

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
INDEPENDENT AUDITORS' REPORT  
AND AUDITED FINANCIAL STATEMENTS  
For The Year Ended June 30, 2010**

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO**

**TABLE OF CONTENTS**

	<u>Page</u>
<b>FINANCIAL SECTION</b>	
Official Roster	iv
Independent auditors' report	1-2
<b><u>Basic Financial Statements:</u></b>	
<b>Government-Wide Statements:</b>	
Statement of net assets	3
Statement of activities	4
<b>Fund Financial Statements:</b>	
<b>Governmental Funds</b>	
Balance sheet – governmental funds	5
Reconciliation of the governmental funds balance sheet to statement of net assets	6
Statement of revenues, expenditures, and changes in fund balances – governmental funds	7
Reconciliation of the statement of revenues, expenditures, and changes in fund balances of governmental funds to the statement of activities	8
Statement of revenues, expenditures and changes fund balances – budget and actual non-GAAP budgetary basis – general fund	9-10
Statement of revenues and expenditures – budget and actual non-GAAP budgetary basis– special revenue funds – community services	11
Statement of revenues and expenditures – budget and actual non-GAAP budgetary basis– special revenue funds – transportation	12
<b>Proprietary Funds</b>	
Statement of net assets – proprietary and internal service funds	13
Statement of revenues, expenses and changes in fund net assets – proprietary and internal service funds	14
Statement of cash flows – proprietary and internal service funds	15-16
Statement of fiduciary assets and liabilities – agency funds	17
<b>Notes to Financial Statements</b>	18-44
<b>SUPPLEMENTARY INFORMATION</b>	
Combining balance sheet – non-major governmental funds	45
Combining statement of revenues, expenditures, and changes in fund balances – non-major governmental funds	46
Combining balance sheets – non-major governmental funds	47-53
Combining statements of revenues, expenditures, and changes in fund balances – non-major governmental funds	54-60
Combining schedule of changes in assets and liabilities – fiduciary funds	61
Balance sheet – component unit – landfill	62

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO**

Statement of revenues, expenses and changes in fund net assets	63
– component unit – landfill	63
Fund Descriptions	64-66
Statement of revenues and expenditures budget and actual (non GAAP budgetary basis):	
<b>Special revenue funds:</b>	
Corrections – City Expense	67
Tourism & Promotions	68
Court Automation	69
Lodger's Tax City Share	70
D.A.R.E. Donations	71
Designated Gift	72
Grant Capital Improvement	73
Corrections – Municipal Court	74
Police Contingency	75
Cemetery Operations – Perpetual Care	76
Fire Protection	77
Law Enforcement Protection	78
State Highway Cleanup	79
Traffic Safety	80
1984 Gross Receipts Tax	81
Community Development	82
Building Codes	83
1994 Gross Receipts Tax	84
Senior Center III	85
Senior Center Gift	86
Retired & Senior Volunteer Program	87
ESGRT .0625% Convenience Center	88
<b>Debt service funds:</b>	
General Obligation	89
Revenue Bonds	90
<b>Capital projects funds:</b>	
Airport Improvements	91
Community Development Block Grant	92
1986 GRT	93
Property Acquisition	94
Reverse Osmosis Prj Rsv	95
Alamogordo Flood Control	96
Municipal Infrastructure	97
Economic Development	98
PRS RSV Flood Control	99
2002 GRT Bond Acquisition	100
2002 GRT Capital Outlay	101
04 GRT Bond Acquisition	102
Sidewalk Revolving Loan Fund	103
Regional Water Supply Transmission	104

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO**

<b>Enterprise funds:</b>	
Water and Sewer – Operating	105
98 Joint Water and Sewer Improvement Bond P & I	106
Solid Waste Collection System	107
Bonito Lake	108
Desert Lakes Golf Course	109
White Sands Regional Airport	110
04 W/S Rev Bd Emer Swr Proj	111
<b>Other:</b>	
Public Housing Authority	112
<b>Component unit:</b>	
Landfill – Operating	113
<b>Schedule of expenditures of federal awards</b>	114
<b>Other supplementary information:</b>	
Schedule of revenues and expenses – aging programs	115
Schedule of joint powers agreements	116-118
Schedule of pledged collateral by bank and account	119-122
Report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with <i>Government Auditing Standards</i>	123-124
Report on compliance with requirements that could have a direct and material effect on each major program and on internal control over compliance in accordance with OMB Circular A-133	125-126
Schedule of findings and questioned costs	127-138
Exit conference	139
Independent auditors' report – financial data schedule	140
Public Housing Authority FDS Schedule – Balance Sheet	141
Public Housing Authority FDS Schedule – Schedule of Revenues and Expenditures	142

## **INTRODUCTORY SECTION**

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO**

**OFFICIAL ROSTER  
As of June 30, 2010**

Mr. Ron Griggs ..... Mayor

Mr. Ed Cole ..... Mayor – Pro-tem

**City Commissioners**

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

Mr. Aaron Rance ..... Commissioner – District 2

Mr. Robert Rentschler ..... Commissioner – District 3

Mr. Josh Rardin ..... Commissioner – District 4

Mr. Joe Ferguson ..... Commissioner – District 5

Mr. Ed Cole ..... Commissioner – District 6

Mr. Ron Griggs ..... Commissioner – District 7

**City Staff**

Mr. Mark Roath ..... City Manager

Ms. LeeAnn Nichols ..... Finance Director

## **FINANCIAL SECTION**

**INDEPENDENT AUDITORS' REPORT**

Mr. Hector Balderas,  
New Mexico State Auditor and  
The Honorable Mayor Ron Griggs  
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, 2010, 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, 2010, 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, 2010, 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, 2010, 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 30, 2010 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 supplementary 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.

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 30, 2010

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
STATEMENT OF NET ASSETS  
As of June 30, 2010**

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Regional Landfill (94)
<b>Assets</b>				
Current assets:				
Cash and cash equivalents	\$ 3,330,702	1,220,578	4,551,280	21,249
Investments	35,297,527	9,775,499	45,073,026	3,319,983
Receivables, net	58,730	786,405	845,135	18,141
Taxes and franchise receivables	4,094,742	43,318	4,138,060	1,232
Grants receivable	1,318,885	-	1,318,885	-
Due from other funds	163,283	-	163,283	-
Inventory and prepaid expenses	329,373	1,301,299	1,630,672	-
Bond issue costs, net	91,675	136,952	228,627	-
Total current assets	<u>44,684,917</u>	<u>13,264,051</u>	<u>57,948,968</u>	<u>3,360,605</u>
Non-current assets:				
Restricted cash	-	572,139	572,139	-
Capital assets not being depreciated	26,248,670	26,586,516	52,835,186	1,754,258
Capital assets being depreciated, net	25,498,230	37,206,513	62,704,743	822,553
Total non-current assets	<u>51,746,900</u>	<u>64,365,168</u>	<u>116,112,068</u>	<u>2,576,811</u>
Total assets	<u>\$ 96,431,817</u>	<u>77,629,219</u>	<u>174,061,036</u>	<u>5,937,416</u>
<b>Liabilities</b>				
Current liabilities:				
Accounts payable	\$ 934,999	505,548	1,440,547	11,949
Due to other funds	-	163,283	163,283	-
Accrued payroll liabilities	716,687	163,548	880,235	18,719
Accrued interest payable	115,233	140,598	255,831	-
Bonds, notes and leases payable	1,584,911	1,297,695	2,882,606	-
Deposits	15,412	577,336	592,748	-
Compensated absences	913,921	92,620	1,006,541	12,786
Deferred revenue	16,544	176,412	192,956	9
Total current liabilities	<u>4,297,707</u>	<u>3,117,040</u>	<u>7,414,747</u>	<u>43,463</u>
Long-term liabilities:				
Compensated absences - long-term portion	218,570	22,009	240,579	-
Bonds, notes and leases payable	22,979,056	23,177,248	46,156,304	-
Landfill post-closure costs	-	-	-	534,933
Total long-term liabilities	<u>23,197,626</u>	<u>23,199,257</u>	<u>46,396,883</u>	<u>534,933</u>
Total liabilities	<u>27,495,333</u>	<u>26,316,297</u>	<u>53,811,630</u>	<u>578,396</u>
<b>Net assets</b>				
Invested in capital assets, net of related debt	27,182,933	39,318,085	66,501,018	2,576,811
Restricted for:				
Other purposes	-	909,483	909,483	-
Unrestricted	41,753,551	11,085,354	52,838,905	2,782,209
Total net assets	<u>68,936,484</u>	<u>51,312,922</u>	<u>120,249,406</u>	<u>5,359,020</u>
Total liabilities and net assets	<u>\$ 96,431,817</u>	<u>77,629,219</u>	<u>174,061,036</u>	<u>5,937,416</u>

The accompanying notes are integral to these financial statements

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
STATEMENT OF ACTIVITIES  
For The Year Ended June 30, 2010**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Assets			Component
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Unit
					Governmental Activities	Business-Type Activities	Total	Regional Landfill (94)
<b>Primary government:</b>								
<b>Governmental activities:</b>								
General government	\$ 9,489,100	583,996	881,437	146,098	(7,877,568)	-	(7,877,568)	-
Public safety	7,833,324	369,971	614,841	-	(6,848,513)	-	(6,848,513)	-
Public works	5,455,412	24,836	3,500,008	552,679	(1,377,889)	-	(1,377,889)	-
Culture and recreation	1,994,690	175,468	850,523	-	(968,699)	-	(968,699)	-
Health and welfare	220,872	-	192,191	-	(28,681)	-	(28,681)	-
Interest expense	1,513,782	-	-	-	(1,513,782)	-	(1,513,782)	-
Total governmental activities	<u>26,507,180</u>	<u>1,154,271</u>	<u>6,039,000</u>	<u>698,777</u>	<u>(18,615,132)</u>	<u>-</u>	<u>(18,615,132)</u>	<u>-</u>
<b>Business-type activities:</b>								
Water & sewer	7,720,318	8,453,828	-	-	-	733,510	733,510	-
Public housing program	1,180,571	419,105	1,357,648	-	-	596,182	596,182	-
Solid waste collections	1,719,277	1,860,267	-	-	-	140,990	140,990	-
Bonito lake	298,352	169,430	-	-	-	(128,922)	(128,922)	-
Desert Lakes golf course	1,247,173	1,087,406	-	-	-	(159,767)	(159,767)	-
White Sands regional airport	303,452	221,698	-	-	-	(81,754)	(81,754)	-
Total business-type activities	<u>12,469,143</u>	<u>12,211,734</u>	<u>1,357,648</u>	<u>-</u>	<u>-</u>	<u>1,100,239</u>	<u>1,100,239</u>	<u>-</u>
Total primary government	<u>\$ 38,976,323</u>	<u>13,366,005</u>	<u>7,396,648</u>	<u>698,777</u>	<u>(18,615,132)</u>	<u>1,100,239</u>	<u>(17,514,893)</u>	<u>-</u>
<b>Component unit:</b>								
Regional Landfill	\$ <u>1,014,262</u>	<u>987,920</u>	<u>-</u>	<u>-</u>				<u>(26,342)</u>
<b>Taxes</b>								
Property taxes levied for general purposes					3,416,662	-	3,416,662	-
Gross receipt taxes and fees					4,022,783	-	4,022,783	-
State shared taxes and fees					7,843,710	-	7,843,710	-
Other taxes					9,454,811	-	9,454,811	-
Miscellaneous					2,501,047	230,063	2,731,110	16,718
Investment earnings					515,333	132,011	647,344	48,118
Transfers					5,656,432	(5,653,602)	2,830	(2,830)
Total general revenues and transfers					<u>33,410,778</u>	<u>(5,291,528)</u>	<u>28,119,250</u>	<u>62,006</u>
Changes in net assets					<u>14,795,646</u>	<u>(4,191,289)</u>	<u>10,604,357</u>	<u>35,664</u>
Net assets - beginning					<u>54,015,990</u>	<u>54,419,616</u>	<u>108,435,606</u>	<u>5,323,356</u>
Restatement					<u>124,848</u>	<u>1,084,595</u>	<u>1,209,443</u>	<u>-</u>
Net assets - beginning, restated					<u>54,140,838</u>	<u>55,504,211</u>	<u>109,645,049</u>	<u>5,323,356</u>
Net assets - ending					<u>\$ 68,936,484</u>	<u>51,312,922</u>	<u>120,249,406</u>	<u>5,359,020</u>

The accompanying notes are integral to these financial statements

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
As of June 30, 2010**

	Major Funds					Other Non-major Governmental Funds	Total Governmental Funds
	11 & 98	32	44	109	113		
	General Fund	Special Revenue		Capital Projects			
		Community Services	Transportation	2004 GRT Capital Outlay	2009 GO Bond		
<b>Assets</b>							
Cash and cash equivalents	\$ 1,187,458	220,655	245,693	919,097	111,393	549,700	3,233,996
Investments	2,728,325	-	2,148,229	5,425,309	7,265,315	16,676,311	34,243,489
Receivables, net	25,673	24,699	514	-	-	3,141	54,027
Taxes and franchise receivable	2,243,577	72,156	419,647	257,097	-	1,102,265	4,094,742
Grants receivable	102,245	-	600,896	-	-	615,744	1,318,885
Due from other funds	245,929	-	-	-	-	-	245,929
Prepaid	6,942	-	-	-	-	-	6,942
Other assets	-	-	-	-	-	-	-
Total assets	<u>\$ 6,540,149</u>	<u>317,510</u>	<u>3,414,979</u>	<u>6,601,503</u>	<u>7,376,708</u>	<u>18,947,161</u>	<u>43,198,010</u>
<b>Liabilities</b>							
Accounts payable	30,731	33,316	370,616	147,191	-	302,041	883,895
Due to other funds	-	-	-	-	-	82,645	82,645
Accrued payroll liabilities	403,194	120,608	50,142	-	-	82,416	656,360
Deposits	400	4,647	-	-	-	10,365	15,412
Deferred revenue	208,811	13,017	-	-	-	493,768	715,596
Total liabilities	<u>643,136</u>	<u>171,588</u>	<u>420,758</u>	<u>147,191</u>	<u>-</u>	<u>971,235</u>	<u>2,353,908</u>
<b>Fund balances</b>							
Reserved for:							
Capital projects	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Other purposes	-	-	-	-	-	371,358	371,358
Unreserved, reported in:							
General fund	5,897,013	-	-	-	-	-	5,897,013
Special revenue funds	-	145,922	2,994,221	-	-	4,860,484	8,000,627
Capital project funds	-	-	-	6,454,312	7,376,708	12,192,189	26,023,209
Debt service	-	-	-	-	-	551,896	551,896
Total fund balances	<u>5,897,013</u>	<u>145,922</u>	<u>2,994,221</u>	<u>6,454,312</u>	<u>7,376,708</u>	<u>17,975,926</u>	<u>40,844,102</u>
Total liabilities and fund balances	<u>\$ 6,540,149</u>	<u>317,510</u>	<u>3,414,979</u>	<u>6,601,503</u>	<u>7,376,708</u>	<u>18,947,161</u>	<u>43,198,010</u>

The accompanying notes are integral to these financial statements

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE  
TO STATEMENT OF NET ASSETS  
As of June 30, 2010**

Fund balances reported in governmental funds balance sheet	\$	40,844,102
Amount reported for governmental activities in the Statement of Net Assets are different because:		
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds.		51,746,900
Internal service funds are used by management to charge the cost of certain activities to individual funds. The assets and liabilities of the internal service funds are included in governmental funds in the Statement of Net Assets.		1,288,176
Some revenue is deferred in the funds but accrued as revenue in the government-wide statements and added to net assets.		699,052
Other assets (bond issue costs) are not available to pay for current period expenditures and therefore are deferred in the funds.		91,675
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		(24,563,967)
Compensated absences (less Internal Service Funds)		(1,054,220)
Accrued interest payable on long-term debt does not require current financial resources, therefore, interest payable is not reported as a liability in the governmental funds.		<u>(115,233)</u>
Net assets of governmental activities	\$	<u><u>68,936,484</u></u>

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
For The Year Ended June 30, 2010**

	Major Funds					Other Governmental Non-major Funds	Total Governmental Funds
	11 & 98	32	44	109	113		
	General Fund	Special Revenue Community Services	Transportation	Capital Projects 2004 GRT Capital Outlay	2009 GO Bond		
<b>Revenues</b>							
Taxes and fees	\$ 13,595,623	27,847	2,421,045	1,462,830	-	6,986,335	24,493,680
Fines and forfeitures	409,436	21,937	-	-	-	270,946	702,319
Grants and gifts	105,005	481,812	3,017,322	-	-	2,567,649	6,171,788
Charges for services	492,083	431,717	1,945	-	-	228,526	1,154,271
Interest income	90,898	-	22,871	90,152	62,412	233,943	500,276
Miscellaneous	658,831	53,832	463,044	-	-	426,125	1,601,832
Total revenues	<u>15,351,876</u>	<u>1,017,145</u>	<u>5,926,227</u>	<u>1,552,982</u>	<u>62,412</u>	<u>10,713,524</u>	<u>34,624,166</u>
<b>Expenditures</b>							
Current:							
General government	2,398,367	2,956,353	-	-	-	732,270	6,086,990
Public safety	6,672,704	-	-	-	-	598,631	7,271,335
Public works	-	-	1,596,987	-	23,542	616,199	2,236,728
Health and welfare	-	-	-	-	-	216,090	216,090
Culture and recreation	-	-	-	-	-	1,792,285	1,792,285
Non-current							
Debt Service							
Principal payments-debt service	-	-	-	-	-	2,131,586	2,131,586
Interest payments-debt service	-	-	-	-	-	1,399,592	1,399,592
Capital outlay	157,270	518,502	4,839,230	2,501,696	16,413	1,658,735	9,691,846
Total expenditures	<u>9,228,341</u>	<u>3,474,855</u>	<u>6,436,217</u>	<u>2,501,696</u>	<u>39,955</u>	<u>9,145,388</u>	<u>30,826,452</u>
Excess (deficiency) or revenues over expenditures	<u>6,123,535</u>	<u>(2,457,710)</u>	<u>(509,990)</u>	<u>(948,714)</u>	<u>22,457</u>	<u>1,568,136</u>	<u>3,797,714</u>
<b>Other financing sources (uses)</b>							
Proceeds of long-term capital-related debt	-	-	-	-	920,000	-	920,000
Transfers in	31,776	2,805,160	2,342,190	-	6,500,000	3,845,502	15,524,628
Transfers out	(5,190,587)	(450,002)	(209,300)	(1,660,783)	(65,749)	(4,775,155)	(12,351,576)
Total other financing sources (uses)	<u>(5,158,811)</u>	<u>2,355,158</u>	<u>2,132,890</u>	<u>(1,660,783)</u>	<u>7,354,251</u>	<u>(929,653)</u>	<u>4,093,052</u>
Net change in fund balances	<u>964,724</u>	<u>(102,552)</u>	<u>1,622,900</u>	<u>(2,609,497)</u>	<u>7,376,708</u>	<u>638,483</u>	<u>7,890,766</u>
Fund balances-beginning of year	4,932,289	248,474	1,371,321	9,063,809	-	17,531,776	33,147,669
Restatement	-	-	-	-	-	(194,333)	(194,333)
	<u>4,932,289</u>	<u>248,474</u>	<u>1,371,321</u>	<u>9,063,809</u>	<u>-</u>	<u>17,337,443</u>	<u>32,953,336</u>
Fund balances-end of the year	\$ <u>5,897,013</u>	<u>145,922</u>	<u>2,994,221</u>	<u>6,454,312</u>	<u>7,376,708</u>	<u>17,975,926</u>	<u>40,844,102</u>

The accompanying notes are integral to these 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, 2010**

Net change in fund balance - total governmental funds	\$	7,890,766
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation.		5,112,878
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenue in the funds.		457,235
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long term liabilities in the Statement of Net Assets. This is the amount by which repayments exceeded proceeds.		1,305,024
Expenses reported the Statement of Activities that do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		28,632
Internal service funds are used by management to charge the costs of certain activities, such as insurance and fleet management. The net revenue (expense) of the internal service fund is reported with governmental activities.		(2,097,357)
Transfers were made from governmental funds to the Internal Service Fund; those transfers reduced the changes in fund balance of governmental funds but not the change in net assets of governmental activities.		2,098,468
Change in net assets of governmental activities	\$	14,795,646

**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, 2010**

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable/ (Unfavorable)
<b>Revenues:</b>				
Taxes and fees	\$ 5,172,567	5,049,453	5,378,481	329,028
Fees and permits	1,045,716	965,272	1,063,772	98,500
State shared fees	7,227,302	6,926,091	7,136,845	210,754
User fees	364,555	386,768	385,288	(1,480)
Fines	545,200	423,984	400,763	(23,221)
Miscellaneous revenue	542,873	646,336	658,832	12,496
Grants	200,600	105,403	2,760	(102,643)
Investment Income	76,913	32,320	26,673	(5,647)
Public Safety Fines	13,000	13,000	8,673	(4,327)
	<u>15,188,726</u>	<u>14,548,627</u>	<u>15,062,087</u>	<u>513,460</u>
<b>Expenditures</b>				
Legislative	91,626	90,099	89,567	532
Judicial	-	-	-	-
City Manager	323,084	224,841	205,957	18,884
Legal	184,632	183,209	176,957	6,252
Operations Analyst	-	-	-	-
City Clerk	222,972	212,861	206,294	6,567
Finance/Accounting	560,657	558,720	505,346	53,374
Accounts Receivable	95,311	92,366	87,157	5,209
Nondepartmental	265,725	247,918	214,664	33,254
Public Safety-Bench Warrant	33,129	32,556	11,588	20,968
Code Enforcement/Public Safety	206,886	164,968	155,484	9,484
Building Codes	-	-	-	-
Planning	133,225	128,106	123,879	4,227
Animal Control	363,190	373,512	363,502	10,010
Public Safety-Dispatch	481,794	475,441	424,002	51,439
Public Safety-Police	6,074,844	5,581,908	5,223,062	358,846
Fire	1,231,718	1,126,243	1,002,303	123,940
FEMA	-	-	-	-
A.P.S. Resource Program	361,583	361,753	344,226	17,527
GIS/Land Management	63,545	52,555	47,141	5,414
Land improvements	-	-	-	-
	<u>10,693,921</u>	<u>9,907,056</u>	<u>9,181,127</u>	<u>725,929</u>
Excess (deficiency) of revenues over expenditures	\$ <u>4,494,805</u>	<u>4,641,571</u>	<u>5,880,961</u>	<u>(212,469)</u>

The accompanying notes are integral to these 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, 2010**

	Budgeted Amounts		Actual	Variance Favorable/ (Unfavorable)
	Original	Final		
<b>Other financing sources (uses):</b>				
Transfers in	\$ 25,500	25,500	25,500	-
Transfers out	(6,208,621)	(5,461,644)	(5,190,587)	271,057
Total other financing sources (uses)	(6,183,121)	(5,436,144)	(5,165,087)	271,057
 Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(1,688,316)	(794,573)	715,874	58,588
 Budgeted cash carryover	3,183,813	3,183,813		
	\$ 1,495,497	2,389,240		
 RECONCILIATION FROM BUDGET/ACTUAL To GAAP				
Change in net assets (Budget Basis)			\$ 715,874	
To adjust applicable revenue accruals and deferrals			289,787	
To adjust applicable expenditures and accruals and payments			(40,936)	
Change in net assets (GAAP basis)			\$ 964,724	

The accompanying notes are integral to these 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, 2010**

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable/ (Unfavorable)
<b>Revenues</b>				
Taxes and state shared fees	\$ 25,378	25,480	26,991	1,511
Grants and gifts	1,703,740	759,437	426,161	(333,276)
Charges for services	458,407	453,522	431,717	(21,805)
Interest Income	-	-	-	-
Fines	19,000	22,525	21,937	(588)
Miscellaneous	70,645	60,887	58,208	(2,679)
	<u>2,277,170</u>	<u>1,321,851</u>	<u>965,016</u>	<u>(356,835)</u>
<b>Expenditures</b>				
Current:				
General government	1,023,224	977,464	923,757	53,707
Culture and recreation	2,383,969	2,212,618	2,007,108	205,510
Non-current:				
Capital outlay	1,884,814	912,194	516,487	395,707
	<u>5,292,007</u>	<u>4,102,276</u>	<u>3,447,351</u>	<u>654,925</u>
Excess (deficiency) of revenues over expenditures	<u>(3,014,837)</u>	<u>(2,780,425)</u>	<u>(2,482,336)</u>	<u>298,089</u>
<b>Other financing sources (uses)</b>				
Transfers in	3,145,262	2,945,262	2,805,160	(140,102)
Transfers out	(450,002)	(450,002)	(450,002)	-
Total other financing sources (uses)	<u>2,695,260</u>	<u>2,495,260</u>	<u>2,355,158</u>	<u>(140,102)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>(319,577)</u>	<u>(285,165)</u>	<u>(127,178)</u>	<u>157,987</u>
Budgeted cash carryover	<u>350,341</u>	<u>350,341</u>		
	<u>\$ 30,764</u>	<u>65,176</u>		

**RECONCILIATION FROM BUDGET/ACTUAL To GAAP**

Change in net assets (Budget Basis)	\$ (127,178)
To adjust applicable revenue accruals and deferrals	52,131
To adjust applicable expenditures and accruals and payments	(27,504)
Change in net assets (GAAP basis)	\$ (102,552)

The accompanying notes are integral to these 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, 2010**

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable/ (Unfavorable)
<b>Revenues</b>				
Taxes and fees	\$ 1,832,447	1,755,660	1,808,849	53,189
Grants and gifts	6,863,643	6,863,643	2,683,947	(4,179,696)
State Shared Fees	616,529	621,144	594,636	(26,508)
Interest Income	14,619	9,191	22,871	13,680
Miscellaneous	576,795	576,795	463,043	(113,752)
 Total revenues	9,904,033	9,826,433	5,573,345	(4,253,088)
 <b>Expenditures</b>				
Current:				
General government	321,058	317,691	305,254	12,437
Public works	2,147,179	2,137,467	1,456,468	680,999
Non-current:				
Capital outlay	11,173,846	11,055,386	4,533,449	6,521,937
 Total expenditures	13,642,083	13,510,544	6,295,172	7,215,372
 Excess (deficiency) of revenues over expenditures	(3,738,050)	(3,684,111)	(721,827)	2,962,284
 <b>Other financing sources (uses)</b>				
Transfers in	3,083,512	3,083,512	2,342,190	(741,322)
Transfers out	(217,741)	(209,300)	(209,566)	(266)
Total other financing sources (uses)	2,865,771	2,874,212	2,132,624	(741,588)
 Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(872,279)	(809,899)	1,410,797	2,220,696
 Budgeted cash carryover	982,189	982,189		
	\$ 109,910	172,290		

**RECONCILIATION FROM BUDGET/ACTUAL To GAAP**

Change in net assets (Budget Basis)	\$ 1,410,797
To adjust applicable revenue accruals and deferrals	352,881
To adjust applicable expenditures and accruals and payments	(140,778)
Change in net assets (GAAP basis)	\$ 1,622,900

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
STATEMENT OF NET ASSETS  
PROPRIETARY AND INTERNAL SERVICE FUNDS  
As of June 30, 2010**

	Business-Type Activities Enterprise Funds						Governmental Activities	
	Major Funds							
	46,81,82, 104,110 Water & Sewer	86 Solid Waste	88 Bonito Lake	90 Golf Course	91 Airport	901, 903, 904 905, 906, 907 Public Housing	Total	12, 96, 107 Internal Service
<b>Assets</b>								
Current assets:								
Cash and cash equivalents	\$ 337,126	4,761	44,704	134,847	109	699,031	1,220,578	96,706
Investments	8,164,687	160,905	278,861	149,876	312,030	709,140	9,775,499	1,054,038
Receivables, net	546,145	105,402	219	-	12,993	121,646	786,405	4,703
Other receivables	33,226	43	-	-	-	10,049	43,318	-
Due from other funds	-	-	-	-	-	-	-	-
Inventories and prepaid expenses	395,596	-	-	-	-	905,703	1,301,299	322,431
Other assets	136,952	-	-	-	-	-	136,952	-
Total current assets	<u>9,613,732</u>	<u>271,111</u>	<u>323,784</u>	<u>284,723</u>	<u>325,132</u>	<u>2,445,569</u>	<u>13,264,051</u>	<u>1,477,878</u>
Non-current assets:								
Restricted cash and cash equivalents	471,083	-	-	-	8,082	92,974	572,139	-
Restricted cash held in investments	-	-	-	-	-	-	-	-
Capital assets, net	50,153,181	211,226	1,780,790	5,225,187	2,170,368	4,252,277	63,793,029	-
Total non-current assets	<u>50,624,264</u>	<u>211,226</u>	<u>1,780,790</u>	<u>5,225,187</u>	<u>2,178,450</u>	<u>4,345,251</u>	<u>64,365,168</u>	<u>-</u>
Total assets	<u>\$ 60,237,996</u>	<u>482,337</u>	<u>2,104,574</u>	<u>5,509,910</u>	<u>2,503,582</u>	<u>6,790,820</u>	<u>77,629,219</u>	<u>1,477,878</u>
<b>Liabilities</b>								
Current liabilities:								
Accounts payable	\$ 288,159	140,205	3,711	4,705	3,999	64,769	505,548	51,104
Due to other funds	-	-	163,283	-	-	-	163,283	-
Bonds, notes, and leases payable	1,297,695	-	-	-	-	-	1,297,695	-
Accrued interest payable	139,746	852	-	-	-	-	140,598	-
Accrued payroll liabilities	109,355	7,207	12,188	15,619	5,222	13,957	163,548	60,327
Compensated absences	59,997	7,180	6,549	16,194	5,181	19,528	114,629	78,271
Deposits	471,083	-	5,197	-	8,082	92,974	577,336	-
Deferred revenues	167,050	-	-	-	-	9,362	176,412	-
Total current liabilities	<u>2,533,085</u>	<u>155,444</u>	<u>190,928</u>	<u>36,518</u>	<u>22,484</u>	<u>200,590</u>	<u>3,139,049</u>	<u>189,702</u>
Long-term liabilities:								
Bonds, notes, and leases payable	23,177,248	-	-	-	-	-	23,177,248	-
Total long-term liabilities	<u>23,177,248</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,177,248</u>	<u>-</u>
Total liabilities	<u>25,710,333</u>	<u>155,444</u>	<u>190,928</u>	<u>36,518</u>	<u>22,484</u>	<u>200,590</u>	<u>26,316,297</u>	<u>189,702</u>
<b>Net assets</b>								
Invested in capital assets, net of related debt	25,678,238	211,226	1,780,790	5,225,187	2,170,368	4,252,277	39,318,086	-
Restricted for:								
Customer deposits	-	-	-	-	-	-	-	-
Other purposes	816,509	-	-	-	-	92,974	909,483	-
Unrestricted	<u>8,032,916</u>	<u>115,667</u>	<u>132,856</u>	<u>248,205</u>	<u>310,730</u>	<u>2,244,979</u>	<u>11,085,353</u>	<u>1,288,176</u>
Total net assets	<u>34,527,663</u>	<u>326,893</u>	<u>1,913,646</u>	<u>5,473,392</u>	<u>2,481,098</u>	<u>6,590,230</u>	<u>51,312,922</u>	<u>1,288,176</u>
Total liabilities and net assets	<u>\$ 60,237,996</u>	<u>482,337</u>	<u>2,104,574</u>	<u>5,509,910</u>	<u>2,503,582</u>	<u>6,790,820</u>	<u>77,629,219</u>	<u>1,477,878</u>

The accompanying notes are integral to these 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, 2010**

	Business-Type Activities						Governmental Activities	
	Enterprise funds							
	Major funds							
	46,81,82, 104,110 Water & Sewer	86 Solid Waste	88 Bonito Lake	90 Golf Course	91 Airport	901, 903, 904 905, 906, 907 Public Housing	Total	12, 96, 107 Internal Service
Operating revenues:								
Charges for services	\$ 8,453,828	1,860,267	169,430	1,087,406	221,698	419,105	12,211,734	-
Grants	-	-	-	-	-	1,357,648	1,357,648	-
Fees and permits	-	-	-	-	-	-	-	118,016
Miscellaneous income	70,376	5,405	3,324	1,400	1,581	147,977	230,063	196,966
Total operating revenues	<u>8,524,204</u>	<u>1,865,672</u>	<u>172,754</u>	<u>1,088,806</u>	<u>223,279</u>	<u>1,924,730</u>	<u>13,799,445</u>	<u>314,982</u>
Operating expenses:								
Personnel services	1,273,563	146,455	156,231	263,246	103,266	425,392	2,368,153	1,209,473
Repairs and maintenance	421,593	6,028	22,790	41,124	10,839	198,423	700,797	406,344
Supplies	422,000	15,266	58,607	65,277	7,090	42,691	610,931	416,523
Other services and insurance	3,774,808	1,523,300	51,477	729,519	30,736	290,432	6,400,272	681,757
Depreciation	1,165,771	28,228	9,247	148,007	151,521	223,633	1,726,407	-
Total operating expenses	<u>7,057,735</u>	<u>1,719,277</u>	<u>298,352</u>	<u>1,247,173</u>	<u>303,452</u>	<u>1,180,571</u>	<u>11,806,560</u>	<u>2,714,097</u>
Operating income (loss)	<u>1,466,469</u>	<u>146,395</u>	<u>(125,598)</u>	<u>(158,367)</u>	<u>(80,173)</u>	<u>744,159</u>	<u>1,992,885</u>	<u>(2,399,115)</u>
Non-operating revenues (expenses):								
Interest and investment revenue	119,059	823	5,399	115	3,639	2,976	132,011	13,908
Interest payments	(662,583)	-	-	-	-	-	(662,583)	-
Total nonoperating revenue (expenses)	<u>(543,524)</u>	<u>823</u>	<u>5,399</u>	<u>115</u>	<u>3,639</u>	<u>2,976</u>	<u>(530,572)</u>	<u>13,908</u>
Income (loss) before contributions and transfers	<u>922,945</u>	<u>147,218</u>	<u>(120,199)</u>	<u>(158,252)</u>	<u>(76,534)</u>	<u>747,135</u>	<u>1,462,313</u>	<u>(2,385,207)</u>
Transfers in	1,035,142	-	-	155,451	264,619	-	1,455,212	2,508,880
Transfers out	(6,852,454)	(104,471)	(40,971)	(65,740)	(45,178)	-	(7,108,814)	(25,500)
Change in net assets	<u>(4,894,367)</u>	<u>42,747</u>	<u>(161,170)</u>	<u>(68,541)</u>	<u>142,907</u>	<u>747,135</u>	<u>(4,191,289)</u>	<u>98,173</u>
Beginning net assets	38,337,435	284,146	2,074,816	5,541,933	2,338,191	5,843,095	54,419,616	1,190,002
Restatement	1,084,595	-	-	-	-	-	1,084,595	-
Beginning net assets-as restated	<u>39,422,030</u>	<u>284,146</u>	<u>2,074,816</u>	<u>5,541,933</u>	<u>2,338,191</u>	<u>5,843,095</u>	<u>55,504,211</u>	<u>1,190,003</u>
Net assets-end of the year	<u>\$ 34,527,663</u>	<u>326,893</u>	<u>1,913,646</u>	<u>5,473,392</u>	<u>2,481,098</u>	<u>6,590,230</u>	<u>51,312,922</u>	<u>1,288,176</u>

The accompanying notes are integral to these financial statements

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
STATEMENT OF CASH FLOWS  
PROPRIETARY AND INTERNAL SERVICE FUNDS  
For The Year Ended June 30, 2010**

	Business-Type Activities							
	Enterprise funds							
	46,81,82, 104,110 Water & Sewer	86 Solid Waste	88 Bonito Lake	90 Golf Course	91 Airport	901,902, 903,904 Public Housing	Total	
Cash flows from operating activities:								
Receipts from customers	\$ 8,646,635	1,864,591	235,645	1,087,406	212,718	368,600	12,415,595	122,696
Payment to suppliers	(4,896,237)	(1,524,801)	(135,367)	(839,366)	(45,117)	(438,960)	(7,879,848)	(1,517,744)
Payment to employees	(1,174,648)	(143,859)	(150,548)	(262,911)	(104,263)	(468,545)	(2,304,774)	(1,195,020)
Other receipts (payments)	70,376	5,405	3,324	1,400	1,581	1,505,625	1,587,711	196,966
Net cash provided (used) by operating activities	<u>2,646,126</u>	<u>201,336</u>	<u>(46,946)</u>	<u>(13,471)</u>	<u>64,919</u>	<u>966,720</u>	<u>3,818,684</u>	<u>(2,393,102)</u>
Cash flows from non-capital financing activities:								
Transfers from other funds	1,035,142	-	-	155,451	264,619	-	1,455,212	2,508,880
Operating subsidies and transfers to other funds	(6,852,454)	(104,471)	(40,971)	(65,740)	(45,178)	-	(7,108,814)	(25,500)
Total cash provided (used) by non-capital financing activities	<u>(5,817,312)</u>	<u>(104,471)</u>	<u>(40,971)</u>	<u>89,711</u>	<u>219,441</u>	<u>-</u>	<u>(5,653,602)</u>	<u>2,483,380</u>
Cash flows from capital and related financing activities:								
Capital contributions	-	-	-	-	-	-	-	-
(Purchase)/disposal of capital assets	(3,276,418)	-	(5,586)	(11,616)	(264,649)	(777,452)	(4,335,721)	(93,438)
Principal payments	(737,824)	-	-	-	-	-	(737,824)	-
Interest payments	(707,615)	-	-	-	-	-	(707,615)	-
Proceeds from issuance of debt	6,500,000	-	-	-	-	-	6,500,000	-
Net cash provided (used) by capital and related financing activities	<u>1,778,143</u>	<u>-</u>	<u>(5,586)</u>	<u>(11,616)</u>	<u>(264,649)</u>	<u>(777,452)</u>	<u>718,840</u>	<u>(93,438)</u>
Cash flows from investing activities:								
Proceeds from sales and maturities of investments	-	-	78,774	-	-	-	78,774	-
Purchase of investments	(1,778,419)	(156,143)	-	(104,882)	(98,156)	-	(2,137,600)	(100,698)
Interest and dividends	119,059	823	5,399	115	3,639	2,976	132,011	13,908
Net cash provided (used) by investing activities	<u>(1,659,360)</u>	<u>(155,320)</u>	<u>84,173</u>	<u>(104,767)</u>	<u>(94,517)</u>	<u>2,976</u>	<u>(1,926,815)</u>	<u>(86,790)</u>
Net increase (decrease) in cash and cash equivalents	(3,052,403)	(58,455)	(9,330)	(40,143)	(74,806)	192,244	(3,042,893)	(89,950)
Balances-beginning of year	3,860,612	63,216	54,034	174,990	82,998	599,761	4,835,611	186,657
Balances-end of year	<u>\$ 808,209</u>	<u>4,761</u>	<u>44,704</u>	<u>134,847</u>	<u>8,191</u>	<u>792,005</u>	<u>1,792,717</u>	<u>96,706</u>

The accompanying notes are integral to these financial statements

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
STATEMENT OF CASH FLOWS  
PROPRIETARY AND INTERNAL SERVICE FUNDS  
For The Year Ended June 30, 2010**

	Business-Type Activities							Internal Service
	Enterprise funds							
	46,81,82, 104,110 Water & Sewer	86 Solid Waste	88 Bonito Lake	90 Golf Course	91 Airport	901,902, 903,904 Public Housing	Total	
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:								
Operating income (loss)	\$ 1,466,469	146,395	(125,598)	(158,367)	(80,173)	744,159	1,992,885	(2,399,115)
Adjustments:								
Depreciation expense	1,165,771	28,228	9,247	148,007	151,521	223,633	1,726,407	-
Bad debt expense	11,268	2,132	-	-	-	-	13,400	-
Prior period adjustment	-	-	-	-	-	-	-	-
Change in assets and liabilities:								
Receivables, net	11,594	4,335	66,215	-	(8,980)	(50,557)	22,607	4,680
Other receivables	183,939	26	-	-	-	(8,737)	175,228	-
Due from other funds	-	-	-	-	-	11,841	11,841	-
Inventories and prepaid expenses	15,353	-	-	-	-	47,856	63,209	(28,026)
Other assets	(107,506)	-	-	-	-	-	(107,506)	-
Accounts payable	(228,405)	17,661	(2,493)	(3,446)	3,128	45,986	(167,569)	14,906
Accrued expenses	106,861	542	2,310	312	428	(41,325)	69,128	5,513
Compensated absences	(7,946)	2,054	3,373	23	(1,425)	(1,828)	(5,749)	8,940
Due to other funds	-	-	-	-	-	(11,841)	(11,841)	-
Deposits	31,454	-	-	-	420	(1,256)	30,618	-
Deferred revenue	(2,726)	(37)	-	-	-	8,789	6,026	-
Net cash provided (used) by operating activities	\$ <u>2,646,126</u>	<u>201,336</u>	<u>(46,946)</u>	<u>(13,471)</u>	<u>64,919</u>	<u>966,720</u>	<u>3,818,684</u>	<u>(2,393,102)</u>

The accompanying notes are integral to these financial statements

**STATE OF NEW MEXICO**  
**CITY OF ALAMOGORDO**  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - AGENCY FUNDS**  
**Fiduciary Funds**  
**As of June 30, 2010**

		Agency Funds
		<u>17,39,92,115</u>
<b>Assets</b>		
Cash	\$	1,056,047
Receivables		61,250
Allowance for uncollectible accounts		<u>(61,250)</u>
 Total assets	 \$	 <u><u>1,056,047</u></u>
<b>Liabilities</b>		
Accounts payable	\$	24,047
Accrued payroll liabilities		-
Deposits held in custody for others		<u>1,032,000</u>
 Total liabilities	 \$	 <u><u>1,056,047</u></u>

The accompanying notes are integral to these financial statements



**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2010**

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 these 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;
4. The entities each agree to maintain an irrevocable, first, but not exclusive, pledge of 100% of their environmental gross receipts tax revenues for the life of the bond issue used for permanent financing;

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2010**

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, 2010.

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 the primary government is financially accountable.

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2010**

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.

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2010**

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.

*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.

*2004 Gross Receipts Tax Capital Outlay (F109)* – to account 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.

*2009 General Obligation Bond (F113)* – The 2009 Sewer Improvement Bond Acquisition was issued to provide funds for the purpose of financing the construction and improvement of a Sewer Plant.

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.

*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.

*Public Housing Authority (F901, 902, 903, 904, 905, 906 & 907)* – Provides financial assistance to low income families for housing within the community as well as low rent housing in city owned facilities.

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.

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2010**

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 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.

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2010**

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.

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.

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2010**

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 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.

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2010**

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.

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.



**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2010**

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.

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—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—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.

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2010**

NOTE 2 – CASH AND INVESTMENTS

*Cash*

Cash includes cash in banks with various financial institutions. As of June 30, 2010, 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:

	<b>1st National Bank</b>	<b>Wells Fargo Bank</b>	<b>1st National Ruidoso</b>	<b>NMFA</b>
Total amount of deposits in bank	\$ 5,859,521	6,768,195	39,798	5,791,164
Less: FDIC coverage	<u>(250,000)</u>	<u>(1,133,726)</u>	<u>(39,798)</u>	<u>N/A</u>
Total uninsured public funds	5,609,521	5,634,469	-	-
State Collateral Requirement - 50%	2,804,761	2,817,235	-	-
Pledged security	<u>3,210,317</u>	<u>4,602,859</u>	<u>-</u>	<u>-</u>
Over/(under) collateralized	<u>\$ 405,557</u>	<u>1,785,625</u>	<u>-</u>	<u>-</u>
	<b>New York Mellon Trust</b>	<b>Pioneer Bank</b>	<b>Bank'34</b>	
Total amount of deposits in bank	\$ 534,214	500,000	517,682	
Less: FDIC coverage	<u>(250,000)</u>	<u>(250,000)</u>	<u>(250,000)</u>	
Total uninsured public funds	284,214	250,000	267,682	
State Collateral Requirement - 50%	142,107	125,000	133,841	
Pledged security	<u>532,922</u>	<u>496,114</u>	<u>134,437</u>	
Over/(under) collateralized	<u>\$ 390,815</u>	<u>371,114</u>	<u>596</u>	

<u>Cash by fund type</u>	<u>Book Balance Amount</u>
Governmental funds	\$ 3,233,996
Business-type funds	1,792,717
Fiduciary funds	1,056,047
Internal service funds	96,706
Component unit	<u>21,249</u>
Cash per financial statements	<u>\$ 6,200,718</u>

For details see Schedule of Pledged Collateral per the table of contents.

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2010**

*Investments*

Investments consisted of the following as of June 30, 2010:

Investment Type	Fair Value
State Treasurer's Investment Pool	\$ 9,119,484
CDs and other	15,011,484
Federal Home Loan Notes	30,462,756
Total	\$ 54,593,724

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, 2010.

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 \$9,052,114 as of June 30, 2010 within the short-term investment fund pool. The yield at June 30, 2010 was .1812%. 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 50-day WAM 7 day yield .272%.

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2010**

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, 2010, 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 17%, 56%, and 27%, 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 advisory opinion 94-24 states that public funds are entitled to \$100,000 insurance for time or savings deposits (including bank money market accounts) and \$100,000 for demand deposits deposited within the state in compliance with 12 CFR Subsection 330.15. Congress has temporarily increased FDIC deposit insurance from \$100,000 to \$250,000 per depositor through December 31, 2013; public funds held in time and savings accounts are entitled to \$250,000 coverage, and separately, all non-interest bearing demand deposits owned by a public unit have unlimited coverage. Changes have also been made to other account types. For more information, visit [www.fdic.gov](http://www.fdic.gov).

**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).

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, 2010, the City's bank and investment balances of \$48,393,009, which includes the component units, were exposed to custodial credit risk as follows:

Uninsured and uncollateralized		\$ 3,564,059
Uninsured and collateral held by pledging bank's trust department, not in the City's name.		8,976,649
	Total	\$ <u><u>12,540,708</u></u>

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2010**

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. Interfund balances as of June 30, 2010, are as follows:

<u>Fund Description</u>	<u>Fund Number</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General - Major Fund	011	\$ 163,283	-
Bonito Lake - Major Fund	088	-	163,283
General - Major Fund	011	82,646	-
Special revenue funds - Non-major gov funds to General fund	various	-	82,646
		<u>\$ 245,929</u>	<u>245,929</u>

The interfund receivables due to Fund 11 from the Bonito Lake Fund and various non-major governmental funds are expected to be paid in the current year. 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.

The details of interfund transfers during fiscal year 2010 are provided on the following page.

THIS PORTION OF THE PAGE INTENTIONALLY LEFT BLANK

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2010**

		<b>Transfers In</b>									
		11,98	13,30,32	44	113	46,81,82,104,110	90	91	Non Major Govern- mental	12,96,107	Total
		General	Comm- munity	Trans- portation	2009 GO Bond	Water & Sewer	Golf Course	Airport		Internal Service	
Transfers Out	General	\$ -	2,805,160	2,713	-	-	143,834	-	1,003,427	1,235,453	5,190,587
	Community	-	-	-	-	-	-	-	-	450,002	450,002
	Transportation	-	-	-	-	-	-	-	-	209,300	209,300
	2004 GRT Capital Outlay	-	-	1,071,080	-	-	-	-	589,703	-	1,660,783
	2009 GO Bond	-	-	-	-	65,749	-	-	-	-	65,749
	Water & Sewer	-	-	-	6,500,000	-	-	-	131,398	221,056	6,852,454
	Solid Waste	-	-	-	-	83,334	-	-	-	21,137	104,471
	Bonito Lake	-	-	-	-	12,000	-	-	-	28,971	40,971
	Golf Course	-	-	-	-	-	-	-	-	65,740	65,740
	Airport	-	-	-	-	-	-	-	-	45,178	45,178
	Non-Major Governmental	6,276	-	1,268,397	-	874,059	11,617	264,619	2,120,974	229,213	4,775,156
	Internal Service	25,500	-	-	-	-	-	-	-	-	25,500
	Component Unit	-	-	-	-	-	-	-	-	2,830	2,830
	<b>Total</b>	<b>\$ 31,776</b>	<b>2,805,160</b>	<b>2,342,190</b>	<b>6,500,000</b>	<b>1,035,142</b>	<b>155,451</b>	<b>264,619</b>	<b>3,845,502</b>	<b>2,508,881</b>	<b>19,488,721</b>
	For acquis- ition of services for City services.	Transfer of operating subsidy	For payment of improve- ments to City's street system.	For payment of improve- ments to City's street system.	For payment of improve- ments to the City's water and sewer system.	To pay for improve- ments to the City's golf course.	To pay for general improve- ments to the City's airport.	Pay other governmental funds to supplement other fund sources.	To pay for internal services for the City's various departments.		

The schedule above details the interfund transfers made by the City during the year ended June 30, 2010.

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2010**

NOTE 5 – RECEIVABLES

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. An allowance for doubtful accounts is maintained for those receivables deemed to be uncollectible.

<b>Governmental Funds</b>							
Type	(011) <b>General</b>	(032) <b>Community Services</b>	(044) <b>Trans</b>	(109) <b>2004 GRT Capital Outlay</b>	(113) <b>2009 GO Bond</b>	<b>Other Gov Funds</b>	<b>Total Governmental</b>
Grants	102,245	-	600,896	-	-	615,744	1,318,885
Accounts	690,086	130,625	1,184	-	-	123,963	945,858
Allowance for doubtful accts	(664,413)	(105,925)	(670)	-	-	(120,833)	(891,841)
Total	<u>\$ 2,371,494</u>	<u>96,856</u>	<u>1,021,057</u>	<u>257,097</u>	<u>-</u>	<u>1,721,139</u>	<u>5,467,644</u>

<b>Enterprise Funds</b>						
Type	(046,081,082) <b>(104,110) Water and Sewer</b>	<b>Public Housing Authority</b>	(086) <b>Solid Waste</b>	(088) <b>Bonito Lake</b>	(091) <b>Airport</b>	<b>Total Enterprise</b>
Accounts	650,869	156,890	116,430	219	12,993	937,401
Allowance for doubtful accts	(104,724)	(35,244)	(11,028)	-	-	(150,996)
Total	<u>\$ 579,371</u>	<u>131,695</u>	<u>105,445</u>	<u>219</u>	<u>12,993</u>	<u>829,723</u>

Type	(055, 094) <b>Comp Unit Landfill</b>	(012) <b>Internal Service</b>	<b>Fiduciary</b>
Accounts	41,610	4,713	61,250
Allowance for doubtful accts	(23,469)	(10)	(61,250)
Total	<u>\$ 19,373</u>	<u>4,703</u>	<u>-</u>

THIS PORTION OF THE PAGE INTENTIONALLY LEFT BLANK

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2010**

NOTE 6 – CAPITAL ASSETS

Capital asset activities for the year ended June 30, 2010:

<b>GOVERNMENTAL ACTIVITIES</b>						
<b>Asset Description</b>	<b>2009</b>	<b>Additions</b>	<b>Deletions</b>	<b>Reclassifi- cations</b>	<b>Adjust- ments</b>	<b>2010</b>
<b>Capital assets not being depreciated:</b>						
Land	\$ 7,239,909	8,468	-	-	-	<b>7,248,377</b>
Construction in progress	15,291,221	7,197,742	-	(3,811,451)	322,781	<b>19,000,292</b>
Total capital assets not being depreciated	<u>18,645,984</u>	<u>7,206,210</u>	<u>-</u>	<u>(3,811,451)</u>	<u>322,781</u>	<b><u>26,248,670</u></b>
<b>Capital assets being depreciated:</b>						
Buildings and improvements	21,301,908	-	(176,450)	10,438	-	<b>21,135,896</b>
Mechanized equipment	8,487,349	320,429	(89,357)	(7,620)	30,370	<b>8,741,171</b>
Unscheduled property	3,411,018	104,448	(413)	7,650	-	<b>3,522,703</b>
Infrastructure	147,480,760	-	-	3,772,758	-	<b>151,253,518</b>
Total capital assets being depreciated	<u>180,051,117</u>	<u>424,877</u>	<u>(266,220)</u>	<u>3,783,226</u>	<u>30,370</u>	<b><u>184,653,288</u></b>
Less accumulated depreciation for:						
Buildings and improvements	(11,414,809)	(612,482)	165,183	-	-	<b>(11,862,108)</b>
Mechanized equipment	(6,125,833)	(351,827)	100,656	28,225	(33,970)	<b>(6,382,749)</b>
Unscheduled property	(2,664,038)	(321,661)	381	-	-	<b>(2,985,318)</b>
Infrastructure	(136,692,647)	(1,232,239)	-	-	-	<b>(137,924,886)</b>
Total accumulated depreciation	<u>(155,085,846)</u>	<u>(2,518,209)</u>	<u>266,220</u>	<u>28,225</u>	<u>(33,970)</u>	<b><u>(159,155,061)</u></b>
Governmental activities Capital assets, net	<u>\$ 43,611,255</u>	<u>5,112,878</u>	<u>-</u>	<u>-</u>	<u>319,181</u>	<b><u>51,746,900</u></b>

THIS PORTION OF THE PAGE INTENTIONALLY LEFT BLANK



**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2010**

NOTE 6 – CAPITAL ASSETS-Continued

<b>BUSINESS -TYPE ACTIVITIES</b>						
<b>Asset Description</b>	<b>2009</b>	<b>Additions</b>	<b>Deletions</b>	<b>Reclassifi- cations</b>	<b>Adjust- ments</b>	<b>2010</b>
<b>Capital assets not being depreciated:</b>						
Land	\$ 6,930,211	-	-	-	-	<b>6,930,211</b>
Construction in progress	14,882,461	4,000,987	-	(398,675)	1,171,532	<b>19,656,305</b>
Total capital assets not being depreciated	<u>21,812,672</u>	<u>4,000,987</u>	<u>-</u>	<u>(398,675)</u>	<u>1,171,532</u>	<b><u>26,586,516</u></b>
<b>Capital assets being depreciated:</b>						
Buildings and improvements	20,106,582	6,423	-	-	-	<b>20,113,005</b>
Mechanized equipment	6,735,107	58,468	(2,260)	6,334	-	<b>6,797,649</b>
Unscheduled property	767,483	5,194	(1,557)	-	-	<b>771,120</b>
Infrastructure	43,063,959	264,649	-	371,714	-	<b>43,700,322</b>
Total capital assets being depreciated	<u>70,673,131</u>	<u>334,734</u>	<u>(3,817)</u>	<u>378,048</u>	<u>-</u>	<b><u>71,382,097</u></b>
Less accumulated depreciation for:						
Buildings and improvements	(12,698,552)	(558,927)	-	18,483	-	<b>(13,238,996)</b>
Mechanized equipment	(5,912,355)	(149,327)	2,260	2,144	-	<b>(6,057,278)</b>
Unscheduled property	(241,422)	(54,100)	1,557	-	-	<b>(293,965)</b>
Infrastructure	(13,621,292)	(964,053)	-	-	-	<b>(14,585,345)</b>
Total accumulated depreciation	<u>(32,473,621)</u>	<u>(1,726,407)</u>	<u>3,817</u>	<u>20,627</u>	<u>-</u>	<b><u>(34,175,584)</u></b>
Business-type activities capital assets, net	<u>\$ 60,012,182</u>	<u>2,609,314</u>	<u>-</u>	<u>-</u>	<u>1,171,532</u>	<b><u>63,793,029</u></b>

THIS PORTION OF THE PAGE INTENTIONALLY LEFT BLANK

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2010**

NOTE 6 – CAPITAL ASSETS-Continued

Asset Description	COMPONENT UNIT					2010
	2009	Additions	Deletions	Reclassifi- cations	Adjust- ments	
Capital assets not being depreciated:						
Land	\$ 1,526,005	-	-	-	-	1,526,005
Construction in progress	78,555	393,948	-	(244,248)	-	228,255
Total capital assets not being depreciated	1,604,560	393,948	-	(244,248)	-	1,754,259
Capital assets being depreciated:						
Buildings and improvements	158,737	-	-	-	-	158,737
Mechanized equipment	1,401,461	-	-	-	-	1,401,461
Unscheduled property	76,502	16,643	-	-	-	93,145
Infrastructure	778,884	-	-	244,248	-	1,023,132
Total capital assets being depreciated	2,415,584	16,643	-	244,248	-	2,676,475
Less: accumulated depreciation for:						
Buildings and improvements	(158,738)	-	-	-	-	(158,738)
Mechanized equipment	(1,020,501)	(144,372)	-	-	-	(1,164,873)
Unscheduled property	(75,618)	(6,041)	-	-	-	(81,659)
Infrastructure	(424,945)	(23,707)	-	-	-	(448,652)
Total accumulated depreciation	(1,679,802)	(174,120)	-	-	-	(1,853,922)
Component unit capital assets, net	\$ 2,340,342	236,471	-	-	-	2,576,811

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.

Governmental activities		Business-type activities	
General government	\$ 328,432	Water/sewer	\$ 1,165,771
Public safety	887,981	Solid waste	28,228
Public works	1,103,373	Bonito Lake	9,247
Culture and recreation	192,680	Golf course	148,007
Health and welfare	5,745	Airport	151,521
Total	\$ 2,518,209	Public housing authority	223,633
		Total	\$ 1,726,407
<b>Component unit</b>			
Landfill	\$ 174,120		

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2010**

**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.

	2009	Increases	Decreases	2010	Amount due within one year
<b>Governmental funds debt</b>					
General obligation bonds	\$ 2,080,000	920,000	(705,000)	2,295,000	116,658
Revenue bonds	12,140,000	-	(985,000)	11,155,000	1,015,000
New Mexico Finance Authority	11,555,553	-	(441,586)	11,113,967	453,253
Compensated absences	1,154,899	1,046,785	(1,069,193)	1,132,491	913,921
<b>Total</b>	<b>\$ 26,930,452</b>	<b>1,966,785</b>	<b>(3,200,779)</b>	<b>25,696,458</b>	<b>2,498,832</b>
<b>Internal service funds debt</b>					
Capital lease	\$ 93,438	-	(93,438)	-	-
<b>Total</b>	<b>\$ 93,438</b>	<b>-</b>	<b>(93,438)</b>	<b>-</b>	<b>-</b>
<b>Business-type funds debt</b>					
General obligation bonds	\$ -	6,500,000	-	6,500,000	188,342
Revenue bonds	8,280,000	-	(540,000)	7,740,000	565,000
New Mexico Finance Authority	10,377,745	55,022	(197,824)	10,234,943	544,353
Compensated absences	120,378	79,337	(85,086)	114,629	92,620
<b>Total</b>	<b>\$ 18,778,123</b>	<b>6,634,359</b>	<b>(822,910)</b>	<b>24,589,572</b>	<b>1,390,315</b>
<b>Component unit debt</b>					
Compensated absences	\$ 12,653	29,088	(28,955)	12,786	12,786
	\$ 12,653	29,088	(28,955)	12,786	12,786

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, 2010 includes:

Year Ended June 30	Governmental Activities						
	General Obligation Bonds		Revenue Bonds		New Mexico Finance Authority		Total P & I
	Principal	Interest	Principal	Interest	Principal	Interest	
2011	\$ 116,658	109,794	1,015,000	476,964	453,253	527,786	2,699,455
2012	124,757	103,762	1,060,000	440,055	470,138	511,267	2,709,979
2013	137,237	97,194	1,100,000	398,849	492,216	493,678	2,719,174
2014	145,337	90,087	1,140,000	355,243	509,485	474,817	2,714,969
2015	154,057	82,535	1,190,000	308,881	526,933	457,516	2,719,922
2016-2020	795,431	292,950	5,300,000	750,570	2,756,942	1,892,793	11,788,686
2021-2025	422,898	117,856	350,000	19,600	3,580,000	1,132,133	5,622,487
2026-2030	398,625	45,385	-	-	2,325,000	240,526	3,009,536
<b>Total \$</b>	<b>2,295,000</b>	<b>939,563</b>	<b>11,155,000</b>	<b>2,750,162</b>	<b>11,113,967</b>	<b>5,730,516</b>	<b>33,984,208</b>

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2010**

NOTE 7 – LONG-TERM DEBT-Continued

Year Ended June 30	Business Type Activities						Total P & I
	General Obligation Bonds		Revenue Bonds		New Mexico Finance Authority		
	Principal	Interest	Principal	Interest	Principal	Interest	
2011	\$ 188,342	263,352	565,000	340,179	544,353	367,488	2,268,714
2012	210,243	254,882	590,000	315,710	489,997	357,274	2,218,106
2013	227,763	245,575	620,000	289,979	507,085	342,980	2,233,382
2014	249,663	235,429	645,000	262,742	523,940	328,557	2,245,331
2015	275,943	224,605	675,000	233,433	540,989	311,241	2,261,211
2016-2020	709,569	1,030,955	2,835,000	703,023	1,713,387	1,252,155	8,244,089
2021-2025	1,822,102	800,040	1,810,000	240,122	3,322,792	690,159	8,685,215
2026-2030	2,816,375	320,651	-	-	2,592,400	164,713	5,894,139
Total \$	<u>6,500,000</u>	<u>3,375,489</u>	<u>7,740,000</u>	<u>2,385,188</u>	<u>10,234,943</u>	<u>3,814,567</u>	<u>34,050,187</u>

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. General obligation, 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.

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

Series	Issue Amount	Maturity Date	Average Coupon Rate	Year-end Balance
2000	\$ 2,000,000	2020	5.86%	\$ 1,375,000
2010	920,000	2029	4.05%	920,000
Total				\$ <u>2,295,000</u>
Amount due within one year				\$ <u>116,658</u>

General obligation bonds issued by the City and reported as liabilities of the City's business –type activities are:

Series	Issue Amount	Maturity Date	Average Coupon Rate	Year-end Balance
2010	\$ 6,500,000	2029	4.05%	\$ <u>6,500,000</u>
Amount due within one year				\$ <u>188,342</u>

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2010**

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 Amount</u>	<u>Maturity Date</u>	<u>Average Coupon Rate</u>	<u>Year-end Balances</u>
Flood control project	2000	\$ 4,550,000	2021	4.99%	\$ 2,985,000
Public works improvements	2002	7,990,000	2017	3.21%	4,245,000
Public works improvements	2004	5,405,000	2019	3.51%	3,925,000
		Total			\$ <u>11,155,000</u>
					Amount due within one year \$ <u>1,015,000</u>

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%	\$ 3,220,000
Improve water/sewer system	2005	5,530,000	2025	4.00%	4,520,000
		Total			\$ <u>7,740,000</u>
					Amount due within one year \$ <u>565,000</u>

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%	\$ 363,623
Purchase of ladder truck	2004	455,000	2016	3.21%	245,459
Purchase of fire pumper	2009	196,910	2017	3.34%	174,885
Infrastructure - flood control	2009	3,620,000	2028	3.74%	3,445,000
Infrastructure - street projects	2009	7,350,000	2028	4.50%	6,885,000
		Total			\$ <u>11,113,967</u>
					Amount due within one year \$ <u>453,253</u>

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

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2010**

principal and interest payments. Promissory notes issued by the City and reported as liabilities of the City's business-type activities are:

Purpose	Date of Issuance	Amount	Maturity Date	Average Coupon Rate	Year-end Balances
Infrastructure improvements	2006	\$ 730,453	2026	4.24%	\$ 633,637
Infrastructure improvements	2007	6,565,000	2029	2.00%	4,376,283
Infrastructure improvements	2009	5,340,000	2029	3.75%	5,170,000
Infrastructure improvements	2010	55,022	2030	0.00%	55,022
		Total			<u>\$ 10,234,943</u>
					Amount due within one year
					<u>\$ 544,353</u>

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

Fund Type	Principal	Interest	Total
Governmental funds	\$ 24,563,967	9,420,241	33,984,208
Business-type funds	24,474,943	9,575,244	34,050,187
	<u>\$ 49,038,910</u>	<u>18,995,485</u>	<u>68,034,395</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:

Employee Position	Coverage
Comptroller/Treasurer	\$ 100,000
Honesty/Blanket Bond	\$ 100,000

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

Water & Sewer Fund

The 2005 Water and Sewer Bond issue requires a reserve of \$412,853. This amount has been restricted in Fund 82 to meet the bond covenant. In addition, the 2009 NMFA Water and Waste Water Loan requires a reserve of \$403,656. This amount is restricted in Fund 82.

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2010**

Capital Projects Fund – Flood Control

The 2000 Flood Control GRT Bond requires a reserve of \$371,358. This reserve is restricted in Fund 106.

Public Housing Authority

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 \$92,974 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 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. In the fiscal year ending June 30, 2011 through June 30, 2013 the contribution rates for employees and employers will rise.

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2010**

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

<b>Fiscal Year</b>	<b>Employer Contribution Rate</b>	<b>Employee Contribution Rate</b>
FY11	1.666%	0.833%
FY12	1.834%	0.917%
FY13	2.000%	1.000%

For employees who are members of an enhanced retirement plan the contribution rates will be:

<b>Fiscal Year</b>	<b>Employer Contribution Rate</b>	<b>Employee Contribution Rate</b>
FY11	2.084%	1.042%
FY12	2.292%	1.146%
FY13	2.500%	1.250%

Also, employees joining the program after 1/1/98 are required to make a surplus-amount contribution to the RHCA based on one of two formulas at agreed-upon intervals.

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

The City of Alamogordo's contributions to the RHCA for the years ended June 30, 2010, 2009 and 2008 were \$140,878, \$141,366, and \$138,969, 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).

**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, 2010, 2009 and 2008 were \$2,360,750, \$2,087,873 and \$2,035,837, respectively, which equal the amount of the required contributions for each fiscal year.



**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2010**

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, 2010 are \$534,933 and the estimated total current cost of closure and post closure remaining to be recognized is \$94,947.

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 \$534,933 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 September 2009, 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. As specified by 20.9.10.9.B NMAC the owner of each solid waste facility shall establish a financial assurance mechanism for closure of the facility in compliance with 20.9.10.13 – 20.9.10.23 NMAC. The owner shall provide continuous coverage for closure until released from financial assurance requirements by written verification issued by the secretary. The owner of a solid waste facility shall develop a detailed written estimate, in current dollars, of the cost of hiring a third party to close the largest area of the facility requiring closure under 20.9.6 NMAC.

NOTE 13 – DEFICIT FUND BALANCE

The following funds had deficit fund balances at June 30, 2010:

<u>Fund Type</u>	<u>Fund</u>	<u>Amount</u>
Special Revenue	27	\$ ( 17,973)
Special Revenue	28	( 14,374)
Special Revenue	63	( 13,275)
Special Revenue	65	( 27,053)
Capital Projects	116	( 47,849)

Management anticipates future resources, in excess of anticipated expenditures, to eliminate negative balances.

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2010**

**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, 2010, 2009, and 2008 are \$751,592, \$698,539, and \$669,459 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 \$57,239 from July 1, 2009 to June 30, 2010.

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**

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. Future minimum lease payments are:

For the Year Ended June 30	Machinery & Equipment
2011	\$ 156,473
2012	110,434
2013	12,451
2014	-
2015	-
Thereafter	-
Total	\$ 279,358

Lease expense for the year ended June 30, 2010 was \$253,861.

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2010**

**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, 2010 the City is involved in several lawsuits over water rights issues and contract compliance. Legal counsel has advised the City that an adverse ruling is probable, however, the estimated loss is immaterial to the financial statements and has not been accrued.

**NOTE 19 – RESTATEMENT**

The following restatements were made for the fiscal year ended June 30, 2010.

<u>Fund</u>	<u>Reason</u>	<u>Enterprise</u>	<u>Governmental</u>	
			<u>Governmental Funds</u>	<u>Government-wide</u>
81	Amounts not previously capitalized as construction-in-progress	\$ 1,171,532		
81	To remove grant revenue	(86,937)		
49	To remove grant revenue		(194,333)	(194,333)
N/A	Amounts not previously capitalized as construction-in-progress			319,181
		<u>\$ 1,084,595</u>	<u>(194,333)</u>	<u>124,848</u>

**NOTE 20 – COMMITMENTS**

Capital Projects

Commitments for engineering and construction projects relating to construction or major repairs in progress aggregated approximately \$22,500,000 as of June 30, 2010. The estimated total cost of the projects is \$60,500,000 as of June 30, 2010, and the percentage of completion of the existing projects varies. 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.

Debt

At June 30, 2010, the City had an agreement to borrow \$1,127,000 from the New Mexico Finance Authority for the development of a regional water supply project consisting of approximately fifteen (15) miles of pipeline for potable water transmission system. The loan proceeds will be available to the City when construction of the pipeline is complete.

## **COMBINING STATEMENTS**

**SUPPLEMENTARY INFORMATION**

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
As of June 30, 2010**

	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	Total
<b>Assets</b>				
Cash and cash equivalents	\$ 238,452	303,552	7,696	549,700
Investments	4,166,327	11,982,580	527,404	16,676,311
Accounts receivable	2,815	326	-	3,141
Taxes receivable	578,472	449,920	73,873	1,102,265
Grants receivable	159,007	456,737	-	615,744
Other assets	-	-	-	-
Total assets	<u>5,145,073</u>	<u>13,193,115</u>	<u>608,973</u>	<u>18,947,161</u>
<b>Liabilities</b>				
Accounts payable	125,481	176,559	-	302,041
Due to other funds	75,296	7,349	-	82,645
Accrued liabilities	82,416	-	-	82,416
Deposits	-	10,365	-	10,365
Deferred revenue	1,396	435,295	57,077	493,768
Total liabilities	<u>284,589</u>	<u>629,568</u>	<u>57,077</u>	<u>971,235</u>
<b>Fund balances</b>				
Restricted for:				
Other purposes	-	371,358	-	371,358
Unrestricted, reported in:				
Special revenue funds	4,860,484	-	-	4,860,484
Capital projects funds	-	12,192,189	-	12,192,189
Debt service funds	-	-	551,896	551,896
Total fund balances	<u>4,860,484</u>	<u>12,563,547</u>	<u>551,896</u>	<u>17,975,926</u>
Total liabilities and fund balances	<u>\$ 5,145,073</u>	<u>13,193,115</u>	<u>608,973</u>	<u>18,947,161</u>

The accompanying notes are integral to these 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, 2010**

	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	Total
<b>Revenues</b>				
Taxes and fees	\$ 3,775,711	2,559,953	650,671	6,986,335
Fines and forfeitures	270,892	54	-	270,946
Grants and gifts	1,439,543	1,128,106	-	2,567,649
Charges for services	217,423	11,103	-	228,526
Interest income	70,257	160,419	3,267	233,943
Miscellaneous	372,830	53,295	-	426,125
Total revenues	<u>6,146,656</u>	<u>3,912,930</u>	<u>653,938</u>	<u>10,713,524</u>
<b>Expenditures</b>				
Current:				
General government	673,466	54,804	4,000	732,270
Public Safety	598,631	-	-	598,631
Public works	564,450	51,749	-	616,199
Health and welfare	216,090	-	-	216,090
Culture and recreation	1,233,314	558,971	-	1,792,285
Non-current				
Principal payments	86,586	-	2,045,000	2,131,586
Interest payments	39,201	-	1,360,391	1,399,592
Capital outlay	296,216	1,362,519	-	1,658,735
Total expenditures	<u>3,707,954</u>	<u>2,028,043</u>	<u>3,409,391</u>	<u>9,145,388</u>
Excess (deficiency) or revenues over expenditures	<u>2,438,702</u>	<u>1,884,887</u>	<u>(2,755,453)</u>	<u>1,568,136</u>
<b>Other financing sources (uses)</b>				
Proceeds from long-term capital-related debt	-	-	-	-
Transfers in	1,305,027	65,660	2,474,815	3,845,502
Transfers out	(3,193,764)	(1,581,391)	-	(4,775,155)
Total other financing sources (uses)	<u>(1,888,737)</u>	<u>(1,515,731)</u>	<u>2,474,815</u>	<u>(929,653)</u>
Net change in net assets	<u>549,965</u>	<u>369,156</u>	<u>(280,638)</u>	<u>638,483</u>
Fund balances-beginning of year	4,310,517	12,388,724	832,535	17,531,776
Restatement	-	(194,333)	-	(194,333)
Fund balances-beginning of year, restated	<u>4,310,517</u>	<u>12,194,391</u>	<u>832,535</u>	<u>17,337,443</u>
Fund balances-end of the year	<u>\$ 4,860,484</u>	<u>12,563,547</u>	<u>551,896</u>	<u>17,975,926</u>

The accompanying notes are integral to these financial statements

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
COMBINING BALANCE SHEET  
NON-MAJOR SPECIAL REVENUE FUNDS  
As of June 30, 2010**

	15	16	19	20	21	22
	Corrections	Tourism & Promotions	Court Automation	Lodgers' Tax City Share	D.A.R.E. Donations	Designated Gifts
<b>Assets</b>						
Cash and cash equivalents	\$ 35,151	24,679	24,353	12,870	9,021	1,551
Investments	-	105,059	59,459	182,897	15,744	35,702
Receivables	-	332	-	441	-	-
Taxes receivable	-	-	-	-	-	-
Grants receivable	-	-	3,576	-	-	-
Other assets	-	-	-	-	-	-
Total assets	<u>\$ 35,151</u>	<u>130,070</u>	<u>87,388</u>	<u>196,208</u>	<u>24,765</u>	<u>37,253</u>
<b>Liabilities</b>						
Accounts payable	\$ 19,963	5,411	581	3,615	161	157
Accrued liabilities	-	534	485	6,233	-	-
Accrued compensated absences	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-
Total liabilities	<u>19,963</u>	<u>5,945</u>	<u>1,066</u>	<u>9,848</u>	<u>161</u>	<u>157</u>
<b>Fund balances</b>						
Restricted for:						
Capital projects	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-
Unrestricted, reported in:						
Special revenue funds	15,188	124,125	86,322	186,360	24,604	37,096
Capital projects funds	-	-	-	-	-	-
Debt service funds	-	-	-	-	-	-
Total fund balances	<u>15,188</u>	<u>124,125</u>	<u>86,322</u>	<u>186,360</u>	<u>24,604</u>	<u>37,096</u>
Total liabilities and fund balances	<u>\$ 35,151</u>	<u>130,070</u>	<u>87,388</u>	<u>196,208</u>	<u>24,765</u>	<u>37,253</u>

The accompanying notes are integral to these financial statements



**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
COMBINING BALANCE SHEET  
NON-MAJOR SPECIAL REVENUE FUNDS  
As of June 30, 2010**

	24	27	28	31	33	36 Law Enforcement Protection
	Grant Capital	Municipal Court	Police Contingency	Cemetery Perpetual	Fire Protection	
<b>Assets</b>						
Cash and cash equivalents	\$ -	-	6,746	-	7,300	-
Investments	-	-	47,164	673,119	319,918	-
Receivables	-	-	1,965	-	-	-
Taxes receivable	-	-	-	-	-	-
Grants receivable	40,315	-	-	-	-	20,402
Other assets	-	-	-	-	-	-
Total assets	<u>\$ 40,315</u>	<u>-</u>	<u>55,875</u>	<u>673,119</u>	<u>327,218</u>	<u>20,402</u>
<b>Liabilities</b>						
Accounts payable	\$ -	527	70,249	-	8,032	41
Due to other funds	25,007	-	-	-	-	5,184
Accrued liabilities	-	16,050	-	-	-	4,269
Accrued compensated absences	-	-	-	-	-	-
Deferred revenue	-	1,396	-	-	-	-
Total liabilities	<u>25,007</u>	<u>17,973</u>	<u>70,249</u>	<u>-</u>	<u>8,032</u>	<u>9,494</u>
<b>Fund balances</b>						
Restricted for:						
Capital projects	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-
Unrestricted, reported in:						
Special revenue funds	15,308	(17,973)	(14,374)	673,119	319,186	10,908
Capital projects funds	-	-	-	-	-	-
Debt service funds	-	-	-	-	-	-
Total fund balances	<u>15,308</u>	<u>(17,973)</u>	<u>(14,374)</u>	<u>673,119</u>	<u>319,186</u>	<u>10,908</u>
Total liabilities and fund balances	<u>\$ 40,315</u>	<u>-</u>	<u>55,875</u>	<u>673,119</u>	<u>327,218</u>	<u>20,402</u>

The accompanying notes are integral to these financial statements

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
COMBINING BALANCE SHEET  
NON-MAJOR SPECIAL REVENUE FUNDS  
As of June 30, 2010**

	37	38	42	63	65	69
	State		1984			1994
	Highway	Traffic	Gross receipts	Community	Building	Gross Receipts
	Cleanup	Safety	Tax	Development	Codes	Tax
<b>Assets</b>						
Cash and cash equivalents	\$ 16,957	8,926	27,266	7,699	-	5,828
Investments	23,030	56,492	1,161,946	-	-	449,310
Receivables	-	-	-	-	-	-
Taxes receivable	-	-	257,099	-	-	257,098
Grants receivable	9,110	-	-	-	-	-
Other assets	-	-	-	-	-	-
Total assets	<u>49,097</u>	<u>65,418</u>	<u>1,446,311</u>	<u>7,699</u>	<u>-</u>	<u>712,236</u>
<b>Liabilities</b>						
Accounts payable	\$ -	-	-	3,849	269	-
Due to other funds	-	-	-	-	19,400	-
Accrued liabilities	-	-	-	17,125	7,384	-
Accrued compensated absences	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,974</u>	<u>27,053</u>	<u>-</u>
<b>Fund balances</b>						
Restricted for:						
Capital projects	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-
Unrestricted, reported in:						
Special revenue funds	49,097	65,418	1,446,311	(13,275)	(27,053)	712,236
Capital projects funds	-	-	-	-	-	-
Debt service funds	-	-	-	-	-	-
Total fund balances	<u>49,097</u>	<u>65,418</u>	<u>1,446,311</u>	<u>(13,275)</u>	<u>(27,053)</u>	<u>712,236</u>
Total liabilities and fund balances	<u>\$ 49,097</u>	<u>65,418</u>	<u>1,446,311</u>	<u>7,699</u>	<u>-</u>	<u>712,236</u>

The accompanying notes are integral to these financial statements

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
COMBINING BALANCE SHEET  
NON-MAJOR SPECIAL REVENUE FUNDS  
As of June 30, 2010**

	71	74	75	89	Total
	Senior Center III	Senior Center Gift Fund	Senior Center RSVP	ESGRT .0625% Convenience Center	Special Revenue Funds
<b>Assets</b>					
Cash and cash equivalents	\$ 43,008	4,525	50	2,522	238,452
Investments	-	49,954	-	986,533	4,166,327
Receivables	77	-	-	-	2,815
Taxes receivable	-	-	-	64,275	578,472
Grants receivable	48,094	-	37,510	-	159,007
Other assets	-	-	-	-	-
Total assets	<u>\$ 91,179</u>	<u>54,479</u>	<u>37,560</u>	<u>1,053,330</u>	<u>5,145,073</u>
<b>Liabilities</b>					
Accounts payable	\$ 10,540	-	2,086	-	125,481
Due to other funds	-	-	25,705	-	75,296
Accrued liabilities	25,594	-	4,742	-	82,416
Accrued compensated absences	-	-	-	-	-
Deferred revenue	-	-	-	-	1,396
Total liabilities	<u>36,134</u>	<u>-</u>	<u>32,533</u>	<u>-</u>	<u>284,589</u>
<b>Fund balances</b>					
Restricted for:					
Capital projects	-	-	-	-	-
Debt service	-	-	-	-	-
Other purposes	-	-	-	-	-
Unrestricted, reported in:					
Special revenue funds	55,045	54,479	5,027	1,053,330	4,860,484
Capital projects funds	-	-	-	-	-
Debt service funds	-	-	-	-	-
Total fund balances	<u>55,045</u>	<u>54,479</u>	<u>5,027</u>	<u>1,053,330</u>	<u>4,860,484</u>
Total liabilities and fund balances	<u>\$ 91,179</u>	<u>54,479</u>	<u>37,560</u>	<u>1,053,330</u>	<u>5,145,073</u>

The accompanying notes are integral to these financial statements

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
COMBINING BALANCE SHEET  
NON-MAJOR DEBT SERVICE FUNDS  
As of June 30, 2010**

	53	59	Total
	General Obligation	GRT P&I	Debt Service Funds
<b>Assets</b>			
Cash and cash equivalents	\$ -	7,696	7,696
Investments	527,404	-	527,404
Receivables	-	-	-
Taxes receivable	73,873	-	73,873
Grants receivable	-	-	-
Interest receivable	-	-	-
Due from other governments	-	-	-
Prepaid	-	-	-
Other assets	-	-	-
Total assets	\$ <u>601,277</u>	<u>7,696</u>	<u>608,973</u>
<b>Liabilities</b>			
Due to other funds	\$ -	-	-
Accounts payable	-	-	-
Accrued liabilities	-	-	-
Accrued compensated absences	-	-	-
Deposits	-	-	-
Deferred revenue	57,077	-	57,077
Total liabilities	<u>57,077</u>	<u>-</u>	<u>57,077</u>
<b>Fund balances</b>			
Restricted for:			
Debt service	-	-	-
Unrestricted, reported in:			
Debt service funds	544,200	7,696	551,896
Total fund balances	<u>544,200</u>	<u>7,696</u>	<u>551,896</u>
Total liabilities and fund balances	\$ <u>601,277</u>	<u>7,696</u>	<u>608,973</u>

The accompanying notes are integral to these financial statements

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
COMBINING BALANCE SHEET  
NON-MAJOR CAPITAL PROJECTS FUNDS  
As of June 30, 2010**

	40	48	49	50	54	56
	Airport Improvements	Community Development Block Grant	1986 Gross Receipts	Property Acquisition	Reverse Osmosis	1999 GRT Flood Control
<b>Assets</b>						
Cash and cash equivalents	\$ 6,887	11,311	42,440	3,000	9,172	63,459
Investments	45,000	-	4,755,145	384,294	420,276	2,866,323
Receivables	-	-	-	326	-	-
Taxes receivable	-	-	257,097	-	-	-
Grants receivable	-	21,442	435,295	-	-	-
Other assets	-	-	-	-	-	-
Total assets	<u>\$ 51,887</u>	<u>32,753</u>	<u>5,489,977</u>	<u>387,620</u>	<u>429,448</u>	<u>2,929,782</u>
<b>Liabilities</b>						
Accounts payable	\$ 163	-	11,966	-	-	13,993
Due to other funds	-	-	-	-	-	-
Deposits	-	-	-	10,365	-	-
Deferred revenue	-	-	435,295	-	-	-
Total liabilities	<u>163</u>	<u>-</u>	<u>447,261</u>	<u>10,365</u>	<u>-</u>	<u>13,993</u>
<b>Fund balances</b>						
Restricted for:						
Capital projects	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-
Unrestricted, reported in:						
Capital projects funds	51,724	32,753	5,042,716	377,255	429,448	2,915,789
Total fund balances	<u>51,724</u>	<u>32,753</u>	<u>5,042,716</u>	<u>377,255</u>	<u>429,448</u>	<u>2,915,789</u>
Total liabilities and fund balances	<u>\$ 51,887</u>	<u>32,753</u>	<u>5,489,977</u>	<u>387,620</u>	<u>429,448</u>	<u>2,929,782</u>

The accompanying notes are integral to these financial statements

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
COMBINING BALANCE SHEET  
NON-MAJOR CAPITAL PROJECTS FUNDS  
As of June 30, 2010**

	61 1991 GRT Infrastructure	105 Economic Development	106 Flood Control PRJ RSV	108 2002 GRT Bond Acquisition	111 GRT Bond Acquisition	114 Sidewalk Revolving Loan Fund	116 Regional Water Supply Transmission	Total Capital Projects
<b>Assets</b>								
Cash and cash equivalents	\$ 8,094	105,000	-	39,808	14,381	-	-	303,552
Investments	812,241	2,227,594	378,496	-	40,178	53,033	-	11,982,580
Receivables	-	-	-	-	-	-	-	326
Taxes receivable	64,274	128,549	-	-	-	-	-	449,920
Grants receivable	-	-	-	-	-	-	-	456,737
Other assets	-	-	-	-	-	-	-	-
Total assets	<u>\$ 884,609</u>	<u>2,461,143</u>	<u>378,496</u>	<u>39,808</u>	<u>54,559</u>	<u>53,033</u>	<u>-</u>	<u>13,193,115</u>
<b>Liabilities</b>								
Accounts payable	\$ -	108,972	-	965	-	-	40,500	176,559
Due to other funds	-	-	-	-	-	-	7,349	7,349
Deposits	-	-	-	-	-	-	-	10,365
Deferred revenue	-	-	-	-	-	-	-	435,295
Total liabilities	<u>-</u>	<u>108,972</u>	<u>-</u>	<u>965</u>	<u>-</u>	<u>-</u>	<u>47,849</u>	<u>629,568</u>
<b>Fund balances</b>								
Restricted for:								
Capital projects	-	-	-	-	-	-	-	-
Other purposes	-	-	371,358	-	-	-	-	371,358
Unrestricted, reported in:								
Capital projects funds	884,609	2,352,171	7,138	38,843	54,559	53,033	(47,849)	12,192,189
Total fund balances	<u>884,609</u>	<u>2,352,171</u>	<u>378,496</u>	<u>38,843</u>	<u>54,559</u>	<u>53,033</u>	<u>(47,849)</u>	<u>12,563,547</u>
Total liabilities and fund balances	<u>\$ 884,609</u>	<u>2,461,143</u>	<u>378,496</u>	<u>39,808</u>	<u>54,559</u>	<u>53,033</u>	<u>-</u>	<u>13,193,115</u>

The accompanying notes are integral to these 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, 2010**

	15	16	19	20	21	22
	Corrections	Tourism & Promotions	Court Automation	Lodgers' Tax City Share	D.A.R.E. Donations	Designated Gifts
<b>Revenues</b>						
Taxes and fees	5,600	183,708	-	275,498	-	-
Fines and forfeitures	171,851	-	44,947	-	-	-
Grants and gifts	-	29,075	36,078	10,611	-	-
Charges for services	-	-	-	20,495	10,750	8,314
Interest income	-	1,261	834	3,432	229	491
Miscellaneous	-	3,488	-	5,806	-	-
Total revenues	<u>177,451</u>	<u>217,532</u>	<u>81,859</u>	<u>315,842</u>	<u>10,979</u>	<u>8,805</u>
<b>Expenditures</b>						
Current:						
General government	-	187,926	47,821	-	-	7,478
Public safety	169,230	-	-	-	8,870	-
Public works	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	293,650	-	-
Non-current:						
Capital outlay	-	-	6,939	56,970	-	-
Total expenditures	<u>169,230</u>	<u>187,926</u>	<u>54,760</u>	<u>350,620</u>	<u>8,870</u>	<u>7,478</u>
Excess (deficiency) of revenues over expenditures	<u>8,221</u>	<u>29,606</u>	<u>27,099</u>	<u>(34,778)</u>	<u>2,109</u>	<u>1,327</u>
<b>Other financing sources (uses)</b>						
Transfers in	32,816	-	-	-	-	-
Transfers out	<u>(6,217)</u>	<u>(3,971)</u>	<u>(18,702)</u>	<u>(28,161)</u>	<u>-</u>	<u>-</u>
Total other financing source (uses)	<u>26,599</u>	<u>(3,971)</u>	<u>(18,702)</u>	<u>(28,161)</u>	<u>-</u>	<u>-</u>
Net change in fund balance	34,820	25,635	8,397	(62,939)	2,109	1,327
Fund balances-beginning of year	<u>(19,632)</u>	<u>98,490</u>	<u>77,925</u>	<u>249,299</u>	<u>22,495</u>	<u>35,769</u>
Fund balances-end of year	<u>\$ 15,188</u>	<u>124,125</u>	<u>86,322</u>	<u>186,360</u>	<u>24,604</u>	<u>37,096</u>

The accompanying notes are integral to these 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, 2010**

	24	27	28	31	33	36
	Grant Capital	Municipal Court	Police Contingency	Cemetery Operations	Fire Protection	Law Enforcement Protection
<b>Revenues</b>						
Taxes and fees	\$ -	-	-	-	-	-
Fines and forfeitures	-	9,203	-	-	-	-
Grants and gifts	59,161	-	-	-	419,867	118,320
Charges for services	-	-	-	-	-	-
Interest income	-	-	980	9,288	9,277	293
Miscellaneous	-	2,916	21,004	15,125	-	-
Total revenues	<u>59,161</u>	<u>12,119</u>	<u>21,984</u>	<u>24,413</u>	<u>429,144</u>	<u>118,613</u>
<b>Expenditures</b>						
Current:						
General government	28,681	401,560	-	-	-	-
Public safety	-	-	42,333	-	263,714	105,083
Public works	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Non-current:						
Principal payments-debt service	-	-	-	-	86,586	-
Interest payments-debt service	-	-	-	-	39,201	-
Capital outlay	63,135	-	49,993	-	3,340	16,601
Total expenditures	<u>91,816</u>	<u>401,560</u>	<u>92,326</u>	<u>-</u>	<u>392,841</u>	<u>121,684</u>
Excess (deficiency) of revenues over expenditures	<u>(32,655)</u>	<u>(389,441)</u>	<u>(70,342)</u>	<u>24,413</u>	<u>36,303</u>	<u>(3,071)</u>
<b>Other financing sources (uses)</b>						
Proceeds of long-term capital-related debt	-	-	-	-	-	-
Transfers in	25,999	361,741	-	-	-	-
Transfers out	-	(4,844)	-	-	-	-
Total other financing source (uses)	<u>25,999</u>	<u>356,897</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(6,656)	(32,544)	(70,342)	24,413	36,303	(3,071)
Fund balances-beginning of year	<u>21,964</u>	<u>14,571</u>	<u>55,968</u>	<u>648,706</u>	<u>282,882</u>	<u>13,979</u>
Fund balances-end of year	<u>\$ 15,308</u>	<u>(17,973)</u>	<u>(14,374)</u>	<u>673,119</u>	<u>319,186</u>	<u>10,908</u>

The accompanying notes are integral to these 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, 2010**

	37 State Highway Clean-up	38 Traffic Safety	42 1984 Gross Receipts Tax	63 Community Development	65 Building Codes	69 1994 Gross receipts Tax
<b>Revenues</b>						
Taxes and fees	\$ 19,537	-	1,462,830	-	-	1,462,830
Fines and forfeitures	-	44,891	-	-	-	-
Grants and gifts	47,391	-	-	-	-	-
Charges for services	700	-	-	14,076	8,115	-
Interest income	307	859	22,761	-	-	10,934
Miscellaneous	-	-	-	255,263	46,975	-
Total revenues	<u>67,935</u>	<u>45,750</u>	<u>1,485,591</u>	<u>269,339</u>	<u>55,090</u>	<u>1,473,764</u>
<b>Expenditures</b>						
Current:						
General government	-	-	-	-	-	-
Public safety	-	9,401	-	-	-	-
Public works	53,174	-	-	358,438	151,725	1,113
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Non-current:						
Principal payments-debt service	-	-	-	-	-	-
Interest payments-debt service	-	-	-	-	-	-
Capital outlay	-	45,119	-	4,548	78	-
Total expenditures	<u>53,174</u>	<u>54,520</u>	<u>-</u>	<u>362,986</u>	<u>151,803</u>	<u>1,113</u>
Excess (deficiency) of revenues over expenditures	<u>14,761</u>	<u>(8,770)</u>	<u>1,485,591</u>	<u>(93,647)</u>	<u>(96,713)</u>	<u>1,472,651</u>
<b>Other financing sources (uses)</b>						
Transfers in	-	-	-	290,000	130,641	-
Transfers out	(2,339)	-	(1,500,389)	(35,560)	(28,322)	(1,457,886)
Total other financing source (uses)	<u>(2,339)</u>	<u>-</u>	<u>(1,500,389)</u>	<u>254,440</u>	<u>102,319</u>	<u>(1,457,886)</u>
Net change in fund balance	<u>12,422</u>	<u>(8,770)</u>	<u>(14,798)</u>	<u>160,793</u>	<u>5,606</u>	<u>14,765</u>
Fund balances-beginning of year	<u>36,675</u>	<u>74,188</u>	<u>1,461,109</u>	<u>(174,068)</u>	<u>(32,659)</u>	<u>697,471</u>
Fund balances-end of year	<u>\$ 49,097</u>	<u>65,418</u>	<u>1,446,311</u>	<u>(13,275)</u>	<u>(27,053)</u>	<u>712,236</u>

The accompanying notes are integral to these 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, 2010**

	71	74	75	89	Total
	Senior Center III	Senior Center Gift Fund	Senior Center RSVP	ESGRT .0625% Convenience Center	Special Revenue Funds
<b>Revenues</b>					
Taxes and fees	\$ -	-	-	365,708	3,775,711
Fines and forfeitures	-	-	-	-	270,892
Grants and gifts	439,912	-	192,191	86,937	1,439,543
Charges for services	131,891	23,082	-	-	217,423
Interest income	-	486	-	8,825	70,257
Miscellaneous	18,751	-	3,502	-	372,830
Total revenues	<u>590,554</u>	<u>23,568</u>	<u>195,693</u>	<u>461,470</u>	<u>6,146,656</u>
<b>Expenditures</b>					
Current:					
General government	-	-	-	-	673,466
Public safety	-	-	-	-	598,631
Public works	-	-	-	-	564,450
Health and welfare	-	-	216,090	-	216,090
Culture and recreation	939,664	-	-	-	1,233,314
Non-current:					
Principal payments-debt service	-	-	-	-	86,586
Interest payments-debt service	-	-	-	-	39,201
Capital outlay	39,673	6,210	1,431	2,179	296,216
Total expenditures	<u>979,337</u>	<u>6,210</u>	<u>217,521</u>	<u>2,179</u>	<u>3,707,954</u>
Excess (deficiency) of revenues over expenditures	<u>(388,783)</u>	<u>17,358</u>	<u>(21,828)</u>	<u>459,291</u>	<u>2,438,702</u>
<b>Other financing sources (uses)</b>					
Proceeds of long-term capital-related debt	-	-	-	-	-
Transfers in	426,250	-	37,580	-	1,305,027
Transfers out	(95,903)	(549)	(10,921)	-	(3,193,764)
Total other financing source (uses)	<u>330,347</u>	<u>(549)</u>	<u>26,659</u>	<u>-</u>	<u>(1,888,737)</u>
Net change in fund balance	(58,436)	16,809	4,831	459,291	549,965
Fund balances-beginning of year	113,481	37,670	196	594,039	4,310,517
Fund balances-end of year	<u>\$ 55,045</u>	<u>54,479</u>	<u>5,027</u>	<u>1,053,330</u>	<u>4,860,484</u>

The accompanying notes are integral to these 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, 2010**

	53	59	Total
	General Obligation	GRT P&I	Debt Service Funds
<b>Revenues</b>			
Taxes and fees	\$ 650,671	-	650,671
Fines and forfeitures	-	-	-
Grants and gifts	-	-	-
Charges for services	-	-	-
Interest income	3,267	-	3,267
Miscellaneous	-	-	-
Total revenues	<u>653,938</u>	<u>-</u>	<u>653,938</u>
<b>Expenditures</b>			
Current:			
General government	-	4,000	4,000
Non-current:			
Principal payments	705,000	1,340,000	2,045,000
Interest payments	340,974	1,019,417	1,360,391
Capital outlay	-	-	-
Total expenditures	<u>1,045,974</u>	<u>2,363,417</u>	<u>3,409,391</u>
Excess (deficiency) of revenues over expenditures	<u>(392,036)</u>	<u>(2,363,417)</u>	<u>(2,755,453)</u>
<b>Other financing sources (uses)</b>			
Transfers in	111,398	2,363,417	2,474,815
Transfers out	-	-	-
Total other financing source (uses)	<u>111,398</u>	<u>2,363,417</u>	<u>2,474,815</u>
Net change in fund balance	(280,639)	-	(280,638)
Fund balances-beginning of year	<u>824,839</u>	<u>7,696</u>	<u>832,535</u>
Fund balances-end of year	<u>\$ 544,200</u>	<u>7,696</u>	<u>551,896</u>

The accompanying notes are integral to these 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, 2010**

	40	48	49	50	54	56
	Airport Improvements	Community Development Block Grant	1986 Gross Receipts	Property Acquisition	Reverse Osmosis	1999 GRT Flood Control
<b>Revenues</b>						
Taxes and fees	\$ -	-	1,462,830	-	-	-
Fines and forfeitures	-	-	-	54	-	-
Grants and gifts	255,684	296,995	175,427	-	-	-
Charges for services	-	-	-	11,103	-	-
Interest income	129	-	59,960	5,321	5,346	41,615
Miscellaneous	-	50,000	3,234	61	-	-
Total revenues	<u>255,813</u>	<u>346,995</u>	<u>1,701,451</u>	<u>16,539</u>	<u>5,346</u>	<u>41,615</u>
<b>Expenditures</b>						
Current:						
General government	-	-	52,861	1,943	-	-
Public safety	-	-	-	-	-	-
Public works	-	44,400	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Non-current:						
Principal payments	-	-	-	-	-	-
Interest payments	-	-	-	-	-	-
Capital outlay	207	284,995	127,436	3,745	-	733,732
Total expenditures	<u>207</u>	<u>329,395</u>	<u>180,297</u>	<u>5,688</u>	<u>-</u>	<u>733,732</u>
Excess (deficiency) of revenues over expenditures	<u>255,606</u>	<u>17,600</u>	<u>1,521,154</u>	<u>10,851</u>	<u>5,346</u>	<u>(692,117)</u>
<b>Other financing sources (uses)</b>						
Transfers in	-	4,400	-	1,055	7,405	-
Transfers out	(264,795)	-	(762,470)	(1,055)	(103,493)	-
Total other financing source (uses)	<u>(264,795)</u>	<u>4,400</u>	<u>(762,470)</u>	<u>-</u>	<u>(96,088)</u>	<u>-</u>
Net change in fund balance	(9,189)	22,000	758,684	10,851	(90,742)	(692,117)
Fund balances-beginning of year	60,913	10,753	4,478,365	366,404	520,190	3,607,906
Restatement	-	-	(194,333)	-	-	-
Fund balances-beginning of year, restated	<u>60,913</u>	<u>10,753</u>	<u>4,284,032</u>	<u>366,404</u>	<u>520,190</u>	<u>3,607,906</u>
Fund balances-end of year	<u>\$ 51,724</u>	<u>32,753</u>	<u>5,042,716</u>	<u>377,255</u>	<u>429,448</u>	<u>2,915,789</u>

The accompanying notes are integral to these 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, 2010**

	61 1991 GRT Infrastructure	105 Economic Development	106 Flood Control PRJ RSV	108 2002 GRT Bond Acquisition	111 GRT Bond Acquisition	114 Sidewalk Revolving Loan Fund	116 Regional Water Supply Transmission	Total Capital Projects Funds
<b>Revenues</b>								
Taxes and fees	\$ 365,708	731,415	-	-	-	-	-	2,559,953
Fines and forfeitures	-	-	-	-	-	-	-	54
Grants and gifts	-	400,000	-	-	-	-	-	1,128,106
Charges for services	-	-	-	-	-	-	-	11,103
Interest income	11,848	26,957	5,304	2,681	926	332	-	160,419
Miscellaneous	-	-	-	-	-	-	-	53,295
Total revenues	<u>377,556</u>	<u>1,158,372</u>	<u>5,304</u>	<u>2,681</u>	<u>926</u>	<u>332</u>	<u>-</u>	<u>3,912,930</u>
<b>Expenditures</b>								
Current:								
General government	-	-	-	-	-	-	-	54,804
Public safety	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	7,349	51,749
Health and welfare	-	-	-	-	-	-	-	-
Culture and recreation	-	558,971	-	-	-	-	-	558,971
Non-current:								
Principal payments	-	-	-	-	-	-	-	-
Interest payments	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	136,136	35,669	99	40,500	1,362,519
Total expenditures	<u>-</u>	<u>558,971</u>	<u>-</u>	<u>136,136</u>	<u>35,669</u>	<u>99</u>	<u>47,849</u>	<u>2,028,043</u>
Excess (deficiency) of revenues over expenditures	<u>377,556</u>	<u>599,401</u>	<u>5,304</u>	<u>(133,455)</u>	<u>(34,743)</u>	<u>233</u>	<u>(47,849)</u>	<u>1,884,887</u>
<b>Other financing sources (uses)</b>								
Transfers in	-	-	-	-	-	52,800	-	65,660
Transfers out	(397,901)	-	-	(40,060)	(11,617)	-	-	(1,581,391)
Total other financing source (uses)	<u>(397,901)</u>	<u>-</u>	<u>-</u>	<u>(40,060)</u>	<u>(11,617)</u>	<u>52,800</u>	<u>-</u>	<u>(1,515,731)</u>
Net change in fund balance	(20,345)	599,401	5,304	(173,515)	(46,360)	53,033	(47,849)	369,156
Fund balances-beginning of year	904,954	1,752,770	373,192	212,358	100,919	-	-	12,388,724
Restatement	-	-	-	-	-	-	-	(194,333)
Fund balances-beginning of year, restated	<u>904,954</u>	<u>1,752,770</u>	<u>373,192</u>	<u>212,358</u>	<u>100,919</u>	<u>-</u>	<u>-</u>	<u>12,194,391</u>
Fund balances-end of year	<u>\$ 884,609</u>	<u>2,352,171</u>	<u>378,496</u>	<u>38,843</u>	<u>54,559</u>	<u>53,033</u>	<u>(47,849)</u>	<u>12,563,547</u>

The accompanying notes are integral to these 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, 2010**

	<b>Fund</b>	Balance June 30, 2009	Additions	Deletions	Balance June 30, 2010
<b>Police Court Bonds</b>	<b>17</b>				
<b>Assets</b>					
Cash	\$	338	-	-	338
Total assets		<u>338</u>	<u>-</u>	<u>-</u>	<u>338</u>
<b>Liabilities</b>					
Deposits held in custody for others		338			338
Total liabilities	\$	<u>338</u>	<u>-</u>	<u>-</u>	<u>338</u>
<b>State Judicial</b>	<b>39</b>				
<b>Assets</b>					
Cash	\$	7,077	26,651	(28,180)	5,550
Accounts receivable		64,868	85,811	(89,429)	61,250
Allowance for uncollectible accounts		(64,868)	93,047	(89,429)	(61,250)
Total assets		<u>7,077</u>	<u>205,509</u>	<u>(207,038)</u>	<u>5,550</u>
<b>Liabilities</b>					
Accounts payable		7,182	26,651	(28,178)	5,655
Deposits held in custody for others		(105)	-	-	(105)
Total liabilities	\$	<u>7,077</u>	<u>-</u>	<u>-</u>	<u>5,550</u>
<b>Public Housing Authority</b>	<b>92</b>				
<b>Assets</b>					
Cash	\$	-	445,628.0	(445,628)	-
Accounts receivable		-	-	-	-
Total assets		<u>-</u>	<u>445,628</u>	<u>(445,628)</u>	<u>-</u>
<b>Liabilities</b>					
Accounts payable		13,963	4,429	-	18,392
Accrued liabilities		37,827	-	(37,827)	-
Deposits held in custody for others		(51,791)	33,399	-	(18,392)
Total liabilities	\$	<u>-</u>	<u>37,828</u>	<u>(37,827)</u>	<u>-</u>
<b>US Army Corps of Engineers</b>	<b>115</b>				
<b>Assets</b>					
Cash	\$	520,159	530,000	-	1,050,159
Total assets		<u>520,159</u>	<u>530,000</u>	<u>-</u>	<u>1,050,159</u>
<b>Liabilities</b>					
Deposits held in custody for others		520,159	530,000	-	1,050,159
Total liabilities	\$	<u>520,159</u>	<u>530,000</u>	<u>-</u>	<u>1,050,159</u>
<b>TOTAL</b>					
<b>Assets</b>					
Cash	\$	527,574	1,002,279	(473,808)	1,056,047
Accounts receivable		64,868	85,811	(89,429)	61,250
Allowance for uncollectible accounts		(64,868)	93,047	(89,429)	(61,250)
Total assets		<u>527,574</u>	<u>1,181,137</u>	<u>(652,666)</u>	<u>1,056,047</u>
<b>Liabilities</b>					
Accounts payable		21,145	31,080	(28,178)	24,047
Accrued liabilities		37,827	-	(37,827)	-
Deposits held in custody for others		468,601	563,399	-	1,032,000
Total liabilities	\$	<u>527,574</u>	<u>594,479</u>	<u>(66,005)</u>	<u>1,056,047</u>

The accompanying notes are integral to these financial statements

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
BALANCE SHEET  
COMPONENT UNIT - LANDFILL  
As of June 30, 2010**

	94 Component Unit Landfill
<b>Assets</b>	
Cash and cash equivalents	\$ 21,249
Investments	3,319,983
Receivables, net	18,141
Taxes receivable	1,232
Total current assets	3,360,605
Non-current assets	
Restricted cash	-
Restricted cash held in investments	-
Capital assets, net	2,576,811
Total assets	\$ 5,937,416
<b>Liabilities</b>	
Current liabilities	
Accounts payable	\$ 11,949
Accrued liabilities	18,719
Accrued interest payable	-
Compensated absences	12,786
Deferred revenue	9
Bonds, notes and leases payable	-
Total current liabilities	43,463
Long-term liabilities	
Landfill post-closure	534,933
Total long-term liabilities	534,933
Total liabilities	578,396
<b>Net Assets</b>	
Investment in capital assets, net of related debt	2,576,811
Restricted for:	
Other purposes	-
Unreserved	2,782,209
Total net assets	5,359,020
Total liabilities and net assets	\$ 5,937,416

The accompanying notes are integral to these 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, 2010**

	94 Component Unit Landfill
Operating revenues	
Charges for services	\$ 987,920
Miscellaneous	16,718
Total revenues	1,004,638
Operating expenses:	
Personnel services	315,751
Repairs and maintenance	168,180
Supplies	115,462
Other services and insurance	240,749
Depreciation	174,120
Total operating expenses	1,014,262
Excess (deficiency) of revenues over expenditures	(9,624)
Non-operating revenues (expenses):	
Interest and investment revenue	48,118
Interest payments	-
Gain/ Loss on sale of assets	-
Capital contributions	-
Transfers in	-
Transfers out	(2,830)
Total non-operating revenues (expenses)	45,288
Change in net assets	35,664
Net assets-beginning of year	5,323,356
Net assets-end of the year	\$ 5,359,020

The accompanying notes are integral to these financial statements



**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
FUND DESCRIPTIONS  
FOR THE YEAR ENDED JUNE 30, 2010**

**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.

*Capital Grant 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.

*Building Codes (F65)* – This fund serves to account for the operational cost of service functions overseen through the construction permit and occupancy certification processes, within the City's jurisdiction, that meet minimum construction and land use requirement.

*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).

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
FUND DESCRIPTIONS  
FOR THE YEAR ENDED JUNE 30, 2010**

**SPECIAL REVENUE FUNDS — (continued)**

*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.

*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.

**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.

*Alamogordo Flood Control (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.

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

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

*2002 GRT (FI08)* – 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.

*2004 Gross Receipts Bond Acquisition Fund (FI11)* – 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

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
FUND DESCRIPTIONS  
FOR THE YEAR ENDED JUNE 30, 2010**

and public recreational buildings.

*Sidewalk Revolving Loan Fund (F114)* – This fund provides the City with an accounting of loans financed through the City for qualified property owners for the replacement or repair of sidewalks, curb cuts and driveway ramps.

*Regional Water Supply Transmission Fund (F116)* – This fund accounts for the Water Trust Board Grant (#80), and a related NMFA loan, which finance the cost of approximately 15 miles of pipeline.

**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.

*US Army Corps of Engineers (F115)* – This account is created to account for the escrow funds of the US Army Corps of Engineers. The interest earned on this account is transferred to the General Operating account and receipted into Fund 56 (1999 GRT Flood Control).

**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, 2010**

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable/ (Unfavorable)
<b>Revenues</b>				
Taxes & Fees	\$ 4,950	4,950	5,600	650
Fines and forfeitures	154,000	187,151	171,851	(15,300)
Interest income	1,036	-	-	-
Total revenues	159,986	192,101	177,451	(14,650)
<b>Expenditures</b>				
Current:				
Public Safety	225,600	225,600	173,744	51,856
Non-current:				
Capital outlay	-	-	-	-
Total expenditures	225,600	225,600	173,744	51,856
Excess (deficiency) of revenues over expenditures	(65,614)	(33,499)	3,708	37,207
<b>Other financing sources (uses)</b>				
Transfers in	75,948	75,948	32,816	(43,132)
Transfers out	(6,217)	(6,217)	(6,217)	-
Total other financing sources (uses)	69,731	69,731	26,599	(43,132)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	4,117	36,232	30,306	(5,926)
Budgeted cash carryover	4,845	4,845		
	\$ 8,962	41,077		

**RECONCILIATION FROM BUDGET/ACTUAL To GAAP**

Change in net assets (Budget Basis)	\$	30,306
To adjust applicable revenue accruals and deferrals		(0)
To adjust applicable expenditures and accruals and payments		4,514
Change in net assets (GAAP basis)	\$	34,820

The accompanying notes are integral to these 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, 2010**

	Budgeted Amounts		Actual	Variance Favorable/ (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Taxes & Fees	\$ 185,396	173,000	183,708	10,708
Grants and gifts	34,946	34,946	34,946	(0)
Miscellaneous	(10)	(60)	3,486	3,546
Interest income	2,135	909	1,261	352
 Total revenues	 222,467	 208,795	 223,401	 14,606
<b>Expenditures</b>				
Current:				
General government	213,420	212,810	189,675	23,135
Non-current:				
Capital outlay	-	-	-	-
 Total expenditures	 213,420	 212,810	 189,675	 23,135
 Excess (deficiency) of revenues over expenditures	 9,047	 (4,015)	 33,726	 37,741
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers out	(3,971)	(3,971)	(3,971)	-
Total other financing sources (uses)	(3,971)	(3,971)	(3,971)	-
 Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	 5,076	 (7,986)	 29,755	 37,741
 Budgeted cash carryover	 100,315	 100,315		
	\$ 105,391	92,329		

RECONCILIATION FROM BUDGET/ACTUAL To GAAP

Change in net assets (Budget Basis)	\$ 29,755
To adjust applicable revenue accruals and deferrals	(5,871)
To adjust applicable expenditures and accruals and payments	1,751
Change in net assets (GAAP basis)	\$ 25,635

The accompanying notes are integral to these 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, 2010**

	Budgeted Amounts		Actual	Variance Favorable/ (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Fines and forfeitures	\$ 45,000	56,000	44,947	(11,053)
Grants and gifts	114,360	41,436	33,109	(8,327)
Interest income	1,102	545	834	289
Total revenues	160,462	97,981	78,890	(19,091)
<b>Expenditures</b>				
Current:				
General government	79,569	68,982	47,110	21,872
Non-current:				
Capital outlay	63,384	13,394	6,936	6,458
Total expenditures	142,953	82,376	54,046	28,330
Excess (deficiency) of revenues over expenditures	17,509	15,605	24,843	9,238
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers out	(18,702)	(18,702)	(18,702)	-
Total other financing sources (uses)	(18,702)	(18,702)	(18,702)	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(1,193)	(3,097)	6,141	9,238
Budgeted cash carryover	77,672	77,672		
	\$ 76,479	74,575		

**RECONCILIATION FROM BUDGET/ACTUAL To GAAP**

Change in net assets (Budget Basis)	\$ 6,141
To adjust applicable revenue accruals and deferrals	2,968
To adjust applicable expenditures and accruals and payments	(713)
Change in net assets (GAAP basis)	\$ 8,397

The accompanying notes are integral to these 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, 2010**

	Budgeted Amounts		Actual	Variance Favorable/ (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Taxes and fees	\$ 278,105	253,433	275,563	22,130
Fines and forfeitures	700	700	(65)	(765)
Grants	45,000	45,000	14,450	(30,550)
Charges for services	28,500	26,500	20,495	(6,005)
Interest income	6,040	2,980	3,432	452
Miscellaneous	6,180	6,180	5,805	(375)
	<u>364,525</u>	<u>334,793</u>	<u>319,680</u>	<u>(15,113)</u>
<b>Expenditures</b>				
Current:				
Culture and recreation	328,887	328,476	324,850	3,626
Non-current:				
Capital outlay	148,639	150,902	25,525	125,377
	<u>477,526</u>	<u>479,378</u>	<u>350,376</u>	<u>129,002</u>
Excess (deficiency) of revenues over expenditures	<u>(113,001)</u>	<u>(144,585)</u>	<u>(30,696)</u>	<u>113,889</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers out	(28,161)	(28,161)	(28,161)	-
Total other financing sources (uses)	<u>(28,161)</u>	<u>(28,161)</u>	<u>(28,161)</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>(141,162)</u>	<u>(172,746)</u>	<u>(58,857)</u>	<u>113,889</u>
Budgeted cash carryover	<u>254,367</u>	<u>254,367</u>		
	<u>\$ 113,205</u>	<u>81,621</u>		

**RECONCILIATION FROM BUDGET/ACTUAL To GAAP**

Change in net assets (Budget Basis)	\$ (58,857)
To adjust applicable revenue accruals and deferrals	(3,839)
To adjust applicable expenditures and accruals and payments	(243)
Change in net assets (GAAP basis)	\$ (62,939)

The accompanying notes are integral to these 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, 2010**

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable/ (Unfavorable)
<b>Revenues</b>				
Grants and gifts	\$ -	-	-	-
Charges for services	5,000	6,000	10,750	
Interest income	<u>389</u>	<u>216</u>	<u>228</u>	<u>12</u>
 Total revenues	 <u>5,389</u>	 <u>6,216</u>	 <u>10,978</u>	 <u>12</u>
<b>Expenditures</b>				
Current:				
Public safety	15,344	13,344	8,707	4,637
Non-current:				
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Total expenditures	 <u>15,344</u>	 <u>13,344</u>	 <u>8,707</u>	 <u>4,637</u>
 Excess (deficiency) of revenues over expenditures	 <u>(9,955)</u>	 <u>(7,128)</u>	 <u>2,271</u>	 <u>4,649</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>(9,955)</u>	 <u>(7,128)</u>	 <u>2,271</u>	 <u>4,649</u>
 Budgeted cash carryover	 <u>22,494</u>	 <u>22,494</u>		
	<u>\$ 12,539</u>	<u>15,366</u>		

RECONCILIATION FROM BUDGET/ACTUAL To GAAP

Change in net assets (Budget Basis)	\$ 2,271
To adjust applicable revenue accruals and deferrals	(0)
To adjust applicable expenditures and accruals and payments	<u>(162)</u>
Change in net assets (GAAP basis)	<u>\$ 2,109</u>



**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, 2010**

	Budgeted Amounts		Actual	Variance Favorable/ (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Grants and gifts	\$ -	-	-	-
User Fees	-	5,370	8,314	2,944
Interest income	575	288	492	204
Total revenues	575	5,658	8,806	3,148
<b>Expenditures</b>				
Current:				
General government	24,131	29,301	7,322	21,979
Non-current:				
Capital outlay	-	-	-	-
Total expenditures	24,131	29,301	7,322	21,979
Excess (deficiency) of revenues over expenditures	(23,556)	(23,643)	1,484	25,127
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers out	(10,420)	(10,420)	-	10,420
Total other financing sources (uses)	(10,420)	(10,420)	-	10,420
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(33,976)	(34,063)	1,484	35,547
Budgeted cash carryover	35,769	35,769		
	\$ 1,793	1,706		

RECONCILIATION FROM BUDGET/ACTUAL To GAAP

Change in net assets (Budget Basis)	\$ 1,484
To adjust applicable revenue accruals and deferrals	(0)
To adjust applicable expenditures and accruals and payments	(157)
Change in net assets (GAAP basis)	\$ 1,327

The accompanying notes are integral to these 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, 2010**

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable/ (Unfavorable)
<b>Revenues</b>				
Grants and gifts	\$ -	594,984	38,670	(556,314)
User Fees	-	20,365	-	(20,365)
Interest income	-	-	-	-
Total revenues	-	615,349	38,670	(576,679)
<b>Expenditures</b>				
Current:				
General government	-	224,121	30,535	193,586
Non-current:				
Capital outlay	400,000	795,223	63,135	732,088
Total expenditures	400,000	1,019,344	93,670	925,674
Excess (deficiency) of revenues over expenditures	(400,000)	(403,995)	(55,000)	348,995
<b>Other financing sources (uses)</b>				
Transfers in	400,000	400,000	25,999	(374,001)
Transfers out	-	-	-	-
Total other financing sources (uses)	400,000	400,000	25,999	(374,001)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	\$ -	(3,995)	(29,001)	(25,006)
Budgeted cash carryover	-	3,996		
	\$ -	1		

**RECONCILIATION FROM BUDGET/ACTUAL To GAAP**

Change in net assets (Budget Basis)	\$ (29,001)
To adjust applicable revenue accruals and deferrals	20,490
To adjust applicable expenditures and accruals and payments	1,855
Change in net assets (GAAP basis)	\$ (6,656)

The accompanying notes are integral to these 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, 2010**

	Budgeted Amounts		Actual	Variance Favorable/ (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Fines and forfeitures	\$ 13,000	13,000	9,203	(3,797)
Miscellaneous	(126)	3,000	2,917	(83)
Total revenues	12,874	16,000	12,120	(3,880)
<b>Expenditures</b>				
Current:				
General government	430,088	433,586	402,482	31,104
Non-current:				
Capital outlay	-	-	-	-
Total expenditures	430,088	433,586	402,482	31,104
Excess (deficiency) of revenues over expenditures	(417,214)	(417,586)	(390,362)	27,224
<b>Other financing sources (uses)</b>				
Transfers in	381,704	390,464	361,741	(28,723)
Transfers out	(4,844)	(4,844)	(4,844)	-
Total other financing sources (uses)	376,860	385,620	356,897	(28,723)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(40,354)	(31,966)	(33,465)	(1,499)
Budgeted cash carryover	33,745	33,745		
	\$ (6,609)	1,779		

**RECONCILIATION FROM BUDGET/ACTUAL To GAAP**

Change in net assets (Budget Basis)	\$ (33,465)
To adjust applicable revenue accruals and deferrals	0
To adjust applicable expenditures and accruals and payments	921
Change in net assets (GAAP basis)	\$ (32,544)

The accompanying notes are integral to these 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, 2010**

	Budgeted Amounts		Actual	Variance Favorable/ (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Interest income	\$ 1,825	951	980	29
Miscellaneous	20,000	20,000	12,784	(7,216)
Total revenues	21,825	20,951	13,764	(7,187)
<b>Expenditures</b>				
Current:				
Public safety	39,382	38,552	35,492	3,060
Non-current:				
Capital outlay	49,996	49,996	49,993	3
Total expenditures	89,378	88,548	85,486	3,062
Excess (deficiency) of revenues over expenditures	(67,553)	(67,597)	(71,722)	(4,125)
<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	(67,553)	(67,597)	(71,722)	(4,125)
Budgeted cash carryover	88,800	88,800		
	\$ 21,247	21,203		

**RECONCILIATION FROM BUDGET/ACTUAL To GAAP**

Change in net assets (Budget Basis)	\$	(71,722)
To adjust applicable revenue accruals and deferrals		8,220
To adjust applicable expenditures and accruals and payments		(6,840)
Change in net assets (GAAP basis)	\$	(70,342)

The accompanying notes are integral to these 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, 2010**

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable/ (Unfavorable)
<b>Revenues</b>				
Interest income	\$ 13,047	6,616	9,288	2,672
Miscellaneous - Land Sales	13,882	14,068	15,125	1,057
 Total revenues	26,929	20,684	24,413	3,729
<b>Expenditures</b>				
Current:				
General government	-	-	-	-
Non-current:				
Capital outlay	-	-	-	-
 Total expenditures	-	-	-	-
 Excess (deficiency) of revenues over expenditures	26,929	20,684	24,413	3,729
<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	26,929	20,684	24,413	3,729
 Budgeted cash carryover	648,706	648,706		
	\$ 675,635	669,390		

**RECONCILIATION FROM BUDGET/ACTUAL To GAAP**

Change in net assets (Budget Basis)	\$	24,413
To adjust applicable revenue accruals and deferrals		(0)
To adjust applicable expenditures and accruals and payments		-
Change in net assets (GAAP basis)	\$	24,413

The accompanying notes are integral to these 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, 2010**

	Budgeted Amounts		Actual	Variance Favorable/ (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Grants and gifts	\$ 419,867	419,867	419,867	-
Loan and Bond Proceeds		-	-	
Miscellaneous				-
Interest income	14,466	5,303	9,277	3,974
 Total revenues	434,333	425,170	429,144	3,974
<b>Expenditures</b>				
Current:				
Public safety	501,656	487,848	386,886	100,962
Non-current:				
Capital outlay	120,283	119,633	3,340	116,293
 Total expenditures	621,939	607,481	390,225	217,256
 Excess (deficiency) of revenues over expenditures	(187,606)	(182,311)	38,918	221,229
<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	(187,606)	(182,311)	38,918	221,229
 Budgeted cash carryover	288,400	288,400		
	\$ 100,794	106,089		

**RECONCILIATION FROM BUDGET/ACTUAL To GAAP**

Change in net assets (Budget Basis)	\$	38,918
To adjust applicable revenue accruals and deferrals		0
To adjust applicable expenditures and accruals and payments		(2,616)
Change in net assets (GAAP basis)	\$	36,303

The accompanying notes are integral to these 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, 2010**

	Budgeted Amounts		Actual	Variance Favorable/ (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Grants and gifts	\$ 141,804	143,190	115,164	(28,026)
Interest income	286	192	293	101
Total revenues	142,090	143,382	115,457	(27,925)
<b>Expenditures</b>				
Current:				
Public safety	122,315	128,428	106,111	22,317
Non-current:				
Capital outlay	21,600	16,602	16,601	1
Total expenditures	143,915	145,030	122,712	22,318
Excess (deficiency) of revenues over expenditures	(1,825)	(1,648)	(7,256)	(5,608)
<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	(1,825)	(1,648)	(7,256)	(5,608)
Budgeted cash carryover	1,825	1,825		
	\$ -	177		

**RECONCILIATION FROM BUDGET/ACTUAL To GAAP**

Change in net assets (Budget Basis)	\$ (7,256)
To adjust applicable revenue accruals and deferrals	3,155
To adjust applicable expenditures and accruals and payments	1,029
Change in net assets (GAAP basis)	\$ (3,071)

The accompanying notes are integral to these 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, 2010**

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable/ (Unfavorable)
<b>Revenues</b>				
Taxes and fees	\$ 20,140	20,140	19,537	(603)
Grants and gifts	68,887	43,857	59,780	15,923
Charges for services	1,000	996	700	(296)
Investment Income	403	182	306	124
 Total revenues	 90,430	 65,175	 80,322	 15,147
<b>Expenditures</b>				
Current:				
Public works	63,751	58,361	57,562	799
Non-current:				
Capital outlay	-	-	-	-
 Total expenditures	 63,751	 58,361	 57,562	 799
 Excess (deficiency) of revenues over expenditures	 26,679	 6,814	 22,760	 15,946
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers out	(2,339)	(2,339)	(2,339)	-
Total other financing sources (uses)	(2,339)	(2,339)	(2,339)	-
 Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	 \$ 24,340	 4,475	 20,421	 15,946

**RECONCILIATION FROM BUDGET/ACTUAL To GAAP**

Change in net assets (Budget Basis)	\$	20,421
To adjust applicable revenue accruals and deferrals		(12,389)
To adjust applicable expenditures and accruals and payments		4,390
Change in net assets (GAAP basis)	\$	12,422



**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, 2010**

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable/ (Unfavorable)
<b>Revenues</b>				
Fines and forfeitures	\$ 35,000	55,000	44,891	(10,109)
Interest income	1,098	525	858	333
Total revenues	36,098	55,525	45,749	(9,776)
<b>Expenditures</b>				
Current:				
Public safety	11,000	11,000	9,901	1,099
Non-current:				
Capital outlay	54,712	54,712	45,119	9,593
Total expenditures	65,712	65,712	55,020	10,692
Excess (deficiency) of revenues over expenditures	(29,614)	(10,187)	(9,271)	916
<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	(29,614)	(10,187)	(9,271)	916
Budgeted cash carryover	74,688	74,688		
	\$ 45,074	64,501		

**RECONCILIATION FROM BUDGET/ACTUAL To GAAP**

Change in net assets (Budget Basis)	\$ (9,271)
To adjust applicable revenue accruals and deferrals	(0)
To adjust applicable expenditures and accruals and payments	501
Change in net assets (GAAP basis)	\$ (8,770)

The accompanying notes are integral to these 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, 2010**

	Budgeted Amounts		Actual	Variance Favorable/ (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Taxes and fees	\$ 1,464,685	1,403,328	1,445,553	42,225
Interest income	19,665	14,266	22,760	8,494
Total revenues	1,484,350	1,417,594	1,468,313	50,719
<b>Expenditures</b>				
Current:				
	-	-	-	-
Non-current:				
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	1,484,350	1,417,594	1,468,313	50,719
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers out	(1,847,234)	(1,847,234)	(1,500,389)	346,845
Total other financing sources (uses)	(1,847,234)	(1,847,234)	(1,500,389)	346,845
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(362,884)	(429,640)	(32,077)	397,563
Budgeted cash carryover	1,221,318	1,221,318		
	\$ 858,434	791,678		

RECONCILIATION FROM BUDGET/ACTUAL To GAAP

Change in net assets (Budget Basis)	\$ (32,077)
To adjust applicable revenue accruals and deferrals	17,278
To adjust applicable expenditures and accruals and payments	-
Change in net assets (GAAP basis)	\$ (14,798)

The accompanying notes are integral to these 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, 2010**

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable/ (Unfavorable)
<b>Revenues</b>				
Fees and Permits	\$ 17,900	7,700	13,880	6,180
Charges for services	330	50	196	146
Miscellaneous	463,034	300,000	255,263	(44,737)
 Total revenues	 481,264	 307,750	 269,339	 (44,591)
<b>Expenditures</b>				
Current:				
General government	377,621	367,609	356,803	10,806
Non-current:				
Capital outlay	34,472	34,472	1,039	33,433
 Total expenditures	 412,093	 402,081	 357,841	 44,240
 Excess (deficiency) of revenues over expenditures	 69,171	 (94,331)	 (88,502)	 (351)
<b>Other financing sources (uses)</b>				
Transfers in	125,000	290,000	290,000	-
Transfers out	(35,560)	(35,560)	(35,560)	-
Total other financing sources (uses)	89,440	254,440	254,440	-
 Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	 \$ 158,611	 160,109	 165,938	 (351)

**RECONCILIATION FROM BUDGET/ACTUAL To GAAP**

Change in net assets (Budget Basis)	\$	165,938
To adjust applicable revenue accruals and deferrals		(0)
To adjust applicable expenditures and accruals and payments		(5,145)
Change in net assets (GAAP basis)	\$	160,793

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO**

**Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis)  
Building Codes - 065  
For The Year Ended June 30, 2010**

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable/ (Unfavorable)
<b>Revenues</b>				
Fees and Permits	\$ 31,366	17,500	8,115	(9,385)
Charges for services	-	-	-	-
Miscellaneous	<u>90,000</u>	<u>90,000</u>	<u>46,975</u>	<u>(43,025)</u>
 Total revenues	 <u>121,366</u>	 <u>107,500</u>	 <u>55,090</u>	 <u>(43,025)</u>
<b>Expenditures</b>				
Current:				
General government	209,232	168,964	151,248	17,716
Non-current:				
Capital outlay	<u>55,000</u>	<u>10,085</u>	<u>78</u>	<u>10,007</u>
 Total expenditures	 <u>264,232</u>	 <u>179,049</u>	 <u>151,327</u>	 <u>27,722</u>
 Excess (deficiency) of revenues over expenditures	 <u>(142,866)</u>	 <u>(71,549)</u>	 <u>(96,237)</u>	 <u>(15,302)</u>
<b>Other financing sources (uses)</b>				
Transfers in	220,641	130,641	130,641	-
Transfers out	<u>(22,046)</u>	<u>(22,046)</u>	<u>(22,046)</u>	<u>-</u>
Total other financing sources (uses)	<u>198,595</u>	<u>108,595</u>	<u>108,595</u>	<u>-</u>
 Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	 <u>\$ 55,729</u>	 <u>37,046</u>	 <u>12,358</u>	 <u>(15,302)</u>

**RECONCILIATION FROM BUDGET/ACTUAL To GAAP**

Change in net assets (Budget Basis)	\$	12,358
To adjust applicable revenue accruals and deferrals		0
To adjust applicable expenditures and accruals and payments		<u>(6,752)</u>
Change in net assets (GAAP basis)	<u>\$</u>	<u>5,606</u>

**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, 2010**

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable/ (Unfavorable)
<b>Revenues</b>				
Taxes and fees	\$ 1,464,685	1,403,328	1,445,523	42,195
Interest income	17,294	4,924	10,933	6,009
Total revenues	1,481,979	1,408,252	1,456,456	48,204
<b>Expenditures</b>				
Current:				
Public works	4,864	1,113	1,113	(0)
Non-current:				
Capital outlay	-	-	-	-
Total expenditures	-	1,113	1,113	(0)
Excess (deficiency) of revenues over expenditures	1,481,979	1,407,139	1,455,343	48,204
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers out	(1,886,439)	(1,860,439)	(1,603,881)	256,558
Total other financing sources (uses)	(1,886,439)	(1,860,439)	(1,603,881)	256,558
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(404,460)	(453,300)	(148,537)	304,763
Budgeted cash carryover	457,681	457,681		
	\$ 53,221	4,381		

RECONCILIATION FROM BUDGET/ACTUAL To GAAP

Change in net assets (Budget Basis)	\$ (148,537)
To adjust applicable revenue accruals and deferrals	17,308
To adjust applicable expenditures and accruals and payments	145,995
Change in net assets (GAAP basis)	\$ 14,765

The accompanying notes are integral to these financial statements

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO**

**Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis)  
Senior Center III - 071  
For The Year Ended June 30, 2010**

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable/ (Unfavorable)
<b>Revenues</b>				
Grants and gifts	\$ 579,882	603,084	463,251	(139,833)
Charges for services	137,520	146,150	131,891	(14,260)
Miscellaneous	15,249	28,894	18,751	(10,143)
	<u>732,651</u>	<u>778,128</u>	<u>613,892</u>	<u>(164,236)</u>
<b>Expenditures</b>				
Current:				
Health and welfare	1,055,059	1,052,790	935,260	117,530
Non-current:				
Capital outlay	162,191	162,191	39,673	122,518
	<u>1,217,250</u>	<u>1,214,981</u>	<u>974,933</u>	<u>240,049</u>
Excess (deficiency) of revenues over expenditures	<u>(484,599)</u>	<u>(436,853)</u>	<u>(361,040)</u>	<u>75,813</u>
<b>Other financing sources (uses)</b>				
Transfers in	509,520	789,520	426,250	(363,270)
Transfers out	(95,903)	(95,903)	(95,903)	-
Total other financing sources (uses)	<u>413,617</u>	<u>693,617</u>	<u>330,347</u>	<u>(363,270)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>(70,982)</u>	<u>256,764</u>	<u>(30,693)</u>	<u>(287,457)</u>
Budgeted cash carryover	<u>73,622</u>	<u>73,622</u>		
	<u>\$ 2,640</u>	<u>330,386</u>		

**RECONCILIATION FROM BUDGET/ACTUAL To GAAP**

Change in net assets (Budget Basis)	\$ (30,693)
To adjust applicable revenue accruals and deferrals	(23,339)
To adjust applicable expenditures and accruals and payments	<u>(4,404)</u>
Change in net assets (GAAP basis)	<u>\$ (58,436)</u>

The accompanying notes are integral to these 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, 2010**

	Budgeted Amounts		Actual	Variance Favorable/ (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Charges for services	\$ 15,559	19,516	23,082	3,566
Grants and gifts				-
Interest income	446	356	485	129
Total revenues	16,005	19,872	23,567	129
<b>Expenditures</b>				
Current:				
General government	47,972	44,386	0	44,386
Non-current:				
Capital outlay	-	7,543	6,209	1,334
Total expenditures	47,972	51,929	6,210	45,719
Excess (deficiency) of revenues over expenditures	(31,967)	(32,057)	17,357	45,848
<b>Other financing sources (uses)</b>				
Transfers in	6,250	6,250	-	(6,250)
Transfers out	(549)	(549)	(549)	-
Total other financing sources (uses)	5,701	5,701	(549)	(6,250)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(26,266)	(26,356)	16,809	39,598
Budgeted cash carryover	37,670	37,670		
	\$ 11,404	11,314		

RECONCILIATION FROM BUDGET/ACTUAL To GAAP

Change in net assets (Budget Basis)	\$	16,809
To adjust applicable revenue accruals and deferrals		0
To adjust applicable expenditures and accruals and payments		(0)
Change in net assets (GAAP basis)	\$	16,809

The accompanying notes are integral to these 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, 2010**

	Budgeted Amounts		Actual	Variance Favorable/ (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Grants and gifts	\$ 225,465	225,445	187,935	(37,510)
Miscellaneous	3,500	3,500	3,500	-
Charges for services	200	200	-	(200)
Total revenues	229,165	229,145	191,435	(37,710)
<b>Expenditures</b>				
Current:				
Health and welfare	236,193	221,313	214,066	7,247
Non-current:				
Capital outlay	-	1,431	1,431	(0)
Total expenditures	236,193	222,744	215,497	7,247
Excess (deficiency) of revenues over expenditures	(7,028)	6,401	(24,062)	(30,463)
<b>Other financing sources (uses)</b>				
Transfers in	52,580	37,580	37,580	-
Transfers out	(10,921)	(10,921)	(10,921)	-
Total other financing sources (uses)	41,659	26,659	26,659	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	34,631	33,060	2,597	(30,463)
Budgeted cash carryover	(28,204)	(28,204)		
	\$ 6,427	4,856		

RECONCILIATION FROM BUDGET/ACTUAL To GAAP

Change in net assets (Budget Basis)	\$	2,597
To adjust applicable revenue accruals and deferrals		4,256
To adjust applicable expenditures and accruals and payments		(2,022)
Change in net assets (GAAP basis)	\$	4,831

The accompanying notes are integral to these 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, 2010**

	Budgeted Amounts		Actual	Variance Favorable/ (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Taxes and fees	\$ 366,171	350,832	361,381	10,549
Grants and gifts	232,283	200,100	184,179	(15,921)
Interest income	8,261	5,030	8,825	3,795
	<u>606,715</u>	<u>555,962</u>	<u>554,385</u>	<u>(1,577)</u>
<b>Expenditures</b>				
Current:				
General government	8,980	8,980	2,179	6,801
Non-current:				
Capital outlay	6,526	6,526	-	6,526
	<u>15,506</u>	<u>15,506</u>	<u>2,179</u>	<u>13,327</u>
Excess (deficiency) of revenues over expenditures	<u>591,209</u>	<u>540,456</u>	<u>552,206</u>	<u>11,750</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers out	(752,350)	(752,350)	-	752,350
Total other financing sources (uses)	<u>(752,350)</u>	<u>(752,350)</u>	<u>-</u>	<u>752,350</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>(161,141)</u>	<u>(211,894)</u>	<u>552,206</u>	<u>764,100</u>
Budgeted cash carryover	<u>436,849</u>	<u>436,849</u>		
	<u>\$ 275,708</u>	<u>224,955</u>		

RECONCILIATION FROM BUDGET/ACTUAL To GAAP

Change in net assets (Budget Basis)	\$	552,206
To adjust applicable revenue accruals and deferrals		(92,915)
To adjust applicable expenditures and accruals and payments		(0)
Change in net assets (GAAP basis)	<u>\$</u>	<u>459,291</u>

**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, 2010**

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable/ (Unfavorable)
<b>Revenues</b>				
Taxes and fees	\$ 587,151	687,151	648,869	(38,283)
Interest income	5,363	2,875	3,267	392
Total revenues	592,514	690,026	652,136	(37,890)
<b>Expenditures</b>				
Current:				
General government	2,000	2,000	-	2,000
Non-current:				
Principal payments	705,000	705,000	705,000	-
Interest payments	229,577	229,577	229,577	1
Total expenditures	936,577	936,577	934,577	2,001
Excess (deficiency) of revenues over expenditures	(344,063)	(246,551)	(282,441)	(35,890)
<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	(344,063)	(246,551)	(282,441)	(35,890)
Budgeted cash carryover	809,846	809,846		
	\$ 465,783	563,295		

**RECONCILIATION FROM BUDGET/ACTUAL To GAAP**

Change in net assets (Budget Basis)	\$ (282,441)
To adjust applicable revenue accruals and deferrals	1,802
To adjust applicable expenditures and accruals and payments	(1)
Change in net assets (GAAP basis)	\$ (280,639)

The accompanying notes are integral to these 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, 2010**

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable/ (Unfavorable)
<b>Revenues</b>				
Interest income	\$ -	-	-	-
 Total revenues	-	-	-	-
 <b>Expenditures</b>				
Current:				
General government	11,500	7,500	4,000	3,500
Non-current:				
Principal payments	1,340,000	1,340,000	1,340,000	-
Interest payments	1,019,419	1,019,419	1,019,417	2
 Total expenditures	2,370,919	2,366,919	2,363,417	3,502
 Excess (deficiency) of revenues over expenditures	(2,370,919)	(2,366,919)	(2,363,417)	3,502
 <b>Other financing sources (uses)</b>				
Transfers in	2,370,919	2,370,919	2,363,417	(7,502)
Transfers out	-	-	-	-
Total other financing sources (uses)	2,370,919	2,370,919	2,363,417	(7,502)
 Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	-	4,000	-	(4,000)
 Budgeted cash carryover	7,696	7,696		
	\$ 7,696	11,696		

RECONCILIATION FROM BUDGET/ACTUAL To GAAP

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

The accompanying notes are integral to these 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, 2010**

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable/ (Unfavorable)
<b>Revenues</b>				
Grants and gifts	\$ 784,168	1,168,830	265,477	(903,353)
Interest income	820	177	129	(48)
Total revenues	784,988	1,169,007	265,606	(903,401)
<b>Expenditures</b>				
Current:	-	-	-	-
Non-current:				
Capital outlay	796,058	1,190,583	264,838	509,545
Total expenditures	796,058	1,190,583	264,838	509,545
Excess (deficiency) of revenues over expenditures	(11,070)	(21,576)	767	(393,856)
<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	(11,070)	(21,576)	767	(393,856)
Budgeted cash carryover	51,119	51,119		
	\$ 40,049	29,543		

RECONCILIATION FROM BUDGET/ACTUAL To GAAP

Change in net assets (Budget Basis)	\$	767
To adjust applicable revenue accruals and deferrals		(9,793)
To adjust applicable expenditures and accruals and payments		(164)
Change in net assets (GAAP basis)	\$	(9,189)

**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, 2010**

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable/ (Unfavorable)
<b>Revenues</b>				
Grants and gifts	\$ 550,000	550,000	275,553	(274,447)
Miscellaneous	50,000	50,000	50,000	-
Interest income	-	-	-	-
	600,000	600,000	325,553	(274,447)
<b>Expenditures</b>				
Current:				
	55,700	55,100	44,774	10,326
Non-current:				
Capital outlay	550,000	550,000	284,995	265,005
	605,700	605,100	329,769	275,331
Excess (deficiency) of revenues over expenditures	(5,700)	(5,100)	(4,216)	884
<b>Other financing sources (uses)</b>				
Transfers in	5,000	4,400	4,400	-
Transfers out	-	-	-	-
	5,000	4,400	4,400	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(700)	(700)	184	884
Budgeted cash carryover	11,127	11,127		
	\$ 10,427	10,427		

RECONCILIATION FROM BUDGET/ACTUAL To GAAP

Change in net assets (Budget Basis)	\$	184
To adjust applicable revenue accruals and deferrals		21,443
To adjust applicable expenditures and accruals and payments		373
Change in net assets (GAAP basis)	\$	22,000

The accompanying notes are integral to these 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, 2010**

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable/ (Unfavorable)
<b>Revenues</b>				
Taxes and fees	\$ 1,464,685	1,403,328	1,445,523	42,195
Grants and gifts	656,433	759,624	447,005	(312,619)
Miscellaneous	-	-	3,234	3,234
Interest income	90,260	40,672	59,960	19,288
 Total revenues	 2,211,378	 2,203,624	 1,955,723	 (247,901)
<b>Expenditures</b>				
Current:				
General government	705,191	705,191	71,617	633,574
Non-current:				
Capital outlay	2,997,549	3,063,278	711,373	2,351,905
 Total expenditures	 3,702,740	 3,768,469	 782,990	 2,985,479
 Excess (deficiency) of revenues over expenditures	 (1,491,362)	 (1,564,845)	 1,172,732	 2,737,577
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers out	(841,813)	(1,091,813)	(151,509)	940,304
 Total other financing sources (uses)	 (841,813)	 (1,091,813)	 (151,509)	 940,304
 Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	 (2,333,175)	 (2,656,658)	 1,021,224	 3,677,882
 Budgeted cash carryover	 3,776,361	 3,776,361		
	 \$ 1,443,186	 1,119,703		

**RECONCILIATION FROM BUDGET/ACTUAL To GAAP**

Change in net assets (Budget Basis)	\$ 1,021,224
To adjust applicable revenue accruals and deferrals	(254,272)
To adjust applicable expenditures and accruals and payments	(8,268)
Change in net assets (GAAP basis)	\$ 758,684

The accompanying notes are integral to these 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, 2010**

	Budgeted Amounts		Actual	Variance Favorable/ (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Taxes and fees	\$ -	-	332	332
Fines	-	-	54	54
Charges for services	12,000	12,000	11,050	(950)
Interest income	6,148	3,788	5,321	1,533
Miscellaneous	-	-	61	61
	<u>18,148</u>	<u>15,788</u>	<u>16,818</u>	<u>1,030</u>
<b>Expenditures</b>				
Current:				
General government	6,024	4,100	1,943	2,157
Non-current:				
Capital outlay	442,025	442,025	6,811	435,214
	<u>448,049</u>	<u>446,125</u>	<u>8,754</u>	<u>437,371</u>
Excess (deficiency) of revenues over expenditures	<u>(429,901)</u>	<u>(430,337)</u>	<u>8,064</u>	<u>438,401</u>
<b>Other financing sources (uses)</b>				
Transfers in	125,627	125,627	1,055	(124,572)
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>125,627</u>	<u>125,627</u>	<u>1,055</u>	<u>(124,572)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>(304,274)</u>	<u>(304,710)</u>	<u>9,119</u>	<u>313,829</u>
Budgeted cash carryover	<u>378,175</u>	<u>378,175</u>		
	<u>\$ 73,901</u>	<u>73,465</u>		

**RECONCILIATION FROM BUDGET/ACTUAL To GAAP**

Change in net assets (Budget Basis)	\$ 9,119
To adjust applicable revenue accruals and deferrals	(279)
To adjust applicable expenditures and accruals and payments	2,011
Change in net assets (GAAP basis)	\$ 10,851

The accompanying notes are integral to these 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, 2010**

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable/ (Unfavorable)
<b>Revenues</b>				
Grants and gifts	\$ 150,000	150,000	15,829	(134,171)
Loan and bond proceeds	2,188,716	2,188,716	-	(2,188,716)
Miscellaneous				-
Interest income	10,312	3,535	6,502	2,967
Total revenues	2,349,028	2,342,251	22,331	(2,319,920)
<b>Expenditures</b>				
Current:				
Public works	397,496	397,496	8,035	389,461
Non-current:				
Capital outlay	2,685,811	2,685,811	96,088	2,589,723
Total expenditures	3,083,307	3,083,307	104,123	2,979,184
Excess (deficiency) of revenues over expenditures	(734,279)	(741,056)	(81,792)	659,264
<b>Other financing sources (uses)</b>				
Transfers in	259,304	259,304	7,405	(251,899)
Transfers out	-	-	-	-
Total other financing sources (uses)	259,304	259,304	7,405	(251,899)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(474,975)	(481,752)	(74,387)	407,365
Budgeted fund balance	474,975	481,752	74,387	
	\$ -	-	-	

**RECONCILIATION FROM BUDGET/ACTUAL To GAAP**

Change in net assets (Budget Basis)	\$ (74,387)
To adjust applicable revenue accruals and deferrals	(17,003)
To adjust applicable expenditures and accruals and payments	648
Change in net assets (GAAP basis)	\$ (90,742)

The accompanying notes are integral to these 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, 2010**

	Budgeted Amounts		Actual	Variance Favorable/ (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Interest income	\$ 21,545	25,250	41,615	16,365
Loan and bond proceedings	-	-	-	-
Total revenues	21,545	25,250	41,615	16,365
<b>Expenditures</b>				
Current:				
	71,000	71,000	8,215	62,785
Non-current:				
Capital outlay	2,574,712	2,242,178	723,403	1,518,775
Total expenditures	2,645,712	2,313,178	731,618	1,581,560
Excess (deficiency) of revenues over expenditures	(2,624,167)	(2,287,928)	(690,003)	1,597,925
<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	(2,624,167)	(2,287,928)	(690,003)	1,597,925
Budgeted cash carryover	3,619,785	3,619,785		
	\$ 995,618	1,331,857		

RECONCILIATION FROM BUDGET/ACTUAL To GAAP

Change in net assets (Budget Basis)	\$ (690,003)
To adjust applicable revenue accruals and deferrals	0
To adjust applicable expenditures and accruals and payments	(2,114)
Change in net assets (GAAP basis)	\$ (692,117)

**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, 2010**

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable/ (Unfavorable)
<b>Revenues</b>				
Taxes and fees	\$ 366,171	350,832	361,381	10,549
Grants	-	-	-	-
Interest income	7,192	7,222	11,848	4,626
 Total revenues	 373,363	 358,054	 373,229	 15,175
<b>Expenditures</b>				
Current:				
	-	-	-	-
Non-current:				
	-	-	-	-
 Total expenditures	 -	 -	 -	 -
 Excess (deficiency) of revenues over expenditures	 373,363	 358,054	 373,229	 15,175
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers out	(612,563)	(777,563)	(397,901)	379,662
Total other financing sources (uses)	(612,563)	(777,563)	(397,901)	379,662
 Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	 (239,200)	 (419,509)	 (24,672)	 394,837
 Budgeted cash carryover	 845,007	 845,007		
	 \$ 605,807	 425,498		

**RECONCILIATION FROM BUDGET/ACTUAL To GAAP**

Change in net assets (Budget Basis)	\$ (24,672)
To adjust applicable revenue accruals and deferrals	4,327
To adjust applicable expenditures and accruals and payments	-
Change in net assets (GAAP basis)	\$ (20,345)

The accompanying notes are integral to these 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, 2010**

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable/ (Unfavorable)
<b>Revenues</b>				
Taxes and fees	\$ 732,342	701,666	722,761	21,095
Grants	400,000	400,000	400,000	-
Interest income	23,621	21,835	26,958	5,123
 Total revenues	 1,155,963	 1,123,501	 1,149,719	 26,218
<b>Expenditures</b>				
Current:				
Other services	926,094	976,094	450,000	526,094
Non-current:				
Capital outlay	-	-	-	-
 Total expenditures	 926,094	 976,094	 450,000	 526,094
 Excess (deficiency) of revenues over expenditures	 229,869	 147,407	 699,719	 552,312
<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	 229,869	 147,407	 699,719	 552,312
 Budgeted cash carryover	 1,632,875	 1,632,875		
	 \$ 1,862,744	 1,780,282		

RECONCILIATION FROM BUDGET/ACTUAL To GAAP

Change in net assets (Budget Basis)	\$ 699,719
To adjust applicable revenue accruals and deferrals	8,654
To adjust applicable expenditures and accruals and payments	(108,972)
Change in net assets (GAAP basis)	\$ 599,401

The accompanying notes are integral to these 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, 2010**

	Budgeted Amounts		Actual	Variance Favorable/ (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Interest income	\$ 8,795	4,750	5,304	554
Total revenues	8,795	4,750	5,304	554
<b>Expenditures</b>				
Current:	-	-	-	-
Non-current:	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	8,795	4,750	5,304	554
<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	8,795	4,750	5,304	554
Budgeted cash carryover	373,192	373,192		
	\$ 381,987	377,942		

RECONCILIATION FROM BUDGET/ACTUAL To GAAP

Change in net assets (Budget Basis)	\$	5,304
To adjust applicable revenue accruals and deferrals		-
To adjust applicable expenditures and accruals and payments		-
Change in net assets (GAAP basis)	\$	5,304

The accompanying notes are integral to these 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, 2010**

	Budgeted Amounts		Actual	Variance Favorable/ (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Interest income	\$ -	2,624	2,681	57
Total revenues	-	2,624	2,681	57
<b>Expenditures</b>				
Current:				
Other services	5,520	5,520	7,723	(2,203)
Non-current:				
Capital outlay	182,727	182,727	143,467	39,260
Total expenditures	188,247	188,247	151,191	37,056
Excess (deficiency) of revenues over expenditures	(188,247)	(185,623)	(148,509)	37,114
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers out	-	(26,735)	(24,735)	2,000
Total other financing sources (uses)	-	(26,735)	(24,735)	2,000
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(188,247)	(212,358)	(173,244)	39,114
Budgeted cash carryover	212,358	212,358		
	\$ 24,111	-		

RECONCILIATION FROM BUDGET/ACTUAL To GAAP

Change in net assets (Budget Basis)	\$ (173,244)
To adjust applicable revenue accruals and deferrals	(0)
To adjust applicable expenditures and accruals and payments	(270)
Change in net assets (GAAP basis)	\$ (173,515)

The accompanying notes are integral to these financial statements

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO**

**Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis)  
2004 GRT Capital Outlay - 109  
For The Year Ended June 30, 2010**

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable/ (Unfavorable)
<b>Revenues</b>				
Taxes and fees	\$ 1,464,685	1,403,328	1,445,523	42,195
Loan and bond proceeds	-	-	-	-
Interest income	33,121	75,726	90,152	14,426
 Total revenues	 1,497,806	 1,479,054	 1,535,675	 56,621
<b>Expenditures</b>				
Current:	18,850	18,850	-	18,850
Non-current:				
Capital outlay	2,677,729	7,269,074	2,427,170	4,841,904
 Total expenditures	 2,696,579	 7,287,924	 2,427,170	 4,860,754
 Excess (deficiency) of revenues over expenditures	 (1,198,773)	 (5,808,870)	 (891,495)	 4,917,375
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers out	(1,663,283)	(1,663,283)	(1,660,783)	2,501
Total other financing sources (uses)	(1,663,283)	(1,663,283)	(1,660,783)	2,501
 Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	 (2,862,056)	 (7,472,153)	 (2,552,278)	 4,919,875
 Budgeted cash carryover	 8,896,685	 8,896,685		
	 \$ 6,034,629	 1,424,532		

**RECONCILIATION FROM BUDGET/ACTUAL To GAAP**

Change in net assets (Budget Basis)	\$ (2,552,278)
To adjust applicable revenue accruals and deferrals	17,307
To adjust applicable expenditures and accruals and payments	(74,526)
Change in net assets (GAAP basis)	\$ (2,609,497)

The accompanying notes are integral to these 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, 2010**

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable/ (Unfavorable)
<b>Revenues</b>				
Miscellaneous	\$ -	-	-	-
Interest income	1,930	707	926	219
 Total revenues	 1,930	 707	 926	 219
<b>Expenditures</b>				
Current:				
General government	1,724	1,724	56	1,668
Non-current:				
Capital outlay	101,126	48,573	47,229	1,344
 Total expenditures	 102,850	 50,297	 47,286	 3,011
 Excess (deficiency) of revenues over expenditures	 (100,920)	 (49,590)	 (46,360)	 3,230
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers out	-	(51,330)	-	51,330
Total other financing sources (uses)	-	(51,330)	-	51,330
 Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	 (100,920)	 (100,920)	 (46,360)	 54,560
 Budgeted cash carryover	 100,920	 100,920		
	\$ -	-		

RECONCILIATION FROM BUDGET/ACTUAL To GAAP

Change in net assets (Budget Basis)	\$	(46,360)
To adjust applicable revenue accruals and deferrals		0
To adjust applicable expenditures and accruals and payments		(0)
Change in net assets (GAAP basis)	\$	(46,360)

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO**

**Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis)  
Sidewalk Revolving Loans - 114  
For The Year Ended June 30, 2010**

	Budgeted Amounts		Actual	Variance Favorable/ (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Miscellaneous	\$ -	-	-	-
Interest income	-	-	-	-
Total revenues	-	-	-	-
<b>Expenditures</b>				
Current:				
General government	-	2,000	-	2,000
Non-current:				
Capital outlay	-	50,800	99	50,701
Total expenditures	-	52,800	99	52,701
Excess (deficiency) of revenues over expenditures	-	(52,800)	(99)	52,701
<b>Other financing sources (uses)</b>				
Transfers in	-	52,800	52,800	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	52,800	52,800	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	-	-	52,701	52,701
Budgeted cash carryover	-	-		
	\$ -	-		

RECONCILIATION FROM BUDGET/ACTUAL To GAAP

Change in net assets (Budget Basis)	\$	52,701
To adjust applicable revenue accruals and deferrals		332
To adjust applicable expenditures and accruals and payments		-
Change in net assets (GAAP basis)	\$	53,033

The accompanying notes are integral to these financial statements



**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO**

**Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis)  
Reg Water Supply Trans Ln - 116  
For The Year Ended June 30, 2010**

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable/ (Unfavorable)
<b>Revenues</b>				
Grants and gifts	\$ -	4,508,000	-	(4,508,000)
Loans and bond proceeds	-	1,127,000	-	(1,127,000)
Total revenues	-	5,635,000	-	(5,635,000)
<b>Expenditures</b>				
Current:				
General government	-	7,350	7,349	1
Non-current:				
Capital outlay	-	5,877,650	-	5,877,650
Total expenditures	-	5,885,000	7,349	5,877,651
Excess (deficiency) of revenues over expenditures	-	(250,000)	(7,349)	242,651
 <b>Other financing sources (uses)</b>				
Transfers in	-	250,000	-	(250,000)
Transfers out	-	-	-	-
Total other financing sources (uses)	-	250,000	-	(250,000)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	-	-	(7,349)	(7,349)
Budgeted cash carryover	-	-		
	\$ -	-		

RECONCILIATION FROM BUDGET/ACTUAL To GAAP

Change in net assets (Budget Basis)	\$ (7,349)
To adjust applicable revenue accruals and deferrals	-
To adjust applicable expenditures and accruals and payments	(40,500)
Change in net assets (GAAP basis)	\$ (47,849)

The accompanying notes are integral to these 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, 2010**

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable/ (Unfavorable)
<b>Revenues</b>				
Taxes and fees	\$ -	-	-	-
Charges for services	8,531,539	8,934,086	8,453,828	(480,258)
Interest income	72,709	75,750	103,063	27,313
Loan and bond proceeds	-	-	-	-
Grants and gifts	200,000	150,000	97,243	(52,757)
Miscellaneous	105,709	106,709	83,054	(23,655)
	<u>8,909,957</u>	<u>9,266,545</u>	<u>8,737,187</u>	<u>(529,358)</u>
<b>Expenditures</b>				
Operating:				
Salaries and benefits	1,345,354	1,318,903	1,273,459	45,444
Supplies	143,841	150,651	144,135	6,516
Insurance Premiums	79,805	65,282	65,065	217
Maintenance	423,554	421,514	427,190	(5,676)
Utilities	51,874	50,799	49,059	1,740
Infrastructure	5,349,996	5,323,314	2,706,167	2,617,147
Capital Improvements				-
Fees	37,950	37,950	27,028	10,922
Other services	3,861,610	3,746,283	3,378,311	367,972
Non-operating:				
Capital outlay	3,069,243	3,019,148	557,082	2,462,066
	<u>14,363,227</u>	<u>14,133,844</u>	<u>8,627,496</u>	<u>5,506,348</u>
Excess (deficiency) of revenues over expenditures	<u>(5,453,270)</u>	<u>(4,867,299)</u>	<u>109,691</u>	<u>4,976,990</u>
<b>Other financing sources (uses)</b>				
Transfers in	1,225,047	1,242,844	375,981	(866,863)
Transfers out	(2,103,591)	(1,583,160)	(1,578,158)	5,002
Total other financing sources (uses)	<u>(878,544)</u>	<u>(340,316)</u>	<u>(1,202,177)</u>	<u>(861,861)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>(6,331,814)</u>	<u>(5,207,615)</u>	<u>(1,092,486)</u>	<u>4,115,129</u>
Budgeted cash carryover	<u>8,464,734</u>	<u>8,464,734</u>		
	<u>\$ 2,132,920</u>	<u>3,257,119</u>		

**RECONCILIATION FROM BUDGET/ACTUAL To GAAP**

Change in net assets (Budget Basis)	\$ (1,092,486)
To adjust applicable revenue accruals and deferrals	(105,920)
To adjust applicable expenditures and accruals and payments	2,785,064
Change in net assets (GAAP basis)	\$ 1,586,658

The accompanying notes are integral to these 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, 2010**

	Budgeted Amounts		Actual	Variance Favorable/ (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Interest income	\$ 8,721	8,808	11,888	3,080
Total revenues	8,721	8,808	11,888	3,080
 <b>Expenditures</b>				
Current:				
General government	25,567	26,100	17,127	8,973
Non-current:				
Principal payments	1,282,883	1,282,883	737,824	545,059
Interest payments	895,481	895,481	677,177	218,304
Total expenditures	2,203,931	2,204,464	1,432,127	772,337
Excess (deficiency) of revenues over expenditures	(2,195,210)	(2,195,656)	(1,420,240)	775,416
 <b>Other financing sources (uses)</b>				
Transfers in	2,203,930	1,798,986	1,480,151	(318,835)
Transfers out	-	-	-	-
Total other financing sources (uses)	2,203,930	1,798,986	1,480,151	(318,835)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	\$ 8,720	(396,670)	59,911	456,581

**RECONCILIATION FROM BUDGET/ACTUAL To GAAP**

Change in net assets (Budget Basis)	\$ 59,911
To adjust applicable revenue accruals and deferrals	0
To adjust applicable expenditures and accruals and payments	(727,733)
Change in net assets (GAAP basis)	\$ (667,822)

**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, 2010**

	Budgeted Amounts		Actual	Variance Favorable/ (Unfavorable)
	Original	Final		
<b>Revenues</b>				
User Fees	\$ 1,829,595	1,850,981	1,860,267	9,286
Interest income	2,272	382	823	441
Miscellaneous	3,000	4,000	5,592	1,592
 Total revenues	 1,834,867	 1,855,363	 1,866,681	 11,318
<b>Expenditures</b>				
Operating:				
Salaries and benefits	157,480	143,998	143,822	176
Supplies	25,340	16,058	14,949	1,109
Insurance Premiums	5,644	4,446	5,171	(725)
Maintenance	5,834	7,208	6,028	1,180
Utilities	6,986	6,459	6,094	365
Other Services	1,519,994	1,496,774	1,492,019	4,755
Non-operating:				
Capital outlay	74,585	74,585	555	74,030
 Total expenditures	 1,795,863	 1,749,528	 1,668,639	 80,889
 Excess (deficiency) of revenues over expenditures	 39,004	 105,835	 198,042	 (69,571)
<b>Other financing sources (uses)</b>				
Transfers in	-	-	55,212	55,212
Transfers out	(106,453)	(104,471)	(104,471)	-
Total other financing sources (uses)	(106,453)	(104,471)	(49,259)	55,212
 Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	 (67,449)	 1,364	 148,783	 (14,359)
 Budgeted cash carryover	 70,110	 70,110		
	 \$ 2,661	 71,474		

**RECONCILIATION FROM BUDGET/ACTUAL To GAAP**

Change in net assets (Budget Basis)		\$ 148,783
To adjust applicable revenue accruals and deferrals		(187)
To adjust applicable expenditures and accruals and payments		(105,849)
Change in net assets (GAAP basis)		\$ 42,747

The accompanying notes are integral to these 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, 2010**

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable/ (Unfavorable)
<b>Revenues</b>				
Charges for services	\$ 113,500	191,508	169,430	(22,078)
Interest income	8,359	5,463	5,399	(64)
Grants	-	-	-	-
Miscellaneous	44,384	44,384	3,326	(41,058)
	<u>166,243</u>	<u>241,355</u>	<u>178,156</u>	<u>(63,199)</u>
<b>Total revenues</b>				
<b>Expenditures</b>				
Operating:				
Salaries and benefits	157,855	160,531	139,130	21,401
Emergency disaster	-	-	-	-
Supplies	23,508	26,844	22,009	4,835
Utilities	9,039	9,406	7,743	1,663
Insurance Premiums	6,203	5,582	5,645	(63)
Maintenance	19,571	33,248	22,790	10,458
Other services	118,659	95,990	40,236	55,754
Non-operating:				
Capital outlay	74,179	69,179	54,678	14,501
	<u>409,014</u>	<u>400,780</u>	<u>292,231</u>	<u>108,549</u>
<b>Total expenditures</b>				
Excess (deficiency) of revenues over expenditures	<u>(242,771)</u>	<u>(159,425)</u>	<u>(114,076)</u>	<u>45,349</u>
<b>Other financing sources (uses)</b>				
Transfers in	66,135	-	-	-
Transfers out	(40,971)	(40,971)	(40,971)	-
Total other financing sources (uses)	<u>25,164</u>	<u>(40,971)</u>	<u>(40,971)</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>(217,607)</u>	<u>(200,396)</u>	<u>(155,047)</u>	<u>45,349</u>
Budgeted cash carryover	<u>411,670</u>	<u>411,670</u>		
	<u>\$ 194,063</u>	<u>211,274</u>		

**RECONCILIATION FROM BUDGET/ACTUAL To GAAP**

Change in net assets (Budget Basis)	\$ (155,047)
To adjust applicable revenue accruals and deferrals	0
To adjust applicable expenditures and accruals and payments	<u>(6,124)</u>
Change in net assets (GAAP basis)	<u>\$ (161,170)</u>

**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, 2010**

	<u>Budgeted Amounts</u>			Variance
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Favorable/ (Unfavorable)
<b>Revenues</b>				
Charges for services	\$ 1,091,330	1,100,170	1,086,201	(13,969)
Interest income	1,815	1,131	1,965	834
Miscellaneous	<u>1,400</u>	<u>1,400</u>	<u>1,400</u>	<u>-</u>
 Total revenues	 <u>1,094,545</u>	 <u>1,102,701</u>	 <u>1,089,566</u>	 <u>(13,135)</u>
<b>Expenditures</b>				
Operating:				
Salaries and benefits	295,450	271,390	263,083	8,307
Supplies	94,052	92,954	65,399	27,555
Maintenance	48,914	44,914	41,124	3,790
Utilities	47,854	49,733	42,560	7,173
Insurance Premiums	8,807	7,474	7,479	(5)
Other services	709,187	705,118	681,530	23,588
Non-operating:				
Capital outlay	<u>76,275</u>	<u>76,275</u>	<u>-</u>	<u>76,275</u>
 Total expenditures	 <u>1,280,539</u>	 <u>1,247,858</u>	 <u>1,101,175</u>	 <u>146,683</u>
 Excess (deficiency) of revenues over expenditures	 <u>(185,994)</u>	 <u>(145,157)</u>	 <u>(11,609)</u>	 <u>133,548</u>
<b>Other financing sources (uses)</b>				
Transfers in	143,834	143,834	143,834	-
Transfers out	<u>(65,740)</u>	<u>(65,740)</u>	<u>(65,740)</u>	<u>-</u>
Total other financing sources (uses)	<u>78,094</u>	<u>78,094</u>	<u>78,094</u>	<u>-</u>
 Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	 <u>(107,900)</u>	 <u>(67,063)</u>	 <u>66,485</u>	 <u>133,548</u>
 Budgeted cash carryover	 <u>218,134</u>	 <u>218,134</u>		
	<u>\$ 110,234</u>	<u>151,071</u>		

RECONCILIATION FROM BUDGET/ACTUAL To GAAP

Change in net assets (Budget Basis)	\$ 66,485
To adjust applicable revenue accruals and deferrals	12,821
To adjust applicable expenditures and accruals and payments	<u>(147,847)</u>
Change in net assets (GAAP basis)	<u>\$ (68,541)</u>

The accompanying notes are integral to these 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, 2010**

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable/ (Unfavorable)
<b>Revenues</b>				
Charges for services	\$ 208,068	227,854	221,697	(6,157)
Investment Income	5,279	1,869	3,639	1,770
Miscellaneous	4,000	4,000	1,580	(2,420)
Total revenues	217,347	233,723	226,916	(6,807)
<b>Expenditures</b>				
Operating:				
Salaries and benefits	109,477	106,499	104,309	2,190
Supplies	9,214	9,612	7,332	2,280
Utilities	35,728	30,502	29,896	606
Maintenance	26,218	19,570	10,768	8,803
Insurance Premiums	4,521	4,484	4,204	280
Other Services	8,408	6,838	5,640	1,198
Non-operating:				
Capital outlay	7,845	7,845	-	7,845
Total expenditures	201,411	185,350	162,148	23,202
Excess (deficiency) of revenues over expenditures	15,936	48,373	64,769	16,396
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers out	(45,178)	(45,178)	(45,178)	-
Total other financing sources (uses)	(45,178)	(45,178)	(45,178)	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(29,242)	3,195	19,591	16,396
Budgeted cash carryover	287,487	287,487		
	\$ 258,245	290,682		

RECONCILIATION FROM BUDGET/ACTUAL To GAAP

Change in net assets (Budget Basis)	\$ 19,591
To adjust applicable revenue accruals and deferrals	264,621
To adjust applicable expenditures and accruals and payments	(141,304)
Change in net assets (GAAP basis)	\$ 142,907

The accompanying notes are integral to these 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, 2010**

	Budgeted Amounts		Actual	Variance Favorable/ (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Bond proceeds	\$ -	-	-	-
Interest income	5,000	2,677	4,109	1,432
 Total revenues	 5,000	 2,677	 4,109	 1,432
<b>Expenditures</b>				
Current:				
General government	-	-	-	-
Non-current:				
Capital outlay	-	-	-	-
 Total expenditures	 -	 -	 -	 -
 Excess (deficiency) of revenues over expenditures	 5,000	 2,677	 4,109	 1,432
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers out	(381,363)	(399,160)	(280,647)	118,513
Total other financing sources (uses)	(381,363)	(399,160)	(280,647)	118,513
 Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	 (376,363)	 (396,483)	 (276,538)	 119,945
 Budgeted cash carryover	 396,483	 396,483		
	 \$ 20,120	 -		

**RECONCILIATION FROM BUDGET/ACTUAL To GAAP**

Change in net assets (Budget Basis)	\$	(276,538)
To adjust applicable revenue accruals and deferrals		0
To adjust applicable expenditures and accruals and payments		-
Change in net assets (GAAP basis)	\$	(276,538)

The accompanying notes are integral to these 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, 2010**

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable/ (Unfavorable)
<b>Operating revenues</b>				
Charges for services	\$ -	-	-	-
<b>Grants</b>				
Miscellaneous	684,917	733,527	445,628	(287,899)
Total operating revenues	684,917	733,527	445,628	(287,899)
Tenant services	-	-	-	-
Other operating	696,691	719,737	450,230	269,507
Total operating expenses	696,691	719,737	450,230	269,507
<b>Non-operating revenues</b>				
Interest Income	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total non-operating revenues (expenses)	-	-	-	-
Excess (deficiency) of revenues over expenditures	\$ (11,774)	13,790	(4,602)	(18,392)

RECONCILIATION FROM BUDGET/ACTUAL To GAAP

Change in net assets (Budget Basis)	\$	(4,602)
To adjust applicable revenue accruals and deferrals		-
To adjust applicable expenditures and accruals and payments		4,602
Change in net assets (GAAP basis)	\$	(0)

**STATE OF NEW MEXICO**  
**CITY OF ALAMOGORDO**  
**Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis)**  
**Landfill - Operating - 094**  
**For The Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Favorable/ (Unfavorable)
<b>Operating revenues</b>				
Charges for services	\$ 1,326,732	1,011,455	991,520	(19,935)
Investment Income	71,194	44,260	48,118	3,858
Miscellaneous	8,000	8,502	13,118	4,616
Total operating revenues	<u>1,405,926</u>	<u>1,064,217</u>	<u>1,052,756</u>	<u>(11,461)</u>
<b>Operating expense</b>				
Operating:				
Salaries and benefits	306,623	321,243	317,704	3,539
Supplies	159,905	118,649	115,850	2,799
Maintenance	155,252	172,930	168,225	4,705
Utilities	10,953	13,520	10,607	2,913
Insurance Premiums	10,607	9,762	10,539	(777)
Other Services	152,920	150,652	145,099	5,553
Capital Outlay	<u>543,595</u>	<u>456,095</u>	<u>410,590</u>	<u>45,505</u>
Total expenditures	1,339,855	1,242,851	1,178,615	64,236
Excess (deficiency) of revenues over expenditures	<u>66,071</u>	<u>(178,634)</u>	<u>(125,859)</u>	<u>52,775</u>
<b>Non-operating revenues (expenses)</b>				
Transfers in	-	-	-	-
Transfers out	<u>(4,482)</u>	<u>(2,830)</u>	<u>(2,830)</u>	<u>-</u>
Total non-operating revenues (expenses)	<u>(4,482)</u>	<u>(2,830)</u>	<u>(2,830)</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>61,589</u>	<u>(181,464)</u>	<u>(128,689)</u>	<u>52,775</u>
Budgeted cash carryover	<u>3,428,692</u>	<u>3,428,692</u>		
	<u>\$ 3,490,281</u>	<u>3,247,228</u>		

RECONCILIATION FROM BUDGET/ACTUAL To GAAP

Change in net assets (Budget Basis)	\$ (128,689)
To adjust applicable revenue accruals and deferrals	0
To adjust applicable expenditures and accruals and payments	<u>164,353</u>
Change in net assets (GAAP basis)	<u>\$ 35,664</u>

The accompanying notes are integral to these financial statements

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For The Year Ended June 30, 2010**

<b>Federal Grantor/Pass-Through Program Title</b>	<b>Federal CFDA Number</b>	<b>Pass-Through / Grantor No.</b>	<b>Grant Award Expended</b>
<b>U.S. Department of Housing and Urban Development</b>			
Low Income Housing Rent Subsidy	14.850 *	NM004-000000109D	\$ 192,917
Low Income Housing Rent Subsidy	14.850 *	NM004-000000110D	204,961
CDBG Funds - Plaza Hacienda Sidewalks	14.228	07-C-NR-I-01-G-01	243,504
<b>ARRA - Public Housing Capital Fund</b>	14.872 *	NM02S004501009	433,303
Public Housing Capital Fund	14.872 *	NM02P004501-06	35,142
Public Housing Capital Fund	14.872 *	NM02P004501-07	196,620
Public Housing Capital Fund	14.872 *	NM02P004501-08	12,835
Public Housing Capital Fund	14.872 *	NM02P004501-09	125,800
			<b>1,445,082</b>
<b>U.S. Environmental Protection Agency</b>			
Surveys & Studies	66.610	EPA XP-976485010-6 STAG	<b>21,958</b>
<b>U.S. Department of Energy</b>			
<b>ARRA - Energy Efficiency Block Grant</b>	81.128	DE-RW0000081	<b>30,848</b>
<b>U.S. Department of Transportation</b>			
<b>ARRA - Ninth Street Bridge Replacement</b>	20.205 *	EC0-4616(2) #ES21190	87,968
<b>ARRA - ADA Compliant Pedestrian Pathways</b>	20.205 *	TPE-054-4(1)66	151,886
LaVelle Road Recreation Trail	20.205 *	TPE-5910(2)	15,428
LaVelle Road Reconstruction	20.205 *	STP-5910(1)	834,234
Airport Improvement Program	20.106	3-35-0001-014-2007	250,863
			<b>1,340,379</b>
<b>U.S. Department of Health and Human Services</b>			
Passed through - NCNMEDD			
Non-Metro Area Agency on Aging			
<b>Aging Cluster</b>			
Title III, Part B - Supportive Services and Senior Centers	93.044	2009-10-64012	29,008
Title III, Part C-I - Nutrition Services, Congregate	93.045	2009-10-64012	49,434
Title III, Part C-II - Nutrition Services, Home Delivered	93.045	2009-10-64012	21,487
Nutrition Services Incentive Program (NSIP)	93.053	2009-10-64012	49,096
<b>ARRA - NSIP, Home Delivered</b>	93.705	2009-10-64012	3,584
<b>ARRA - NSIP, Congregate</b>	93.707	2009-10-64012	6,365
			<b>158,974</b>
<b>Corporation For National and Community Service</b>			
Retired and Senior Volunteer Program	94.002	05SRWNM012	<b>52,081</b>
Total federal awards expended			<b>\$ 3,049,322</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

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
SCHEDULE OF REVENUE & EXPENSES- AGING PROGRAMS (Unaudited)  
Fund 71 - Senior Center III  
For the Year Ended June 30, 2010**

<b>NCNMEDD Non-Metro AAA Programs</b>							
	<b>Congregate Meals (8023)</b>	<b>Home Delivered Meals (8024)</b>	<b>Assisted Transportation (8025)</b>	<b>Homemaker (8026)</b>	<b>Total</b>	<b>Other</b>	<b>Total</b>
<b>Revenue and other support</b>							
Contributions	\$ -	-	-	-	-	-	-
Governmental grants & contracts							
NCNMEDD - Non-Metro AAA							
Title IIIB	-	-	29,008	-	29,008	-	29,008
Title IIIC-1	49,434	-	-	-	49,434	-	49,434
Title IIIC-2	-	21,487	-	-	21,487	-	21,487
ARRA - Title IIIC-1	6,365	-	-	-	6,365	-	6,365
ARRA - Title IIIC-2	-	3,584	-	-	3,584	-	3,584
NSIP	25,530	23,566	-	-	49,096	-	49,096
State funds	87,784	62,612	60,911	16,861	228,168	-	228,168
Other grants & contracts							
Otero County	-	27,685	20,874	-	48,559	-	48,559
United Way	-	9,392	5,857	-	15,249	-	15,249
Local match (transfer from City)	99,796	108,333	74,273	17,578	299,980	126,270	426,250
Program service revenue	63,111	27,899	36,574	4,306	131,890	-	131,890
Miscellaneous	-	-	-	-	-	7,713	7,713
Interest	-	-	-	-	-	-	-
Total revenue and other support	<u>332,020</u>	<u>284,558</u>	<u>227,497</u>	<u>38,745</u>	<u>882,820</u>	<u>133,983</u>	<u>1,016,803</u>
<b>Expenses</b>							
Program services	213,493	190,047	85,105	25,146	513,791	48,426	562,217
Supporting services	165,147	156,648	101,001	28,595	451,391	61,632	513,023
Total expenses	<u>378,640</u>	<u>346,695</u>	<u>186,106</u>	<u>53,741</u>	<u>965,182</u>	<u>110,058</u>	<u>1,075,240</u>
Excess (deficiency) of revenue over expenses	<u>\$ (46,620)</u>	<u>(62,137)</u>	<u>41,391</u>	<u>(14,996)</u>	<u>(82,362)</u>	<u>23,925</u>	<u>(58,436)</u>
Units provided	<u>44,925</u>	<u>34,989</u>	<u>24,077</u>	<u>1,334</u>			

The accompanying notes are integral to these financial statements

**City of Alamogordo**  
**Schedule of Joint Powers Agreements and Memorandums of Understanding**  
**For The Year Ended June 30, 2010**

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 (C-1)	City of Alamogordo Otero County Village of Tularosa	Otero County City of Alamogordo	Utilization of ambulance services as required with dispatch services.	7/1/2004 thru 6/30/2010 Indefinite	\$ 169,030.75	\$ 108,264.20 or 64.05%	Otero County	Otero County
2 Regarding Retired senior volunteer services (C-1)	City of Alamogordo Otero County	City of Alamogordo	Transportation services case management & nutrition for retired senior residents.	7/1/2006 thru 6/30/2010 Indefinite	\$ 603,198.00	\$ 181,252.00	City of Alamogordo	City of Alamogordo
3 Mutual aid contract for fire protection and rescue services. (E-4)	Otero County Volunteer Fire Dept. 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 6/30/2010 Indefinite	As Budgeted per each Department	As Budgeted per each Department	City of Alamogordo Otero County	City of Alamogordo Otero County
4 Voting Machines (C-1)	Otero County 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 6/30/2010 Indefinite	\$ 25.00 plus hourly rate as deemed necessary for tech.	N/A	Otero County City of Alamogordo	Otero County City of Alamogordo
5 Wildfire suppression (C-1)	State of NM Forestry Divison City of Alamogordo	State of NM Forestry Divison City of Alamogordo	Support wildland fire suppression and services outside the city boudaries, as needed.	7/1/2004 thru 6/30/2010 Indefinite	As Budgeted per each Department	As Budgeted per each Department	City of Alamogordo State of NM Forestry Divison	City of Alamogordo State of NM Forestry Divison
6 Development of Scenic Drive for use by New Mexico State University (D-1 Projects)	City of Alamogordo Otero County NM State University	City of Alamogordo	Agreement for the use of approx. 23 acres for development equipment, maintenance & facilities.	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 (C-1)	City of Alamogordo 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 6/30/2010 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, 2010**

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-1)	City of Alamogordo Otero County Village of Tularosa Village of Cloudcroft	City of Alamogordo Otero County Village of Tularosa 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 Otero County Village of Tularosa Village of Cloudcroft	City of Alamogordo Otero County Village of Tularosa Village of Cloudcroft
9 40 Year water study (A-4)	City of Alamogordo Village of Tularosa Otero County Lincoln County	City of Alamogordo Village of Tularosa Otero County Lincoln County	This 40 year water plan is done in consideration for the population/water demand and supply available for the future with the recommendations	6/19/1987 thru 6/19/2027	As Budgeted per each Department	As Budgeted per each Department	City of Alamogordo Village of Tularosa Otero County Lincoln County	City of Alamogordo Village of Tularosa Otero County Lincoln County
10 Affordable housing for low to moderate income (A-3)	NM State Housing City of Alamogordo	City of Alamogordo	Disbursement of State affordable housing program funds and/or home investment partnerships program funds	5/8/1995 thru 6/30/2010 Indefinite	As Budgeted per each Department	As Budgeted per each Department	City of Alamogordo	City of Alamogordo
11 Solid Waste (C-1)	City of Alamogordo Otero County Village of Cloudcroft Village of Tularosa	City of Alamogordo Otero County Village of Cloudcroft Village of Tularosa	Disposal and maintenance of Solid waste as required.	6/2/1995 thru 6/30/2010 Indefinite	As Budgeted per each Department	As Budgeted per each Department	City of Alamogordo Otero County Village of Cloudcroft Village of Tularosa	City of Alamogordo Otero County Village of Cloudcroft Village of Tularosa
12 Regional Landfill "Otero County Solid Waste Authority" & "Lincoln County Solid Waste Authority" (C-1)	City of Alamogordo Otero County Village of Cloudcroft Village of Tularosa Lincoln County Village of Ruidoso VillageofRuidosoDwn Town of Carrizozo Village of Capitan Village of Corona	City of Alamogordo Otero County Village of Cloudcroft Village of Tularosa Lincoln County Village of Ruidoso VillageofRuidosoDwn Town of Carrizozo Village of Capitan Village of Corona	Operation of the landfill as is required for the purpose of the environmental services and solid waste disposal.	9/30/1993 thru 6/30/2010 Indefinite	As Budgeted per each Department	As Budgeted per each Department	City of Alamogordo Otero County Village of Cloudcroft Village of Tularosa Lincoln County Village of Ruidoso VillageofRuidosoDwn Town of Carrizozo Village of Capitan Village of Corona	City of Alamogordo Otero County Village of Cloudcroft Village of Tularosa Lincoln County Village of Ruidoso VillageofRuidosoDwn Town of Carrizozo Village of Capitan Village of Corona
13 Provide meals for home bound citizens (C-1)	City of Alamogordo Otero County (La Luz Area)	City of Alamogordo	Provide meal services for the home bound citizens in the La Luz area	7/1/2006 thru 6/30/2010	\$ 13,484.00	\$ -	City of Alamogordo	City of Alamogordo

**City of Alamogordo**  
**Schedule of Joint Powers Agreements and Memorandums of Understanding**  
**For The Year Ended June 30, 2010**

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
14 Provide meals for home bound citizens (C-1)	City of Alamogordo Otero County	City of Alamogordo	Provide meal at the Alamogordo Senior Center for the citizens of Otero County	7/1/2006 thru 6/30/2010	\$ 81,917.18	\$ 44,358.00	City of Alamogordo	City of Alamogordo
15 Library services (C-1)	City of Alamogordo Otero County	City of Alamogordo	Library services for the residents of Otero County	7/1/2006 thru 6/30/2010	\$ 779,253.00	\$ 535,659.00	City of Alamogordo	City of Alamogordo
16 Reciprocal use of land facilities, & equipment (A-1)	City of Alamogordo Alamogordo Municipal School District #1	City of Alamogordo Alamogordo Municipal School District #1	Cooperative agreements for both parties for the use of lands,	7/1/2004 thru 6/30/2010	\$38.01/hr for service \$10.33/hr for lifeguard	\$38.01/hr for service \$10.33/hr for lifeguard	City of Alamogordo	City of Alamogordo
17 06-521-04GG-0103 Bonito Lake Hazardous Fuels Reduction (B-3)	NM Energy Minerals & Natural Resources Dept. & 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 thru 12/31/2010	\$475,000	\$39,900.00	City of Alamogordo	
18 Use of Facilities, Equipment, and Land (A-1)	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 thru 6/30/2010				

STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
SCHEDULE OF PLEDGED COLLATERAL  
BY BANK AND ACCOUNT  
As of June 30, 2010

<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 New York Mellon Trust Company NA</u>	<u>Pioneer Savings Bank</u>	<u>Bank'34</u>	<u>RBC</u>	<u>Book Balance</u>
<b>Non-interest bearing accounts</b>										
General Operating	Checking	\$ -	883,726	-	-	-	-	-	-	883,942
		-	883,726	-	-	-	-	-	-	883,942
<b>Interest bearing accounts</b>										
General Operating	Checking	3,810,306	-	39,798	-	-	-	-	-	3,468,131
PHA-Home Ownership	Checking	460,895	-	-	-	-	-	-	-	460,722
PHA-Operations	Checking	232,155	-	-	-	-	-	-	-	225,161
PHA-Low Rent	Checking	30,387	-	-	-	-	-	-	-	30,141
PHA-Home Ownership Reserve	Checking	75,778	-	-	-	-	-	-	-	75,778
ACE-Flood Control	Fiduciary	-	1,050,159	-	-	-	-	-	-	1,050,159
Money Market	Savings	-	2,440,664	-	-	-	-	-	-	2,440,664
New Mexico Finance Authority	Debt Service	-	-	-	151	-	-	-	-	151
Bank of New York Mellon	Fire Program	-	-	-	-	534,214	-	-	-	534,214
Certificate of deposit	CD	-	101,447	-	-	-	-	-	-	100,000
Certificate of deposit	CD	-	103,146	-	-	-	-	-	-	100,000
Certificate of deposit	CD	-	103,048	-	-	-	-	-	-	100,000
Certificate of deposit	CD	-	100,072	-	-	-	-	-	-	100,000
Certificate of deposit	CD	-	100,101	-	-	-	-	-	-	100,000
Certificate of deposit	CD	-	101,079	-	-	-	-	-	-	100,000
Certificate of deposit	CD	-	103,700	-	-	-	-	-	-	100,000
Certificate of deposit	CD	-	96,241	-	-	-	-	-	-	95,000
Certificate of deposit	CD	-	98,232	-	-	-	-	-	-	95,000
Certificate of deposit	CD	-	98,232	-	-	-	-	-	-	95,000
Certificate of deposit	CD	-	98,300	-	-	-	-	-	-	95,000
Certificate of deposit	CD	-	96,260	-	-	-	-	-	-	95,000
Certificate of deposit	CD	-	96,174	-	-	-	-	-	-	95,000
Certificate of deposit	CD	-	97,891	-	-	-	-	-	-	95,000
Certificate of deposit	CD	-	249,913	-	-	-	-	-	-	250,000
Certificate of deposit	CD	-	249,840	-	-	-	-	-	-	250,000
Certificate of deposit	CD	-	249,990	-	-	-	-	-	-	250,000
Certificate of deposit	CD	-	249,980	-	-	-	-	-	-	250,000
Certificate of deposit	CD	250,000	-	-	-	-	-	-	-	250,000
Certificate of deposit	CD	500,000	-	-	-	-	-	-	-	500,000
Certificate of deposit	CD	500,000	-	-	-	-	-	-	-	500,000
Certificate of deposit	CD	-	-	-	-	-	500,000	-	-	500,000
Certificate of deposit	CD	-	-	-	-	-	-	517,682	-	517,682
Total amount of deposit in bank		5,859,521	6,768,195	39,798	151	534,214	500,000	517,682	-	13,801,745
FDIC coverage		(250,000)	(1,133,726)	(39,798)	N/A	(250,000)	(250,000)	(250,000)	-	
Total uninsured public funds		5,609,521	5,634,469	-	-	284,214	250,000	267,682	-	
50% Collateral Requirement (Section 6-10-17 NMSA 1978)		\$ 2,804,761	2,817,235	-	-	142,107	125,000	133,841	-	



STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
SCHEDULE OF PLEDGED COLLATERAL  
BY BANK AND ACCOUNT  
As of June 30, 2010

	First National	Wells Fargo	First National Bank of Ruidoso	New Mexico Finance Authority	Bank of New York Mellon Trust Company NA	Pioneer Savings Bank	Bank 34	RBC	Book Balance
Pledged security at:									
Federal Home Loan Bank-Dallas									
FHLB 31384YAH9 Due 09/01/27	\$ 71,813	-	-	-	-	-	-	-	-
FHLB 31371ND51 Due 05/01/37	1,371,279	-	-	-	-	-	-	-	-
FHLB 31415BEU9 Due 08/01/38	1,767,225	-	-	-	-	-	-	-	-
FNMA 845529 Due 12/01/35	-	-	-	-	-	394,261	-	-	-
FHLMC 847032 Due 01/01/32	-	-	-	-	-	101,853	-	-	-
FNMA 31416BL63 Due 02/01/38	-	4,602,859	-	-	-	-	-	-	-
Irrevocable Standby Letter of Credit	-	-	-	-	-	-	134,437	-	-
US Treasury INFL Index 912876R8	-	-	-	-	48,938	-	-	-	-
US Treasury Fund 14956P703	-	-	-	-	24,845	-	-	-	-
Invesco Government Fund 00142W843	-	-	-	-	459,139	-	-	-	-
	<u>3,210,317</u>	<u>4,602,859</u>	<u>-</u>	<u>-</u>	<u>532,922</u>	<u>496,114</u>	<u>134,437</u>	<u>-</u>	<u>-</u>
Freddie Mac Discount Note	-	2,002,480	-	-	-	-	-	-	2,000,000
Freddie Mac Discount Note	-	502,510	-	-	-	-	-	-	500,000
Freddie Mac Discount Note	-	501,040	-	-	-	-	-	-	500,000
Freddie Mac Discount Note	-	1,086,040	-	-	-	-	-	-	1,075,000
Freddie Mac Discount Note	-	1,000,630	-	-	-	-	-	-	1,004,117
Federal Home Loan Note	-	1,003,440	-	-	-	-	-	-	1,002,000
Freddie Mac Discount Note	-	1,015,730	-	-	-	-	-	-	1,000,000
Freddie Mac Discount Note	-	1,010,460	-	-	-	-	-	-	1,000,000
Federal Home Loan Note	-	502,950	-	-	-	-	-	-	500,000
Federal Home Loan Note	-	602,436	-	-	-	-	-	-	600,000
Federal Home Loan Note	-	251,095	-	-	-	-	-	-	250,000
Freddie Mac Discount Note	-	999,263	-	-	-	-	-	-	999,263
Freddie Mac Discount Note	-	851,063	-	-	-	-	-	-	850,000
Federal Home Loan Note	-	1,005,310	-	-	-	-	-	-	1,000,000
Federal Farm Credit Note	-	1,000,630	-	-	-	-	-	-	1,000,500
Federal Home Loan Note	-	-	-	-	-	-	-	277,221	284,981
Fannie Mae Note	-	-	-	-	-	-	-	82,910	85,708
Fannie Mae Note	-	-	-	-	-	-	-	73,390	72,477
Fannie Mae Note	-	-	-	-	-	-	-	65,678	64,358
Federal Home Loan Note	-	-	-	-	-	-	-	20,209	20,959
Fannie Mae Note	-	-	-	-	-	-	-	1,231	4,161
Fannie Mae Note	-	-	-	-	-	-	-	130,064	126,066
Fannie Mae Note	-	-	-	-	-	-	-	72,798	71,885
Federal Home Loan Note	-	-	-	-	-	-	-	65,932	67,796
Fannie Mae Note	-	-	-	-	-	-	-	299,367	311,902
Fannie Mae Note	-	-	-	-	-	-	-	227,025	239,504
Fannie Mae Note	-	-	-	-	-	-	-	762,380	781,362
Fannie Mae Note	-	-	-	-	-	-	-	59,810	59,135
Fannie Mae Note	-	-	-	-	-	-	-	14,940	15,733
Fannie Mae Note	-	-	-	-	-	-	-	625,014	645,033
Fannie Mae Note	-	-	-	-	-	-	-	273,714	280,023
Fannie Mae Note	-	-	-	-	-	-	-	42,646	51,202
Small Business Administration Loan	-	-	-	-	-	-	-	500,332	514,338
Federal Home Loan Note	-	-	-	-	-	-	-	153,491	158,824
Federal Home Loan Note	-	-	-	-	-	-	-	190,354	206,781
Fannie Mae Note	-	-	-	-	-	-	-	1,559,621	1,584,429
Fannie Mae Note	-	-	-	-	-	-	-	163,350	172,213
Fannie Mae Note	-	-	-	-	-	-	-	212,694	217,850

STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
SCHEDULE OF PLEDGED COLLATERAL  
BY BANK AND ACCOUNT  
As of June 30, 2010

	First National	Wells Fargo	First National Bank of Ruidoso	New Mexico Finance Authority	Bank of New York Mellon Trust Company NA	Pioneer Savings Bank	Bank 34	RBC	Book Balance
Pledged security at:									
Fannie Mae Note	-	-	-	-	-	-	-	114,443	114,440
Fannie Mae Note	-	-	-	-	-	-	-	42,097	41,336
Federal Home Loan Note	-	-	-	-	-	-	-	17,084	17,757
Federal Home Loan Note	-	-	-	-	-	-	-	119,845	121,558
Federal Home Loan Note	-	-	-	-	-	-	-	82,571	84,565
Fannie Mae Note	-	-	-	-	-	-	-	218,803	219,514
Federal Home Loan Note	-	-	-	-	-	-	-	578,864	585,230
Fannie Mae Note	-	-	-	-	-	-	-	103,253	102,215
Fannie Mae Note	-	-	-	-	-	-	-	52,306	51,990
Fannie Mae Note	-	-	-	-	-	-	-	86,269	87,361
Fannie Mae Note	-	-	-	-	-	-	-	28,629	29,226
Federal Home Loan Note	-	-	-	-	-	-	-	209,499	211,963
Fannie Mae Note	-	-	-	-	-	-	-	22,452	21,091
Fannie Mae Note	-	-	-	-	-	-	-	15,664	15,533
Fannie Mae Note	-	-	-	-	-	-	-	36,000	35,556
Fannie Mae Note	-	-	-	-	-	-	-	52,974	51,921
US Treasury Bill	-	-	-	-	-	-	-	689,814	688,721
Fannie Mae Note	-	-	-	-	-	-	-	18,134	18,281
Fannie Mae Note	-	-	-	-	-	-	-	29,379	29,492
Federal Home Loan Note	-	-	-	-	-	-	-	36,144	36,734
Fannie Mae Note	-	-	-	-	-	-	-	152,527	154,986
Fannie Mae Note	-	-	-	-	-	-	-	99,402	103,277
Federal Home Loan Note	-	-	-	-	-	-	-	416,275	422,030
Fannie Mae Note	-	-	-	-	-	-	-	1,224,510	1,223,061
Fannie Mae Note	-	-	-	-	-	-	-	51,172	50,734
Federal Home Loan Note	-	-	-	-	-	-	-	48,913	49,184
Federal Home Loan Note	-	-	-	-	-	-	-	95,744	96,540
Fannie Mae Note	-	-	-	-	-	-	-	5,113	10,582
Fannie Mae Note	-	-	-	-	-	-	-	524,544	529,841
Federal Home Loan Note	-	-	-	-	-	-	-	1,124,100	1,122,382
Federal Home Loan Note	-	-	-	-	-	-	-	1,099,120	1,097,471
Fannie Mae Note	-	-	-	-	-	-	-	109,086	110,511
Federal Home Loan Note	-	-	-	-	-	-	-	459,954	459,525
Fannie Mae Note	-	-	-	-	-	-	-	50,907	49,839
Fannie Mae Note	-	-	-	-	-	-	-	136,517	138,646
Federal Home Loan Note	-	-	-	-	-	-	-	501,095	500,981
Fannie Mae Note	-	-	-	-	-	-	-	1,009,690	1,013,531
Federal Home Loan Note	-	-	-	-	-	-	-	1,001,180	1,001,615
Federal Home Loan Note	-	-	-	-	-	-	-	623,813	623,131
Federal Home Loan Note	-	-	-	-	-	-	-	193,590	185,729
Fannie Mae Note	-	-	-	-	-	-	-	827,063	826,907
Money Market	-	-	-	-	-	-	-	13,228	13,228

STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
SCHEDULE OF PLEDGED COLLATERAL  
BY BANK AND ACCOUNT  
As of June 30, 2010

	First National Bank	Wells Fargo Bank	First National Bank of Ruidoso	New Mexico Finance Authority	Bank of New York Mellon Trust Company NA	Pioneer Savings Bank	Bank 34	RBC	Book Balance
Pledged security at:									
State of New Mexicc LGIP Fund	-	-	-	-	-	-	-	-	8,410,344
State of New Mexicc LGIP Fund PHA	-	-	-	-	-	-	-	-	709,140
Petty cash	-	-	-	-	-	-	-	-	2,625
Start-up cash	-	-	-	-	-	-	-	-	4,055
									<u>40,791,979</u>
Amount (over) collateralized	\$ <u>(405,557)</u>	<u>(188,367)</u>	<u>-</u>	<u>-</u>	<u>(532,922)</u>	<u>(371,114)</u>	<u>(596)</u>	<u>-</u>	
Total book balance	\$ 5,859,521	6,768,195	39,798	151	534,214	500,000	517,682		<u>54,593,724</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  
Ron Griggs  
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 supplementary information of the City of Alamogordo, New Mexico, as of and for the year ended June 30, 2010, and have issued our report thereon dated November 30, 2010. 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 and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

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

in the accompanying *schedule of findings and questioned costs* to be material weaknesses: 07-06, 08-01, 09-09, 09-10, 10-01 and 10-02.

A *significant deficiency* is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying *schedule of findings and questioned costs* to be significant deficiencies: 10-03 and 10-04.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying *schedule of findings and questioned costs* as items 09-03 and 09-06.

The 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.

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

Hinkle & Landers, P.C.  
November 30, 2010

**REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT  
AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Mr. Hector Balderas,  
New Mexico State Auditor  
and  
The Honorable Mayor  
Ron Griggs  
and  
City Commission of the City of Alamogordo  
Alamogordo, New Mexico

Compliance

We have audited the City of Alamogordo, State of New Mexico's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City of Alamogordo, State of New Mexico's major federal programs for the year ended June 30, 2010. 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 of the City of Alamogordo, State of New Mexico's compliance with those requirements.

In our opinion, the City of Alamogordo, State of New Mexico, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 09-03 and 09-06.

## Internal Control Over Compliance

Management of the City of Alamogordo, State of New Mexico, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City of Alamogordo, State of New Mexico's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of City of Alamogordo, State of New Mexico's internal control over compliance.

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

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned cost to be material weaknesses: 09-09, 09-10, 10-01 and 10-02.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying schedule of findings and questioned costs as items: 10-03 and 10-04.

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 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.



Hinkle & Landers, P.C.  
November 30, 2010

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

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

**Financial Statements**

Type of report issued	Unqualified
Internal control over financial reporting: Material weakness identified?	Yes
Significant deficiencies identified that are not considered to be material weaknesses?	Yes
Non-compliance material to financial statements noted?	Yes

**Federal Awards**

Internal Control Material weaknesses identified?	Yes
Significant deficiencies identified that are not considered to be material weaknesses?	Yes
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

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Programs</u>	<u>Funding Source</u>
14.850	Low Income Housing Rent Subsidy	US Department of Housing and Urban Development
14.872	Public Housing Capital Fund	US Department of Housing and Urban Development
14.872	ARRA - Public Housing Capital Fund	US Department of Housing and Urban Development
20.205	ARRA – Ninth Street Bridge Replacement	US Department of Transportation
20.205	ARRA – ADA Compliant Pedestrian Pathways	US Department of Transportation
20.205	LaVelle Road Recreation Trail	US Department of Transportation
20.205	LaVelle Road Reconstruction	US Department of Transportation

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

Auditee qualified as low-risk auditee?	No
--	----



**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

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

	<b>Status of Current and Prior Year Findings</b>	<b>Financial Statement Finding</b>	<b>Federal Awards Finding</b>	<b>State Auditor Finding</b>
<b><u>Prior Year Findings:</u></b>				
07-06 SAS 115 MATERIAL ADJUSTMENTS BY AUDITOR	Revised/ Repeated	yes	no	no
08-01 PROPER MAINTENANCE OF CAPITAL ASSET LISTINGS	Revised/ Repeated	yes	no	no
09-01 WAITING LIST PROPERTIES	Resolved	no	yes	no
09-02 TENANT APPLICATION DOCUMENTATION	Resolved	no	yes	no
09-03 CERTIFICATION AND RECERTIFICATION DOCUMENTATION	Revised/ Repeated	no	yes	no
09-04 VERIFICATION OF ASSETS/INCOME AND EXPENSES	Resolved	no	yes	no
09-05 TENANT FILES ARE NOT ADEQUATELY MAINTAINED	Resolved	no	yes	no
09-06 LEASE DOCUMENTATION	Repeated	no	yes	no
09-07 INADEQUATE DELINQUENCY PROCESS	Resolved	no	yes	no
09-08 TRACKING OF FEDERAL AND STATE AWARDS	Resolved	yes	no	no
09-09 PHA ACCOUNTS RECEIVABLE	Revised/ Repeated	yes	yes	no
09-10 PHA TIMELINESS OF FINANCIAL REPORTING	Revised/ Repeated	yes	yes	no
<b><u>Current Year Findings:</u></b>				
10-01 PHA- IMPROVE SEGREGATION OF DUTIES	Current	yes	yes	no
10-02 PHA - IMPROVE CONTROLS OVER RECEIPTS	Current	yes	yes	no
10-03 PHA - IMPROVE OVERSIGHT OF SERVICE PROVIDER	Current	yes	yes	no
10-04 IMPROVE OVERSIGHT OF PHA	Current	yes	yes	no

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

**PRIOR YEAR FINDINGS**

**07-06 – SAS 115 MATERIAL ADJUSTMENTS BY AUDITOR – REVISED/REPEATED**

**Statement of Condition**

According to Statement on Auditing Standards 115 (SAS 115), which superseded SAS 112, identification by the auditor of a material misstatement of the financial statements under audit, in circumstances that indicate that the misstatement would not have been detected by the entity's internal control, is considered a material weakness. Specifically, the auditor made material adjustments to the following:

- Material additions of capital assets in the water/sewer funds and the government-wide governmental funds
- The Public Housing Authority accounts required numerous adjustments

**Criteria**

Some of the key underlying concepts of SAS 115 include:

- The auditor cannot be part of a client's internal control because becoming part of a client's internal control impairs auditor independence;
- The auditor's work is independent of the client's internal control over financial reporting, and the auditor cannot be a compensating control for the client; and
- A system of internal control over the financial reporting does not stop at the general ledger – it includes controls over the presentation of the financial statements.

Recording adjustments is considered a significant process of internal control and should be performed by City staff.

**Effect**

An internal control weakness in maintaining the general ledger exists because material adjustments were identified by the auditor and not by City staff.

Periodic financial statements reviewed by management and the governing body may be materially inaccurate.

**Cause**

Internal control procedures were not effective in identifying and correcting material errors.

**Recommendation**

We recommend that the City make adjustments to their general ledger in a timely manner.

We recommend that the PHA reconcile the general ledger to the service provider reports every month, and in a timely manner.

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

**Management Response**

[1] The Accounting staff works diligently to prepare and post year end entries to the best of their ability and have unfortunately missed entries which cause this finding. The material adjustments made for the period ending June 30, 2010 are all related to fixed assets and associated with the finding 08-01. Although we made some adjustments in methods used to account for fixed assets and set cut-off dates to allow sufficient time to reconcile and post entries, we, unfortunately did not avoid this finding this year. Due to the Fixed Asset Specialist position being vacant for six months during the year and the Jr. Accountant position becoming vacant at year end, we did not have an adequate staffing level to complete accurate adjustments at year end.

[2] The Finance Department, in coordination with PHA, will work to ensure the PHA reconciliation from the general ledger to the fee accountant's report is completed monthly.

**08-01 – PROPER MAINTENANCE OF CAPITAL ASSET LISTINGS – REVISED/REPEATED**

**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, nor does it accurately reflect the true capital outlay expenditures being offset in the fund. Specifically, Fund 81 contained contra-capital outlay accounts showing balances significantly higher than the associated capital outlay expenditures recorded in the fund. This resulted in the need to record prior period adjustments totaling a net of \$1,171,532 in order to properly record those expenditures from prior years that were capitalized in the current year. In addition, governmental capital assets required an adjustment of \$319,181.

**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.

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

**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**

Management will establish a procedure that sets a reasonable cut-off date for reconciliation of fixed assets at year end, and work with the supporting departments handling fixed asset capital projects to ensure that year-end reporting is completed in a timely manner. Additionally, Management will work toward budgeting and expending capital within the appropriate enterprise fund, and make transfers from the resource funds to avoid future errors in unrecorded transfers of capital outlay costs.

**09-03—RECERTIFICATION DOCUMENTATION-REVISED AND REPEATED**

**Statement of Condition**

We reviewed thirty (30) tenant files for proper certifications and re-certifications and found four (4) annual re-certifications were not updated within the required 12 month deadline.

**Criteria**

CFDA# 14.850—Department of Housing and Urban Development and 24 CFR sections 960.253, 960.257 and 960.259.

As a condition of determining eligibility and rent payments the PHA requires certifications and re-certifications be completed at least every 12 months.

**Effect**

Without the updated recertifications, family income and other information may not be accurate which affects the possibility of the tenant still being eligible for the affordable housing and may affect the amount of rent is that is charged to the tenants. .

**Cause**

Training and monitoring of the compliance requirements needs improvement.

**Recommendation**

The PHA should improve its training and monitoring of the grant compliance requirements.

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

**Management Response**

[1] The PHA Manager will evaluate the training needs of all staff involved in grant compliance requirements within the next 30 days. The PHA Manager will schedule training to correct any deficiencies in staff training throughout the remainder of this fiscal year.

[2] PHA has revised the recertification procedure in the past year; however, PHA staff will review the procedure to correct any deficiencies within the next 60 days. Additionally, PHA staff, going forward, will improve its enforcement of recertification deadlines and increase the penalties for noncompliance, which will be accomplished through a review and reorganization of staff duties and responsibilities.

**09-06—LEASE DOCUMENTATION**

**Statement of Condition**

We reviewed thirty (30) lease agreements and found six (6) lease agreements had expired and new leases had not been put into effect.

**Criteria**

CFDA# 14.850—Department of Housing and Urban Development.

Lease agreement contracts require proper documentation in order to make them accurate and legal.

**Effect**

Tenants and the PHA are operating with expired leases.

**Cause**

Training and monitoring in the completion of lease agreements needs improvement.

**Recommendation**

The PHA should improve the monitoring of the lease agreement documentation, which should be consistent with the recertification documentation.

**Management Response**

[1] The PHA Manager will evaluate the training needs of all staff involved in lease documentation within the next 30 days. The PHA Manager will ensure that staff training, on proper handling of lease documentation, is accomplished within the next 60 days.

[2] Beginning July 1, 2010, the PHA established a new position entitled Housing Office Assistant, which said position should further assist in improving the monitoring of lease agreement documentation.

[3] PHA Manager and staff have revised the lease procedure; however, the PHA staff will make a review of the lease procedure within the next 60 days to see if any additional revisions to said procedure are necessary.

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

**09-09 – PHA ACCOUNTS RECEIVABLE – REVISED/ REPEATED**

**Statement of Condition**

As noted in the prior year audit, the PHA has not had an active process for collections. Similarly, collections were not actively pursued for most of FY10.

**Criteria**

Every effort should be made to collect on amounts owed by tenants to the PHA. Additional action should be taken where permitted on those tenants that are significantly delinquent and are not making attempts to repay the amounts owed.

**Effect**

The PHA is not collecting all amounts owed to it which results in negative cash flow and delinquent tenants are effectively receiving free housing.

**Cause**

Collections procedures have effectively ceased due to ongoing software issues.

**Recommendation**

We recommend that the PHA implement policies and procedures to increase the collectability of its tenant receivables within the bounds of the applicable HUD rules and requirements and also take steps to implement collections procedures for those tenants with delinquent accounts.

**Management Response**

[1] The PHA Manager, in conjunction with the City Attorney's Office, will review the collection procedure within the next 60 days—namely, to see if any changes are necessary. Said review by the PHA Manager and staff of the collection procedure will include a review of tenant delinquent accounts, and an attempt to collect any moneys owed the PHA.

[2] PHA has implemented a new tenant delinquency policy, which PHA has begun enforcement, in conjunction with the City Attorney's Office, on tenant non-compliance lease clauses.

**09-10 – PHA TIMELINESS OF FINANCIAL REPORTING – Modified & Repeated**

**Statement of Condition**

The PHA trial balance was not ready for audit when the auditors arrived on-site during the week of September 27<sup>th</sup>. Specifically, when the trial balance was provided to the auditors (prior to reconciliation), it included the following significant errors:

- An accounts payable account had a debit balance of \$793,811
- Capital outlay expenditures were reported as \$900,000, however, after reconciling entries, the amount was reduced to less than \$200,000
- An accounts receivable account was classified in the City's general ledger as an equity account
- Fund balance did not reconcile by more than \$140,000

The PHA relies on a service provider, who records all PHA transactions into a format compatible with HUD reporting standards. PHA staff consider the service provider's report to be the accurate record of the PHA. However, the PHA general ledger had not been reconciled to the service

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

provider's account balances for all of FY10.

Each of the three PHA funds was subsequently reconciled by PHA staff and provided to the auditors. The trial balance of the first fund was provided on October 13<sup>th</sup>, followed by delivery of the two other funds on October 21<sup>st</sup> and 22<sup>nd</sup>. Numerous adjustments were still required to reconcile the PHA general ledger amounts to those of the service provider's.

**Criteria**

Good accounting and internal control standards require that information be recorded in the accounting system in a timely manner, which includes the reconciling general ledger accounts to important third party reports, such as that of a service provider.

**Effect**

The PHA and the City are at risk for losses due to untimely financial reporting.

Unreconciled accounts result in inaccuracies in the general ledger.

The governing body is not able to execute fiduciary responsibilities when it cannot review timely, accurate financial statements.

**Cause**

The PHA has had several different accounting systems and turnover in accounting staff during the past three years. The City's general ledger became the PHA's official general ledger as of July 1, 2009, in part to help provide stability to the operations. However, a process to reconcile the service provider's account structure to that maintained by the City was not established, although the auditors noted that attempts were made by City financial staff to establish a process. Knowledge of PHA operations is essential for the reconciliation process to be accurate, and although City financial staff are responsible for the general ledger, assistance from PHA accounting staff is required.

**Recommendation**

We recommend that the City establish policies and procedures to ensure the service provider's reports are reconciled to the PHA general ledger accounts.

It is recommended that additional oversight be provided to the PHA accounting function to ensure that it is operating effectively, efficiently and in a timely manner.

**Management Response**

[1] Management has assigned the general oversight of PHA to an Assistant City Manager effective June, 2010, which should improve oversight. Additionally, the vacant position of PHA Manager was filled in late August, 2010, which should further improve oversight.

[2] The PHA Accountant, who was hired in October, 2009, has now completed a full year of service with the PHA. As such, the PHA Accountant's ability to perform her duties and responsibilities in a timely manner should improve.

[3] The PHA Manager will monitor the timely entry and submission of fiscal information to the fee accountant. And procedurally, when PHA staff receives the fee accountant monthly report, the PHA Accountant will reconcile the City general ledger and the fee accountant report within 10 business days.

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

[4] In fiscal year 2010, the PHA staff acquired, and has been trained on, new tenant management software from the fee accountant, which should improve reporting, and the timeliness of it.

**CURRENT YEAR FINDINGS**

**10-01 – PHA – IMPROVE SEGREGATION OF DUTIES**

**Statement of Condition**

The PHA does not have adequate segregation of duties. As noted in an internal review conducted by the City, and affirmed by auditors', it is possible for the same employee to accept funds, to record funds in the accounting system (receipts) and to deposit funds.

**Criteria**

An essential element of any preventative control system is a segregation of functions in such a manner that no single individual can perpetrate an error or misappropriation or illegal act without the error being discovered in a timely manner. Three general categories of functions which should be separated to achieve internal controls are:

1. Functions involving custody of assets, i.e. handling cash, physical control of inventory or blank check stock,
2. Functions involving recording transactions, i.e. bookkeeping, preparation of bank reconciliations, and
3. Functions involving the authorization, i.e. authority to sign checks or approve purchases.

**Effect**

An internal control weakness exists when one person may perform more than one of the above functions.

**Cause**

As turnover has occurred at the PHA, distinct job descriptions that may have existed in the past have blurred, with persons helping out as needed. Over time, this has resulted in a lack of segregation of duties.

**Recommendation**

The PHA should review job descriptions to ensure that functions that should be segregated are properly segregated, and make changes where necessary.

**Management Response**

The PHA Manager will review the duties and responsibilities of all office personnel, in order to segregate duties, within the next 30 days. Additionally, should the PHA staffing level be deficient, the PHA Manager will recommend changes to upper Management as needed.



**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

**10-02 – PHA – IMPROVE CONTROLS OVER RECEIPTS**

**Statement of Condition**

It was noted that there is no process to review or reconcile voided receipts. The receipts are generated by the PHA accounting system, and each has a unique, sequentially numbered “control number.” It was observed that many of these control numbers are void.

Especially concerning is that the auditors identified no compensating controls to address controls over receipts, and it is further compounded by the following issues:

- As noted in 10-01, segregation of duties is not in place allowing for the same employees to accept and record payments,
- As noted in 09-09, a collection process has not been in place in FY10, and residents were not provided regular monthly statements with their account balances, and
- PHA financial data are not reconciled in a timely manner.

**Criteria**

Receipts are sequentially numbered to ensure completeness of receipts. Sequential numbering is a good control only when all control numbers are reconciled to deposits or other disposition.

**Effect**

When sequentially numbered receipts are not reconciled, an opportunity exists for error and/or misappropriation of receipts.

**Cause**

The PHA does not reconcile voided control numbers to deposits or other disposition.

**Recommendation**

A process should be established to review and reconcile all voided receipts/control numbers. The reconciliation should be done by someone who does not accept receipts, nor make deposits. The reconciliation document should be signed and dated, and maintained with other accounting documentation such as bank reconciliations.

**Management Response**

The PHA Manager, in conjunction with staff, will establish a new procedure for review and reconciling all voided receipts/control numbers within the next 45 days. The new procedure will require the PHA Manager to verify and sign off on the accuracy of deposit reports, deposit slips, and all receipt numbers.

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

**10-03 – PHA – IMPROVE OVERSIGHT OF SERVICE PROVIDER**

**Statement of Condition**

The PHA does not currently provide any oversight to the service provider.

**Criteria**

Statement on Auditing Standards (SAS) No. 70, *Service Organizations*, requires entities to monitor internal controls of service providers.

**Effect**

The PHA is not complying with SAS 70, which results in increased risk to the PHA for inaccuracies in financial data, due to its reliance on the service provider's reports.

**Cause**

The PHA has likely not considered the need to consider the service provider's internal controls.

**Recommendation**

It is recommended that the PHA establish an annual process for reviewing the internal controls of the service provider. This could be implemented by reviewing the service provider's documentation and inquiry of the service provider.

**Management Response**

The PHA Manager, and staff, will establish an annual process for reviewing the internal controls of the service provider including the possibility of engaging a third party to review the service provider. A determination as to the need for a third party to review the service provider's internal controls will be made within the next 90 to 120 days.

**10-04 –IMPROVE OVERSIGHT OF PHA**

**Statement of Condition**

The governing body of the PHA is not executing its fiduciary responsibilities because it did not have timely, accurate financial statements to review during the fiscal year.

**Criteria**

Article 3, Section 1, of the PHA's by-laws indicate the governing body should review monthly financial reports.

**Effect**

The governing body is not providing effective oversight when it does not review monthly financial data.

**Cause**

The financial data included in the general ledger during FY10 were not accurate because the account balances had not been reconciled to the service provider's reports.

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

**Recommendation**

It is recommended that the PHA governing body review PHA financial data on a monthly basis and document the review in the minutes of the meeting.

**Management Response**

The PHA Manager, and staff, will coordinate with the fee accountant and Finance Department staff in order to provide timely financial statements to the PHA Board in an effort to further increase oversight.

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
EXIT CONFERENCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

An exit conference was held in a closed session on November 30, 2010 and was attended by the following:

**For the City of Alamogordo**

Ron Griggs  
Marion L. Ledford  
Mark Roath  
LeeAnn Nichols

Mayor and Chairman, PHA  
Commissioner  
City Manager & Executive Director of PHA  
Finance Director

**For Hinkle & Landers, PC**

Farley Vener, CPA, CFE  
Shannon Gilliland, CPA, CGFM

Audit Partner  
Audit Manager

**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  
Ron Griggs  
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, 2010, and have issued our report thereon dated November 30, 2010.

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 30, 2010

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
PUBLIC HOUSING AUTHORITY FDS SCHEDULE  
BALANCE SHEET  
As of June 30, 2010**

PHA: NM004 FYED 06/30/2010

Line Item #	Account Description	(100) Low Rent Public Housing	(500) Home Ownership	(600) Capital Fund	Total
111	Cash	222,483	476,547	-	699,030
113	Cash-Restricted	-	-	-	-
114	Cash-Tenant Security Deposits	33,021	59,954	-	92,975
<b>100</b>	<b>Total Cash</b>	<b>255,504</b>	<b>536,501</b>	<b>-</b>	<b>792,005</b>
124	Accounts Receivable-Other Government	9,944	-	-	9,944
126	Accounts Receivable-Tenants-Dwelling Rents	105,719	5,138	46,033	156,890
126.1	Allowance for Doubtful Accounts-Tenants-Dwelling Rents	(35,245)	-	-	(35,245)
129	Accrued Interest Receivable	89	17	-	106
<b>120</b>	<b>Total Receivables, net of allowances for doubtful accounts</b>	<b>80,507</b>	<b>5,155</b>	<b>46,033</b>	<b>131,695</b>
131	Investments-Unrestricted	598,140	111,000	-	709,140
142	Prepaid Expenses and Other Assets	17,015	1,129	-	18,144
143	Inventories	21,366	866,193	-	887,559
144	Interprogram Due From	-	3,904	1,649	5,553
<b>150</b>	<b>Total Current Assets</b>	<b>972,532</b>	<b>1,523,884</b>	<b>47,682</b>	<b>2,544,096</b>
161	Land	1,324,708	-	-	1,324,708
162	Buildings	10,120,793	-	-	10,120,793
163	Furniture, Equipment and Machinery-Dwellings	157,345	-	-	157,345
164	Furniture, Equipment and Machinery-Administration	71,206	3,735	-	74,941
166	Accumulated Depreciation	(8,397,571)	(3,735)	-	(8,401,306)
167	Construction in Progress	155,915	-	819,882	975,797
<b>160</b>	<b>Total Fixed Assets, Net of Accumulated Depreciation</b>	<b>3,432,396</b>	<b>-</b>	<b>819,882</b>	<b>4,252,278</b>
<b>180</b>	<b>Total Non-Current Assets</b>	<b>3,432,396</b>	<b>-</b>	<b>819,882</b>	<b>4,252,278</b>
<b>190</b>	<b>Total Assets</b>	<b>4,404,928</b>	<b>1,523,884</b>	<b>867,564</b>	<b>6,796,376</b>
311	Bank Overdraft	-	-	-	-
312	Accounts Payable <= 90 Days	32,017	629	46,081	78,727
322	Accrued Compensated Absences-Current Portion	19,421	106	-	19,527
333	Accounts Payable-Other Government	-	-	-	-
345	Other Current Liabilities	4,223	5,138	-	9,361
341	Tenant Security Deposits	33,021	59,954	-	92,975
347	Interprogram Due To	3,904	1,649	-	5,553
<b>310</b>	<b>Total Current Liabilities</b>	<b>92,586</b>	<b>67,476</b>	<b>46,081</b>	<b>206,143</b>
<b>300</b>	<b>Total Liabilities</b>	<b>92,586</b>	<b>67,476</b>	<b>46,081</b>	<b>206,143</b>
508.1	Investment in Capital Assets, Net of Related Debt	3,432,396	-	819,882	4,252,278
512.1	Unrestricted Net Assets	879,946	1,456,408	1,600	2,337,953
<b>513</b>	<b>Total Net Assets</b>	<b>4,312,342</b>	<b>1,456,408</b>	<b>821,482</b>	<b>6,590,230</b>
<b>600</b>	<b>Total Liabilities and Net Assets</b>	<b>4,404,928</b>	<b>1,523,884</b>	<b>867,564</b>	<b>6,796,376</b>

The accompanying notes are integral to these 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, 2010**

PHA: NM004 FYED 06/30/2010

Line Item #	Account Description	(100) Low Rent Public Housing	(500) Home Ownership	(600) Capital Fund	Total
703	Net Tenant Rental Revenue	293,705	125,400	-	419,105
704	Tenant Revenue - Other	867	75	-	942
705	Total Tenant Revenue	294,572	125,475	-	420,047
706	HUD PHA Operating Grants	420,122	97,537	-	517,659
708	Other Government Grants	-	-	839,989	839,989
711	Investment Income - Unrestricted	665	2,310	-	2,975
715	Other Revenue	105,131	41,904	-	147,035
<b>700</b>	<b>Total Revenue</b>	<b>820,490</b>	<b>267,226</b>	<b>839,989</b>	<b>1,927,705</b>
911	Administrative Salaries	310,391	5,225	33,368	348,984
912	Auditing Fees	8,138	613	-	8,751
915	Employee Benefit Contributions	70,083	2,782	3,542	76,407
916	Other Operating - Administrative	29,913	4,227	4,085	38,225
921	Tenant Services - Salaries	-	-	-	-
931	Water/Sewer	37,470	362	-	37,832
932	Electricity	89,960	998	-	90,958
933	Gas	4,139	159	-	4,298
941	Ordinary Maintenance and Operations - Labor	51,527	156,355	-	207,882
942	Ordinary Maintenance and Operations	41,960	731	-	42,691
961	Insurance Premiums	85,642	3,890	-	89,532
964	Bad Debt - Tenant Rents	11,378	-	-	11,378
<b>969</b>	<b>Total Operating Expenses</b>	<b>740,601</b>	<b>175,342</b>	<b>40,995</b>	<b>956,938</b>
<b>970</b>	<b>Excess Operating Revenue</b>	<b>79,889</b>	<b>91,884</b>	<b>798,994</b>	<b>970,767</b>
973	Housing Assistance Payments	-	-	-	-
974	Depreciation	223,633	-	-	223,633
900	Total Expenses	964,234	175,342	40,995	1,180,571
1001	Operating Transfers In	125,800	-	-	125,800
1002	Operating Transfers Out	-	-	(125,800)	(125,800)
1010	Total Other Financing Sources	125,800	-	(125,800)	-
<b>1000</b>	<b>Excess (Deficiency) of Operating Revenue</b>	<b>(17,944)</b>	<b>91,884</b>	<b>673,194</b>	<b>747,134</b>
1103	Beginning Equity	4,330,283	1,364,524	148,288	5,843,095
1104	Prior Period Adjustments, Equity Transfers	-	-	-	-
1120	Unit Months Available	2,640	-	-	2,640
1121	Number of Unit Months Lease	1,921	-	-	1,896

The accompanying notes are integral to these financial statements