------|
| <b>Prior Year Findings</b>                         |  |  |                                       |
| 07-01 PAYROLL-INPUT CONTROLS                       | Resolved   | yes  | no                                    |
| 07-02 CONTROLS OVER CASH AT BONITO LAKE CAMPGROUND | Resolved   | yes  | no                                    |
| 07-03 BANK RECONCILIATIONS                         | Resolved   | yes  | no                                    |
| 07-04 DEFERRED REVENUE                             | Resolved   | yes  | no                                    |
| 07-05 ACCOUNTS RECEIVABLE/COLLECTIONS - PHA        | Resolved   | yes  | no                                    |
| 07-06 SAS 112 MATERIAL ADJUSTMENTS BY AUDITOR      | Revised/Repeated   | yes  | no                                    |
| 07-07 PROPER MAINTENANCE OF FUND BALANCES          | Resolved   | yes  | no                                    |
| 07-08 PROPER ENTRY OF TRANSFERS BETWEEN FUNDS      | Revised/Repeated   | yes  | no                                    |
| <b>Current Year Findings</b>                       |  |  |                                       |
| 08-01 PROPER MAINTENANCE OF CAPITAL ASSET LISTINGS | Current  | yes  | no                                    |
| 08-02 PROCUREMENT PROCESS                          | Current  | yes  | no                                    |

**PRIOR YEAR FINDINGS**

**07-06 – SAS 112 MATERIAL ADJUSTMENTS BY AUDITOR – REVISED/REPEATED**

**Statement of Condition**

During our audit we made several adjustments to the City's books that SAS 112 requires to be reported as a finding. The adjustments consisted of the following:

- Accrual of unrecorded accounts payable at June 30, 2008 totaling \$388,759
- Accrual of unrecorded inventory totaling \$11,591

**Criteria**

Statement of Auditing Standards (SAS) 112 was implemented as of December 15, 2006. Some of the key underlying concepts of this standard are

- The auditor cannot be part of a client's internal control. Becoming part of a client's internal control impairs the auditor's independence.
- What the auditor does is independent of the client's internal control over financial reporting. Therefore, the auditor cannot be a compensating control for the client.
- A system of internal control over the financial reporting does not stop at the general ledger; rather it includes controls over the preparation of the financial statements.

Recording these adjustments is considered a significant process that the client needs to maintain. Also since significant adjustments to the financials were made it calls into question whether the Agency staff has the qualifications and training to apply generally accepted accounting principles in recording the entity's financial transactions or preparing its financial statements.

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For The Year Ended June 30, 2008**

**Effect**

Because these adjustments were made/identified by the auditor, and not by the City, it shows an internal control weakness in maintaining the general ledger and would potentially extend to the audit report. This significantly increases the potential for misstated financial statements.

**Cause**

The City's personnel and internal control procedures were not effective in identifying and correcting material errors to the general ledger that would have resulted in material misstatement of the financial statements had they not been corrected by the auditor.

**Recommendation**

We recommend that the City make adjustments to their general ledger in a timely manner. Asking for technical advice from the auditor or from someone else when these adjustments are needed is not considered a control deficiency as long as the staff of the City initiates/makes the adjustment and understands how and why the adjustments were made.

**Management Response**

The City Finance department works diligently to ensure proper recording of year-end adjustments. We overlooked and missed the recording of the Accounts Payable and inventory. The reclassification adjustments totaling \$7,388,358 are included in the finding below (07-08) and the response for this particular adjustment is also included in the management response below. Fixed Asset recording has been an enormous undertaking for Finance/Accounting due to the opinions of the various auditors over the years. Finance/Accounting realizes that additional training and knowledge is required to properly record the Fixed Assets. In lieu of this, Finance/Accounting has relied on the auditor's to assist in making such adjustments. Finance/Accounting will aggressively seek the needed training and improve our knowledge base on Fixed Asset year-end accounting to avoid further findings and reliance upon our annual auditors as well as seek assistance from the State Auditor's Office.

**07-08 – PROPER ENTRY OF TRANSFERS BETWEEN FUNDS – REVISED/REPEATED**

**Statement of Condition**

During the audit, it was observed that transfers between funds were not always recorded properly and in some instances were recorded as changes to fund balances instead of as transfers in/out. Adjustments totaling \$7,388,358 in the aggregate were made to reclassify entries made to fund balance accounts to proper transfer accounts. These amounts related to transfers of capital outlay expenditures and transfers of payments made on notes and bonds payable.

**Criteria**

Transfers between funds should be properly recorded as transfers and not entered as charges directly to/from net assets or any other accounts that effectively bypass the transfer entries. When transactions initially involve two or more funds or if an expense is initially made in one fund but is later offset with an entry to another fund (as with the capital outlay and contra capital outlay entries), there needs to be a corresponding transfer entry made to reflect the movement of assets/liabilities from one fund to another in order for the funds to be internally and collectively in balance.

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For The Year Ended June 30, 2008**

**Effect**

By entering transfers incorrectly, it potentially results in material misstatements of the transfer amounts reported by the City and potentially impacts the budgetary and financial reporting processes by not reporting the true flow of assets between funds.

**Cause**

This was caused by in part by the failure to budget for these transfers and, thus, the need to stay within budgeted amounts. As these were not viewed by City personnel as true transfers, they were not recorded in the established transfer accounts.

**Recommendation**

It is recommended that all inter-fund activity be reviewed to ensure that transfers between funds are identified and properly recorded as they occur. In addition, it is recommended that all transfers be budgeted for during the annual budget process.

**Management Response**

The auditor looks at the capital improvements paid from various special revenue funds as a year-end adjustment through transfers rather than fund balance. The Finance/Accounting department is against making the adjustments through transfers because DFA approval is required before any transfers are made. The City has always funded capital improvements from various funds with a direct expense from those funding sources rather than Enterprise funds. In order to record the capital assets paid by funds outside of the Enterprise Fund in the appropriate Enterprise Fund, the capital improvement expenditures would need to be budgeted and expended from the Enterprise funds and a transfer from the fund providing the resource to pay for the Capital. The Finance/Accounting department can make the necessary adjustments in the budget and general ledger by March 31, 2009 in order to avoid this issue for the financial statements ending June 30, 2009. We will also research and confirm with DFA that there is no conflict from the State approving the budget to follow auditor recommendations.

**08-01 – PROPER MAINTENANCE OF CAPITAL ASSET LISTINGS**

**Statement of Condition**

During the audit of the City's capital assets, it was observed that the City's process for recording capital outlay expenditures and off-setting them in the enterprise funds with contra-capital outlay expenditures was not effective and did not accurately reflect the true capital outlay expenditures being offset in the fund. Specifically, Funds 81 and 91 contained contra-capital outlay accounts showing balances significantly higher than the associated capital outlay expenditures recorded in the fund.

For Fund 81, the reported current year capital outlay expenditures totaled \$1,528,327; however the recorded contra-capital outlay expenditures totaled \$(7,164,085). Additional procedures determined that current year capital outlays totaling \$2,776,843 had been recorded in other funds, but the offsetting contra-capital outlay expenditure was aggregated and recorded only in Fund 81. In addition, \$3,615,836 of prior year capital outlay expenditures were recorded in the current year as a credit to the contra-capital outlay account and a debit to construction in progress.

For Fund 91 the reported current year capital outlay expenditures totaled \$10,030; however the recorded contra-capital outlay expenditures totaled \$(600,512). Additional procedures determined that current year capital outlay expenditures totaling \$216,833 had been recorded in another fund, but the offsetting contra-capital outlay

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For The Year Ended June 30, 2008**

expenditure was recorded only in Fund 91. In addition, \$383,679 of prior year capital outlay expenditures were recorded in the current year as a credit to the contra-capital outlay account and a debit to construction in progress.

This resulted in the need to record prior period adjustments totaling \$3,999,515 in order to properly record those expenditures from prior years that were capitalized in the current year. Further discussion with client personnel revealed that the need for prior period adjustments is likely to continue in years to come as the process for timely capitalization of construction in progress costs is not effective in identifying those items that need to be capitalized in the year in which they occur.

**Criteria**

Capital expenditures related to construction in progress should be capitalized in the year in which they occur.

Contra-capital outlay accounts should only be utilized to offset those capital outlay expenditures that were recorded in the same fund that contains the contra-capital outlay account. Adjustments to capitalize prior period expenditures should be recorded as a prior period adjustment and should not be blended into current year activities.

**Effect**

The continual need to make prior period adjustments related to capital outlays results in the potential for material misstatements of the recorded amounts for capital outlay costs and construction in progress.

By recording capital outlay expenditures in one fund and recording the associated contra-capital outlay in a different fund it effectively misstates the true amount of capital expenditures in both funds and creates the potential for material misstatements to make it into the financial statements.

**Cause**

The City's process for tracking and capitalizing current year expenditures was not effective in ensuring only those current year capital outlays occurring in a given fund were capitalized in the current period. In addition, the process for identifying and recording prior period adjustments was not effective in ensuring that prior period capital outlays capitalized in the current year were recorded as prior period adjustments.

**Recommendation**

The City should implement a procedure whereby a cutoff date is established by which time City engineers must report those current year capital outlay costs that should be capitalized as construction in progress to the finance department for inclusion in the capital asset listing. This will eliminate the need to make prior period adjustments related to capital outlays from prior years. Adjustments to capitalize prior period expenditures should only be made on an as needed basis and should not be viewed as a regular/routine part of the process for recording capital assets.

It is also recommended that as the capital outlay expenditures are made, a record of their source fund is kept and at the end of the period, any contra-capital outlay entries are made directly to the funds in which the capital outlay expenditures occurred.

**Management Response**

The City Finance/Accounting staff will implement procedures as recommended by the Auditor.

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For The Year Ended June 30, 2008**

**08-02 – PROCUREMENT PROCESS**

**Statement of Condition**

During our review of significant contracts we discussed two specific contracts with the City Attorney.

One contract “piggybacked” on a General Services Department (GSD) contract. The contract amount was for an amount estimated in the range of \$323,000. (the final invoices have not been received by the City at the of the writing of this finding). Subsequent to the contract being accepted by the City, the vendor increased pricing for certain aspects of the contract, which the City accepted. Because of this change in pricing, the City should have gone out to bid for the contract.

**Criteria**

Sections 13-1-135, “Cooperative Procurement Authorized” outlines the ability to piggyback and the procurement code. Altering the pricing of the piggybacked contract violates the contract and therefore a formal bid process should be completed to properly comply with the procurement code.

**Effect**

The City is out of compliance with the State Statutes and procurement codes.

**Cause**

It appears, City management determined it was a good value as they did performed due diligence for checking prices for the construction and services provided and deemed it was a competitive price including the price change.

**Recommendation**

The City should make sure that it understands the rules for piggybacking on GSD contracts and price agreements and should properly comply with the State procurement code and the City’s procurement code.

**Management Response**

The Purchasing and Public Works department have been made aware of this situation and the Public Works department realizes that the procurement regulations of the City must be followed to include that subcontractors involved in contractual agreements involving expenditures of \$5,000 or more is subject to the procurement regulations and shall go through the procurement process.

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For The Year Ended June 30, 2008**

An exit conference was held in a closed session on November 5, 2008 and was attended by the following:

For the City of Alamogordo

Marion L. Ledford

Matt McNeile

LeeAnn Nichols

Stella Bracamonte

Stephen Thies

Evelyn Huff

Commissioner

Acting City Manager and board member of Landfill component unit

Finance Director

Accounting Manager

City Attorney

Accountant - PHA

For Hinkle & Landers, PC

Farley Vener, CPA, CFE

Audit Partner

**PREPARATION OF THE FINANCIAL STATEMENTS**

Presentation: The accompanying financial statements are the responsibility of the City and are based on information from the City's financial records. Assistance was provided by Hinkle & Landers, PC to the City in preparing the financial statements.



**INDEPENDENT AUDITORS' REPORT  
FINANCIAL DATA SCHEDULE**

Mr. Hector Balderas,  
New Mexico State Auditor  
and  
The Honorable Mayor  
Steve W. Brockett  
and  
City Commission of the City of Alamogordo  
Alamogordo, New Mexico

We were engaged to perform an audit in accordance with OMB Circular A-133, Audits of States and Local Governments, and Non-Profit Organizations, for the City of Alamogordo, as of and for the year ended June 30, 2008, and have issued our report thereon dated November 5, 2008.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The accompanying Financial Data Schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Hinkle & Landers, P.C.*

Hinkle & Landers, PC  
November 5, 2008

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
PUBLIC HOUSING AUTHORITY FDS SCHEDULE  
BALANCE SHEET  
As of June 30, 2008**

PHA: NM004 FYED 06/30/2008

| Line Item # | Account Description   | (100)                   | (301)                     | (500)            | (600)          | Total            |
|-------------|---|-------------------------|---------------------------|------------------|----------------|------------------|
|             |   | Low Rent Public Housing | Section 8 Voucher Program | Home Ownership   | Capital Fund   |                  |
| 111         | Cash  | 117,063                 | 60,800                    | 29,380           | -              | 207,243          |
| 113         | Cash-Restricted   | -                       | -                         | -                | -              | -                |
| 114         | Cash-Tenant Security Deposits                                     | 24,538                  | -                         | 118,144          | -              | 142,682          |
| <b>100</b>  | <b>Total Cash</b>   | <b>141,601</b>          | <b>60,800</b>             | <b>147,524</b>   | <b>-</b>       | <b>349,925</b>   |
| 124         | Accounts Receivable-Other Government                              | -                       | -                         | -                | -              | -                |
| 126         | Accounts Receivable-Tenants-Dwelling Rents                        | 61,160                  | -                         | 3,413            | -              | 64,573           |
| 126.1       | Allowance for Doubtful Accounts-Tenants-Dwelling Rents            | (15,817)                | -                         | -                | -              | (15,817)         |
| 129         | Accrued Interest Receivable                                       | 1,293                   | -                         | -                | -              | 1,293            |
| <b>120</b>  | <b>Total Receivables, net of allowances for doubtful accounts</b> | <b>46,636</b>           | <b>-</b>                  | <b>3,413</b>     | <b>-</b>       | <b>50,049</b>    |
| 131         | Investments-Unrestricted  | 653,140                 | -                         | 300,000          | -              | 953,140          |
| 142         | Prepaid Expenses and Other Assets                                 | 39,424                  | -                         | 4,030            | -              | 43,454           |
| 143         | Inventories   | 25,235                  | -                         | 1,070,196        | -              | 1,095,431        |
| 144         | Interprogram Due From   | 5,993                   | -                         | -                | -              | 5,993            |
| <b>150</b>  | <b>Total Current Assets</b>                                       | <b>912,029</b>          | <b>60,800</b>             | <b>1,525,163</b> | <b>-</b>       | <b>2,497,992</b> |
| 161         | Land  | 1,324,708               | -                         | -                | -              | 1,324,708        |
| 162         | Buildings   | 9,910,404               | -                         | -                | 210,389        | 10,120,793       |
| 163         | Furniture, Equipment and Machinery-Dwellings                      | 178,619                 | -                         | -                | -              | 178,619          |
| 164         | Furniture, Equipment and Machinery-Administration                 | 69,048                  | -                         | 3,735            | -              | 72,783           |
| 166         | Accumulated Depreciation  | (7,941,199)             | -                         | (3,735)          | (7,013)        | (7,951,947)      |
| 167         | Construction in Progress  | 50,000                  | -                         | -                | 116,160        | 166,160          |
| <b>160</b>  | <b>Total Fixed Assets, Net of Accumulated Depreciation</b>        | <b>3,591,580</b>        | <b>-</b>                  | <b>-</b>         | <b>319,536</b> | <b>3,911,116</b> |
| <b>180</b>  | <b>Total Non-Current Assets</b>                                   | <b>3,591,580</b>        | <b>-</b>                  | <b>-</b>         | <b>319,536</b> | <b>3,911,116</b> |
| <b>190</b>  | <b>Total Assets</b>   | <b>4,503,609</b>        | <b>60,800</b>             | <b>1,525,163</b> | <b>319,536</b> | <b>6,409,108</b> |
| 311         | Bank Overdraft  | -                       | -                         | -                | -              | -                |
| 312         | Accounts Payable <= 90 Days                                       | 69,215                  | 33,767                    | 12,822           | -              | 115,804          |
| 322         | Accrued Compensated Absences-Current Portion                      | 21,127                  | -                         | 3,317            | -              | 24,444           |
| 333         | Accounts Payable-Other Government                                 | -                       | -                         | -                | -              | -                |
| 341         | Tenant Security Deposits  | 24,538                  | -                         | 118,144          | -              | 142,682          |
| 347         | Interprogram Due To   | -                       | -                         | 5,993            | -              | 5,993            |
| <b>310</b>  | <b>Total Current Liabilities</b>                                  | <b>114,880</b>          | <b>33,767</b>             | <b>140,276</b>   | <b>-</b>       | <b>288,923</b>   |
| <b>300</b>  | <b>Total Liabilities</b>  | <b>114,880</b>          | <b>33,767</b>             | <b>140,276</b>   | <b>-</b>       | <b>288,923</b>   |
| 508.1       | Investment in Capital Assets, Net of Related Debt                 | 3,591,580               | -                         | -                | 319,536        | 3,911,116        |
| 512.1       | Unrestricted Net Assets   | 797,149                 | 27,033                    | 1,384,887        | -              | 2,209,069        |
| <b>513</b>  | <b>Total Net Assets</b>   | <b>4,388,729</b>        | <b>27,033</b>             | <b>1,384,887</b> | <b>319,536</b> | <b>6,120,185</b> |
| <b>600</b>  | <b>Total Liabilities and Net Assets</b>                           | <b>4,503,609</b>        | <b>60,800</b>             | <b>1,525,163</b> | <b>319,536</b> | <b>6,409,108</b> |

See accompanying notes to the financial statements

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
PUBLIC HOUSING AUTHORITY FDS SCHEDULE  
SCHEDULE OF REVENUES AND EXPENDITURES  
For The Year Ended June 30, 2008**

PHA: NM004 FYED 06/30/2008

| Line Item # | Account Description                             | (100)<br>Low Rent Public Housing | (301)<br>Section 8 Voucher Program | (500)<br>Home Ownership | (600)<br>Capital Fund | Total            |
|-------------|---|----------------------------------|------------------------------------|-------------------------|-----------------------|------------------|
| 703         | Net Tenant Rental Revenue                       | 284,084                          | -                                  | -                       | -                     | 284,084          |
| 704         | Tenant Revenue - Other                          | 17,217                           | -                                  | 55,376                  | -                     | 72,593           |
| 705         | Total Tenant Revenue                            | 301,301                          | -                                  | 55,376                  | -                     | 356,677          |
| 706         | HUD PHA Operating Grants                        | 440,289                          | -                                  | -                       | -                     | 440,289          |
| 708         | Other Government Grants                         | -                                | -                                  | 108,274                 | 118,623               | 226,897          |
| 711         | Investment Income - Unrestricted                | 28,165                           | 2,078                              | 10,620                  | -                     | 40,863           |
| 715         | Other Revenue                                   | 5,970                            | -                                  | 206,232                 | -                     | 212,202          |
| <b>700</b>  | <b>Total Revenue</b>                            | <b>775,725</b>                   | <b>2,078</b>                       | <b>380,502</b>          | <b>118,623</b>        | <b>1,276,928</b> |
| 911         | Administrative Salaries                         | 199,971                          | -                                  | 40,311                  | -                     | 240,282          |
| 912         | Auditing Fees                                   | 8,079                            | -                                  | 608                     | -                     | 8,687            |
| 915         | Employee Benefit Contributions                  | 93,222                           | -                                  | 12,838                  | -                     | 106,060          |
| 916         | Other Operating - Administrative                | 159,474                          | -                                  | 230,675                 | -                     | 390,149          |
| 921         | Tenant Services - Salaries                      | -                                | -                                  | -                       | -                     | -                |
| 931         | Water/Sewer                                     | 3,581                            | -                                  | 794                     | -                     | 4,375            |
| 932         | Electricity                                     | 84,813                           | -                                  | 172                     | -                     | 84,985           |
| 933         | Gas   | 2,904                            | -                                  | 297                     | -                     | 3,201            |
| 941         | Ordinary Maintenance and Operations - Labor     | 111,349                          | -                                  | -                       | -                     | 111,349          |
| 942         | Ordinary Maintenance and Operations             | 116,264                          | -                                  | 124,035                 | 7,235                 | 247,534          |
| 961         | Insurance Premiums                              | 86,063                           | -                                  | 5,765                   | -                     | 91,828           |
| 964         | Bad Debt - Tenant Rents                         | -                                | -                                  | -                       | -                     | -                |
| <b>969</b>  | <b>Total Operating Expenses</b>                 | <b>865,720</b>                   | <b>-</b>                           | <b>415,495</b>          | <b>7,235</b>          | <b>1,288,450</b> |
| <b>970</b>  | <b>Excess Operating Revenue over</b>            | <b>(89,995)</b>                  | <b>2,078</b>                       | <b>(34,993)</b>         | <b>111,388</b>        | <b>(11,522)</b>  |
| 973         | Housing Assistance Payments                     | -                                | -                                  | -                       | -                     | -                |
| 974         | Depreciation                                    | 252,204                          | -                                  | -                       | 7,013                 | 259,217          |
| 900         | Total Expenses                                  | 1,117,924                        | -                                  | 415,495                 | 14,248                | 1,547,667        |
| 1001        | Operating Transfers In                          | 70,800                           | -                                  | -                       | -                     | 70,800           |
| 1002        | Operating Transfers Out                         | -                                | -                                  | -                       | (70,800)              | (70,800)         |
| 1010        | Total Other Financing Sources                   | 70,800                           | -                                  | -                       | (70,800)              | -                |
| <b>1000</b> | <b>Excess (Deficiency) of Operating Revenue</b> | <b>(271,399)</b>                 | <b>2,078</b>                       | <b>(34,993)</b>         | <b>33,575</b>         | <b>(270,739)</b> |
| 1103        | Beginning Equity                                | 4,635,940                        | 24,955                             | 1,422,112               | 285,961               | 6,368,968        |
| 1104        | Prior Period Adjustments, Equity Transfers      | 24,188                           | -                                  | (2,232)                 | -                     | 21,956           |
| 1120        | Unit Months Available                           | 2,640                            | -                                  | -                       | -                     | 2,640            |
| 1121        | Number of Unit Months Lease                     | 1,921                            | -                                  | -                       | -                     | 1,896            |

See accompanying notes to financial statements