



# HINKLE + LANDERS

Certified Public Accountants + Business Consultants

## **CITY OF ALAMOGORDO**

### **INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS**

**For the Year Ended June 30, 2014**



**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO**

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**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO**

**OFFICIAL ROSTER  
As of June 30, 2014**

Susie Galea..... Mayor-At- Large

Robert Rentschler..... Mayor- Pro-tem

City Commissioners

Jason Baldwin. ....Commissioner – District 1

Nadia Sikes ..... Commissioner – District 2

Robert Rentschler..... Commissioner – District 3

Jenny Turnbull ..... Commissioner – District 4

Alfonso “Al” Hernandez ..... Commissioner – District 5

Dr. George Straface ..... Commissioner – District 6

City Staff

James Stahle .....City Manager

LeeAnn Nichols ..... Finance Director



**INDEPENDENT AUDITOR’S REPORT**

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

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue funds of the City of Alamogordo, New Mexico (the "City"), as of and for the year ended June 30, 2014, and the related notes to the financial statements which collectively comprise the City's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the City's nonmajor governmental, nonmajor enterprise, internal service funds, fiduciary funds, and the budgetary comparisons for the major capital project funds, debt service funds, permanent fund, and all nonmajor funds presented as supplementary information, as defined by the Government Accounting Standard Board in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2014, as listed in the table of contents.

**Management’s Responsibility for the Financial Statements**

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

**Auditor’s Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Accordingly, we express no such opinion.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discreetly presented component unit, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2014, and the respective changes in financial position and where applicable, cash flows thereof and the respective budgetary comparisons for the general fund and major special revenue funds for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental, nonmajor enterprise, internal service fund, and fiduciary fund of the City as of June 30, 2014, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the major capital project funds, debt service funds, permanent fund, and all nonmajor funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Emphasis of Matter**

As discussed in Note 19 to the financial statements, the 2013 financial statements have been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

**Other Matters**

**Required Supplementary Information**

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

**Other Information**

Our audit was conducted for the purpose of forming opinions on the City's financial statements, the combining and individual fund financial statements, the schedule of changes in assets and liabilities - agency funds, and the budgetary comparisons. The schedule of expenditures of federal awards as required by Office of Management and Budget *Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*, and the other schedules listed as "other supplemental information" in the table of contents, required by 2.2.2.NMAC are presented for purposes of additional analysis and are



not a required part of the basic financial statements.

The schedule of expenditures of federal awards and other schedules listed as “*other supplemental information*” in the table of contents, required by 2.2.2 NMAC are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with the auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and other schedules listed as “*other supplemental information*” in the table of contents required by 2.2.2 NMAC are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated November 19, 2014 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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* in considering the City's internal control over financial reporting and compliance.



Hinkle + Landers, P.C.  
Albuquerque, NM  
November 19, 2014

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
MANAGEMENT DISCUSSION AND ANALYSIS (UNAUDITED)  
For the Year Ended June 30, 2014**

As management of the City of Alamogordo, we offer the readers of the City of Alamogordo financial statements this narrative overview and analysis of the financial activities of the City of Alamogordo for the fiscal year ended June 30, 2014. We encourage readers to consider the information presented here in conjunction with the financial statements of the City of Alamogordo and additional information provided.

**A. FINANCIAL HIGHLIGHTS:**

- The assets of the City of Alamogordo exceeded its liabilities at the close of the most recent fiscal year by \$147,705,173 (*net position*). Of this amount, \$29,892,775 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position increased by \$5,256,251. The majority of this increase is due to the increase in cash \$1,760,603 (34%) and decrease in debt \$2,762,125 (53%).
- As of the close of the current fiscal year, the City of Alamogordo governmental funds reported combined ending net position of \$79,214,345 an increase of \$1,679,046 in comparison with the prior year due to lower debt.
- At the end of the current fiscal year, the unassigned fund balance for the general fund was \$7,739,293 or 56 percent of total general fund expenditures.
- The City of Alamogordo's total debt decreased by \$3,244,503 (5%), during the current fiscal year. This includes principal pay down on loans and two new water loans (detail information of all of the loans is found under Note 7 on pages 42 through 46).

**B. OVERVIEW OF THE FINANCIAL STATEMENTS:**

This discussion and analysis is intended to serve as an introduction to the City of Alamogordo's basic financial statements. The City of Alamogordo's basic financial statements comprise five components: 1) government-wide financial statements, 2) business-type financial statements 3) component unit (Landfill), 4) fund financial statements, and 5) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

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

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

Both of the government-wide financial statements distinguish functions of the City of Alamogordo that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City of Alamogordo include general government, public safety, public works, and culture and recreation. The business-type

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
MANAGEMENT DISCUSSION AND ANALYSIS (UNAUDITED)  
For the Year Ended June 30, 2014**

activities of the City of Alamogordo include an airport, solid waste, water and wastewater, public housing, bonito lake, and golf course.

The government-wide financial statements can be found on pages 11 and 13 of this report.

**Fund Financial Statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Alamogordo, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Alamogordo can be divided into three categories: governmental funds, proprietary funds and component units.

**Governmental Funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City of Alamogordo maintains fifty-six individual governmental funds. Information is presented separately in the governmental fund balance sheet and statement of revenues, expenditures, and changes in fund balances for the general, which is considered to be a major fund and any other major funds. Data from the other fifty governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City of Alamogordo adopts an annual appropriated budget for its general fund and all other governmental funds. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget. In addition, the individual financial statement of the remaining governmental fund types include budgetary comparison data.

The basic governmental fund financial statements can be found on pages 13 and 15 of this report.

**Proprietary Funds.** The City of Alamogordo maintains seven types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City of Alamogordo uses enterprise funds to account for its airport, solid waste, water and wastewater, public housing, Bonito Lake, and golf course funds. *Internal Service Funds* accounts for services for personnel, safety, fleet, management information systems, facility maintenance, and risk management including insurance services provided to other departments of the government. Services are provided on a cost reimbursement basis.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
MANAGEMENT DISCUSSION AND ANALYSIS (UNAUDITED)  
For the Year Ended June 30, 2014**

airport, solid waste, water and wastewater, public housing, Bonito Lake, and golf course, all of which are considered major funds of the City of Alamogordo.

The basic proprietary fund financial statements can be found on pages 19 thru 22 of this report.

**Fiduciary Funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are *not* reported in the government-wide financial statements because the resources of those funds *are* not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The City of Alamogordo maintains three different types of fiduciary funds or agency funds. The *Police Court Bonds, State Judicial and the Corp of Engineers Escrow Account* is used to report resource held by the City in a custodial capacity for individuals and other governmental units.

The fiduciary fund financial statements are identified in the table of contents of this report.

**Notes to the Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 24 thru 53 of this report.

**Other Information.** The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules can be found on pages 54 thru 72 of the report. The component unit (Landfill) financial statements can be found on pages 73 and 74.

**C. FINANCIAL ANALYSIS OF THE CITY AS A WHOLE:**

**Government-Wide Financial Analysis.** As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Alamogordo, assets exceeded liabilities by \$147,705,173 at the close of the most recent fiscal year.

The City of Alamogordo's net position (46 percent) reflect its investment in capital assets (e.g. land, buildings, machinery and equipment), less any related debt used to acquire those assets that is still outstanding. The next major item of net position (38 percent) is its investments. The City of Alamogordo uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending with the exception of portions of investments. Although the City of Alamogordo's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

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**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
MANAGEMENT DISCUSSION AND ANALYSIS (UNAUDITED)  
For the Year Ended June 30, 2014**

**City of Alamogordo  
Net Position  
(In thousands)**

	Governmental		Business-type		Total	
	<u>June 30, 2014</u>	<u>June 30, 2013</u>	<u>June 30, 2014</u>	<u>June 30, 2013</u>	<u>June 30, 2014</u>	<u>June 30, 2013</u>
Current and other assets	\$ 51,570	51,158	18,027	16,088	69,597	67,245
Capital assets, net of accumulated depreciation	59,627	59,669	80,394	80,127	140,021	139,796
Total Assets	<u>\$ 111,196</u>	<u>110,827</u>	<u>98,421</u>	<u>96,214</u>	<u>209,618</u>	<u>207,041</u>
Long-term liabilities outstanding	\$ 26,464	28,624	27,412	28,015	53,876	56,639
Other Liabilities	5,511	4,668	2,379	3,286	7,889	7,954
Total Liabilities	<u>\$ 31,975</u>	<u>33,292</u>	<u>29,791</u>	<u>31,301</u>	<u>61,766</u>	<u>64,592</u>
Deferred inflows of resources	<u>\$ 7</u>	<u>-</u>	<u>139</u>	<u>-</u>	<u>146</u>	<u>-</u>
Net Position	<u>\$ 79,214</u>	<u>77,535</u>	<u>68,491</u>	<u>64,914</u>	<u>147,705</u>	<u>142,449</u>

An additional portion of the City of Alamogordo's net position of \$35,330,888 (24 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* \$29,892,775, may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City of Alamogordo is able to report positive balances in all three categories of net position, both for the government as a whole as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

There was an increase of \$8,910,706 in capital assets reported. The majority of this increase resulted from the major improvement of streets of \$3,875,431 (43%) and water/wastewater projects \$3,154,143 (35%). The Pecan Indian Wells alignment totaling \$1.5M is included as improvement in the total capital addition of streets.

**Governmental activities.** Governmental activities decreased the City of Alamogordo's net position by \$1,679,046. Key elements of this decrease are as follows:

- The total revenues were \$32,174,000 a decrease by \$988,000 from last year due to less grant revenue mainly for fund 116 Regional Water Supply Transmission.
- The total expenses were \$27,337,000 and increased \$2,639,000 over last year mainly due to additional spending in Public Safety for street capital.
- Transfers totaling \$3,158,000 were much less than last year due to less expenditures on water/sewer capital mainly from water/waste water capital projects totaling \$5.3M.

**Business-type activities.** Business-type activities increased the City of Alamogordo's net position by \$3,809,000.

- The total revenues were \$14,802,000 a decrease by \$95,000 from last year due to a decrease in airport grant revenue of \$88,214.
- The total expenses were \$14,151,000 a decrease \$653,000 mainly due to savings in Bonito Lake expenditures totaling \$454,000.
- Transfers totaling \$3,518,000 from government funds were less as explained above.

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
MANAGEMENT DISCUSSION AND ANALYSIS (UNAUDITED)  
For the Year Ended June 30, 2014**

**City of Alamogordo  
Comparison of Key Elements  
(In thousands)**

	Governmental		Business-type		Total	
	June 30, 2014	June 30, 2013	June 30, 2014	June 30, 2013	June 30, 2014	June 30, 2013
Revenues:						
Taxes	25,233	25,517	-	-	25,233	25,517
Charges for Services	1,134	1,122	12,756	13,196	13,890	14,319
Grants	3,156	4,050	1,823	1,534	4,979	5,584
Other	2,651	2,473	223	167	2,874	2,641
Total Revenue	\$ 32,174	33,162	14,802	14,897	46,976	48,060
Expenses:						
General Government	6,237	6,979	-	-	6,237	6,979
Public Safety	9,723	5,559	-	-	9,723	5,559
Public works	8,098	8,679	-	-	8,098	8,679
Culture and recreation	1,859	2,112	-	-	1,859	2,112
Health and Welfare	268	278	-	-	268	278
Interest Expense	1,151	1,092	-	-	1,151	1,092
Water/Sewer	-	-	8,760	8,547	8,760	8,547
Public Housing Program	-	-	1,310	1,578	1,310	1,578
Solid Waste Collection	-	-	1,802	1,871	1,802	1,871
Bonito Lake	-	-	379	833	379	833
Desert Lakes golf course	-	-	1,558	1,561	1,558	1,561
White Sands regional airport	-	-	343	414	343	414
Total Expenses	27,337	24,698	14,151	14,804	41,488	39,502
Transfers	(3,158)	(10,619)	3,158	10,621	-	2
Change in Net Position	\$ 1,679	(2,155)	3,809	10,714	5,488	8,559

**D. FINANCIAL ANALYSIS OF THE CITY'S FUNDS:**

As noted earlier, the City of Alamogordo uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The city's financials are based on a cash basis during the year per the States' Department of Finance and Administration (DFA) policies. At year end the financials are updated to correspond to Generally Accepted Accounting Practice (GAAP).

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

As of the end of the current fiscal year, the City of Alamogordo's governmental funds reported combined ending fund balances of \$79,214,345 an increase of \$1,679,046 in comparison with the prior year. Approximately 61 percent of this total amount, \$47,104,641 constitutes unassigned fund balance, which is available for spending at the government's discretion. Of the remainder, \$32,109,704 is non-spendable as it is for inventory and prepaid expenses, restricted and committed expenses.

The general fund is the chief operating fund of the City of Alamogordo. At the end of the current fiscal year, unreserved fund balance of the general fund was \$7,088,178 and represents 51 percent of total general fund expenditures. The net fund balance of the City of Alamogordo's general fund increased by

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CITY OF ALAMOGORDO  
MANAGEMENT DISCUSSION AND ANALYSIS (UNAUDITED)  
For the Year Ended June 30, 2014**

\$98,063 during the current fiscal year. The city adopted a reserve policy as explained in detail below that has reserved a total of \$1,388,899 (DFA requirement of \$1,105,169 and new policy of \$283,730) from last year's unreserved fund balance.

**Proprietary funds.** The City of Alamogordo's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail

**General Fund Budgetary Highlights**

There were no major differences between the original budget and the final amended budget for the general fund.

Detailed budget performance is examined through the Statement of Revenues, Expenditures and Changes in Fund Balance for the general fund found on pages 17 and 18. Actual general fund expenditures were \$2,057,827 less than the final budget amount (favorable variance). This was due primarily to the police/fire department (public safety component) favorable variance of \$1,158,200. Savings of \$894k were in salaries and benefits in the police and fire departments due to less manpower than budgeted with the remainder in other operating costs.

**E. CAPITAL ASSET AND DEBT ADMINISTRATION:**

**Capital assets.** The City of Alamogordo's amount invested in capital assets for its governmental and business type activities as of June 30, 2014, amounts to \$139,369,867 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings, computers, equipment, furniture and fixtures, vehicles, and other infrastructure of the City.

Additional information on the City of Alamogordo's capital assets can be found in Note 6 on pages 40-42 of this report.

**City of Alamogordo  
Capital Assets  
(In thousands)**

	Governmental		Business-type		Total	
	June 30, 2014	June 30, 2013	June 30, 2014	June 30, 2013	June 30, 2014	June 30, 2013
Land	\$ 8,815	8,235	6,970	6,970	15,785	15,206
Buildings and improvements	8,149	8,567	9,693	9,324	17,842	17,891
Equipment and Vehicles	2,791	2,911	3,029	3,308	5,820	6,219
Unscheduled property	1,015	906	1,182	947	2,197	1,853
Infrastructure	37,427	38,309	58,689	57,859	96,115	96,167
Construction in progress	1,430	742	180	1,086	1,610	1,829
Total Capital Assets	\$ <u>59,627</u>	<u>59,669</u>	<u>79,743</u>	<u>79,495</u>	<u>139,370</u>	<u>139,164</u>

**Long-term debt.** At the end of the current fiscal year, the City of Alamogordo had total debt from outstanding bonds of \$22,467,083 and loans and notes outstanding of \$34,421,273.

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
MANAGEMENT DISCUSSION AND ANALYSIS (UNAUDITED)  
For the Year Ended June 30, 2014**

**City of Alamogordo  
Long-term Debt  
(In thousands)**

		Governmental		Business-type		Total	
		<u>June 30,</u> <u>2014</u>	<u>June 30,</u> <u>2013</u>	<u>June 30,</u> <u>2014</u>	<u>June 30,</u> <u>2013</u>	<u>June 30,</u> <u>2014</u>	<u>June 30,</u> <u>2013</u>
General Obligation Bonds	\$	1,738	1,919	5,624	5,874	7,362	7,792
Revenue Bonds/Loans		2,805	3,100	12,300	12,985	15,105	16,085
Other Loans/Notes Payable		24,051	25,664	10,370	10,592	34,421	36,256
Total long	\$	<u>28,595</u>	<u>30,683</u>	<u>28,294</u>	<u>29,450</u>	<u>56,888</u>	<u>60,133</u>

Additional information on the City of Alamogordo's long-term debt can be found in Note 7 on pages 42-46 of this report.

**Fund Balance Reserve Policy**

The City of Alamogordo adopted a formal reserve policy on July 22, 2014 (resolution # 2014-29). The purpose of the policy is to maintain a prudent level of financial resources to protect against having to reduce service levels and workforce reductions due to temporary revenue shortfalls or unpredicted one-time expenditures. The total for all funds is \$2,754,316 for the new policy. In addition, this policy enhances the City's credit rating and provides a clearer fund balance classification as required by Governmental Accounting Standards Board (GASB) statement number 54. During the year the city also reserved 1/12<sup>th</sup> of general fund expense totaling \$1,105,169 per the State Department of Finance and administration (DFA) requirement. The fund balance detail can be found in Note 9 on pages 46-47.

**F. ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The City of Alamogordo is located in Otero County. Otero County, like the rest of urban New Mexico, has a strong and balanced economy. A large portion of the county residents are military and retirees. Employment in the area has been stable for the past three years, with no new economic development.

The City of Alamogordo receives approximately 53 percent of its annual operating budget for general fund from gross receipts taxes which have been fairly stable from past years.

**G. REQUEST FOR INFORMATION:**

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



**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
STATEMENT OF NET POSITION  
As of June 30, 2014**

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Regional Landfill (94)
<b>Assets</b>				
Current assets:				
Cash and cash equivalents	\$ 4,024,275	2,582,805	6,607,080	12,663
Investments	43,086,537	13,188,800	56,275,337	3,121,513
Receivables, net	41,347	527,291	568,638	60,947
Taxes and franchise receivables	3,975,667	713,921	4,689,588	3,295
Grants receivable	156,947	-	156,947	-
Due from other funds	-	148,973	148,973	-
Inventory and prepaid expenses	285,065	865,224	1,150,289	-
Total current assets	<u>51,569,838</u>	<u>18,027,014</u>	<u>69,596,852</u>	<u>3,198,418</u>
Non-current assets:				
Restricted cash	-	650,804	650,804	-
Restricted cash held in investments	-	-	-	44,879
Capital assets not being depreciated	10,245,060	7,150,253	17,395,313	1,526,005
Capital assets being depreciated, net	49,381,532	72,593,022	121,974,554	1,637,898
Total non-current assets	<u>59,626,592</u>	<u>80,394,079</u>	<u>140,020,671</u>	<u>3,208,782</u>
Total assets	<u>\$ 111,196,430</u>	<u>98,421,093</u>	<u>209,617,523</u>	<u>6,407,200</u>
<b>Liabilities</b>				
Current liabilities:				
Accounts payable	\$ 1,329,282	268,403	1,597,685	3,002
Due to other funds	148,973	-	148,973	-
Accrued payroll liabilities	509,746	129,985	639,731	12,831
Accrued interest payable	183,475	160,443	343,918	-
Bonds, notes and leases payable	2,130,474	1,532,196	3,662,670	-
Deposits	139,986	-	139,986	-
Compensated absences	1,061,777	247,546	1,309,323	20,638
Unearned revenue	7,095	39,989	47,084	228
Total current liabilities	<u>5,510,808</u>	<u>2,378,562</u>	<u>7,889,370</u>	<u>36,699</u>
Long-term liabilities:				
Deposits - long-term portion	-	650,804	650,804	-
Bonds, notes and leases payable	26,464,191	26,761,496	53,225,687	-
Landfill post-closure costs	-	-	-	685,743
Total long-term liabilities	<u>26,464,191</u>	<u>27,412,300</u>	<u>53,876,491</u>	<u>685,743</u>
Total liabilities	<u>31,974,999</u>	<u>29,790,862</u>	<u>61,765,861</u>	<u>722,442</u>
Deferred inflows of resources	7,086	139,403	146,489	-
<b>Net position</b>				
Net investment in capital assets	31,031,927	51,449,583	82,481,510	3,163,903
Restricted for:				
Capital projects	24,129,822	-	24,129,822	-
Debt service	656,280	-	656,280	-
Other purposes	7,323,602	3,221,184	10,544,786	44,879
Unrestricted	16,072,714	13,820,061	29,892,775	2,475,976
Total net position	<u>79,214,345</u>	<u>68,490,828</u>	<u>147,705,173</u>	<u>5,684,758</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 111,196,430</u>	<u>98,421,093</u>	<u>209,617,523</u>	<u>6,407,200</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, 2014**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net position			Component Unit
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	
Primary government:								
Governmental activities:								
General government	\$ 6,237,304	858,246	95,644	104,233	(5,179,181)	-	(5,179,181)	-
Public safety	9,723,397	6,506	719,030	-	(8,997,861)	-	(8,997,861)	-
Public works	8,098,111	-	814,902	571,163	(6,712,046)	-	(6,712,046)	-
Culture and recreation	1,858,857	269,012	421,768	250,000	(918,077)	-	(918,077)	-
Health and welfare	268,120	-	178,956	-	(89,164)	-	(89,164)	-
Interest expense	1,151,136	-	-	-	(1,151,136)	-	(1,151,136)	-
Total governmental activities	<u>27,336,924</u>	<u>1,133,764</u>	<u>2,230,300</u>	<u>925,396</u>	<u>(23,047,464)</u>	<u>-</u>	<u>(23,047,464)</u>	<u>-</u>
Business-type activities:								
Water & sewer	8,759,930	9,022,679	-	-	-	262,749	262,749	-
Public housing program	1,309,642	356,199	1,110,733	-	-	157,290	157,290	-
Solid waste collections	1,801,908	1,980,685	-	-	-	178,777	178,777	-
Bonito lake	378,530	-	681,598	-	-	303,068	303,068	-
Desert Lakes golf course	1,557,790	1,242,117	-	-	-	(315,673)	(315,673)	-
White Sands regional airport	342,975	154,637	30,943	-	-	(157,395)	(157,395)	-
Total business-type activities	<u>14,150,775</u>	<u>12,756,317</u>	<u>1,823,274</u>	<u>-</u>	<u>-</u>	<u>428,816</u>	<u>428,816</u>	<u>-</u>
Total primary government	<u>\$ 41,487,699</u>	<u>13,890,081</u>	<u>4,053,574</u>	<u>925,396</u>	<u>(23,047,464)</u>	<u>428,816</u>	<u>(22,618,648)</u>	<u>-</u>
Component unit:								
Regional Landfill	\$ <u>1,363,018</u>	<u>1,201,530</u>	<u>-</u>	<u>-</u>				<u>(161,488)</u>
Taxes								
Property taxes levied for general purposes					3,803,952	-	3,803,952	-
Gross receipt taxes and fees					9,915,649	-	9,915,649	-
State shared taxes and fees					7,854,598	-	7,854,598	-
Other taxes					3,659,030	-	3,659,030	-
Miscellaneous					2,325,348	153,372	2,478,720	69,506
Investment earnings					367,136	100,886	468,022	27,192
Gain/(loss) on sale of assets					(41,478)	(31,685)	(73,163)	-
Transfers					(3,157,725)	3,159,445	1,720	(1,720)
Total general revenues and transfers					<u>24,726,510</u>	<u>3,382,018</u>	<u>28,108,528</u>	<u>94,978</u>
Changes in net position					<u>1,679,046</u>	<u>3,810,834</u>	<u>5,489,880</u>	<u>(66,510)</u>
Net position - beginning					<u>77,535,299</u>	<u>64,913,624</u>	<u>142,448,923</u>	<u>5,751,268</u>
Restatement					<u>-</u>	<u>(233,630)</u>	<u>(233,630)</u>	<u>-</u>
Net position - beginning, restated					<u>77,535,299</u>	<u>64,679,994</u>	<u>142,215,293</u>	<u>5,751,268</u>
Net position - ending					<u>\$ 79,214,345</u>	<u>68,490,828</u>	<u>147,705,173</u>	<u>5,684,758</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, 2014**

	Major Funds					Total Governmental Funds
	59	109	118		Other Nonmajor Governmental Funds	
	Debt Service Fund	Capital Projects				
	General Fund	2004 GRT Capital Outlay	Street Projects			
GRT P & I			Total Governmental Funds			
<b>Assets</b>						
Cash and cash equivalents	\$ 1,868,045	7,696	310,121	8,570	1,126,287	3,320,719
Investments	5,832,553	1	6,449,685	3,497,507	26,491,265	42,271,011
Receivables, net	22,610	-	-	-	18,737	41,347
Taxes and franchise receivable	2,082,278	-	483,949	-	1,409,440	3,975,667
Grants receivable	23,661	-	-	-	133,286	156,947
Due from other funds	206,556	-	-	-	225	206,781
Prepaid	7,504	-	-	-	-	7,504
Total assets	<u>\$ 10,043,207</u>	<u>7,697</u>	<u>7,243,755</u>	<u>3,506,077</u>	<u>29,179,240</u>	<u>49,979,976</u>
<b>Liabilities</b>						
Accounts payable	75,672	-	3,759	822,533	406,621	1,308,585
Due to other funds	224	-	-	-	355,530	355,754
Accrued payroll liabilities	439,738	-	-	-	40,831	480,569
Deposits	32,361	-	-	-	107,625	139,986
Unearned revenue	7,019	-	-	-	76	7,095
Total liabilities	<u>555,014</u>	<u>-</u>	<u>3,759</u>	<u>822,533</u>	<u>910,683</u>	<u>2,291,989</u>
Deferred inflows of resources	<u>149,461</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>45,167</u>	<u>194,628</u>
<b>Fund balances</b>						
Nonspendable: Prepaid expense	7,504	-	-	-	-	7,504
Restricted	1,000	7,697	6,617,518	2,683,544	23,536,784	32,846,543
Committed	2,119,242	-	558,327	-	2,566,941	5,244,510
Assigned	122,808	-	64,151	-	2,119,665	2,306,624
Unassigned	7,088,178	-	-	-	-	7,088,178
Total fund balances	<u>9,338,732</u>	<u>7,697</u>	<u>7,239,996</u>	<u>2,683,544</u>	<u>28,223,390</u>	<u>47,493,359</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 10,043,207</u>	<u>7,697</u>	<u>7,243,755</u>	<u>3,506,077</u>	<u>29,179,240</u>	<u>49,979,976</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 POSITION  
As of June 30, 2014**

Fund balances reported in governmental funds balance sheet	\$	47,493,359
Amount reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds.		59,626,592
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 Position.		1,610,070
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		(28,594,665)
Compensated absences (less Internal Service Funds)		(925,078)
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.		(183,475)
In order to convert to the full accrual basis of accounting, it is necessary to recognize deferred inflows.		<u>187,542</u>
Net position of governmental activities	\$	<u><u>79,214,345</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, 2014**

	Major Funds					
	General Fund	59	109	118	Other Governmental Funds	Total Governmental Funds
		Debt Service Fund	Capital Projects			
		GRT P & I	2004 GRT Capital Outlay	Street Projects		
<b>Revenues</b>						
Taxes and fees	\$ 14,088,339	-	2,937,970	-	8,130,630	25,156,939
Fines and forfeitures	310,713	-	-	-	186,018	496,731
Federal grants	279	-	-	-	555,677	555,956
Other grants and gifts	74,279	-	-	-	2,545,226	2,619,505
Charges for services	738,693	-	-	-	274,852	1,013,545
Interest income	47,714	3	44,262	50,700	217,611	360,290
Miscellaneous	1,055,567	-	-	-	388,439	1,444,007
Total revenues	<u>16,315,584</u>	<u>3</u>	<u>2,982,232</u>	<u>50,700</u>	<u>12,298,453</u>	<u>31,646,973</u>
<b>Expenditures</b>						
Current:						
General government	7,667,953	891	28,558	-	658,682	8,356,084
Public safety	2,971,901	-	-	-	580,666	3,552,567
Public works	-	-	-	174,255	1,324,239	1,498,494
Health and welfare	-	-	-	-	218,081	218,081
Culture and recreation	2,848,069	-	-	-	1,540,001	4,388,070
Non-current						
Debt service:						
Principal payments-debt service	-	1,795,820	-	-	278,685	2,074,505
Interest payments-debt service	-	991,889	-	-	66,852	1,058,741
Capital outlay	417,346	-	561,207	3,560,216	976,453	5,515,222
Total expenditures	<u>13,905,269</u>	<u>2,788,600</u>	<u>589,765</u>	<u>3,734,471</u>	<u>5,643,659</u>	<u>26,661,764</u>
Excess (deficiency) or revenues over expenditures	<u>2,410,315</u>	<u>(2,788,597)</u>	<u>2,392,467</u>	<u>(3,683,771)</u>	<u>6,654,794</u>	<u>4,985,209</u>
<b>Other financing sources (uses)</b>						
Proceeds of refunding bonds	-	-	-	-	-	-
Proceeds of long-term capital-related debt	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-
Transfers in	3,390,131	2,788,598	398,520	-	1,093,727	7,670,976
Transfers out	(5,898,509)	-	(1,120,808)	(415,338)	(5,779,239)	(13,213,894)
Total other financing sources (uses)	<u>(2,508,378)</u>	<u>2,788,598</u>	<u>(722,288)</u>	<u>(415,338)</u>	<u>(4,685,512)</u>	<u>(5,542,918)</u>
Net change in fund balances	<u>(98,063)</u>	<u>1</u>	<u>1,670,179</u>	<u>(4,099,109)</u>	<u>1,969,283</u>	<u>(557,709)</u>
Fund balances-beginning of year	9,436,795	7,696	5,569,817	6,782,653	26,254,107	48,051,068
Restatement	-	-	-	-	-	-
Fund balances-beginning, restated	<u>9,436,795</u>	<u>7,696</u>	<u>5,569,817</u>	<u>6,782,653</u>	<u>26,254,107</u>	<u>48,051,068</u>
Fund balances-end of the year	<u>\$ 9,338,732</u>	<u>7,697</u>	<u>7,239,996</u>	<u>2,683,544</u>	<u>28,223,390</u>	<u>47,493,359</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, 2014**

Net change in fund balance - total governmental funds	\$	(557,709)
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.		(86)
In the Statement of Activities, a loss is recorded for assets that are removed from service that are not fully depreciated. Thus, the change in net position differs from the change in fund balance by the amount of loss recorded for deleted capital assets.		(41,478)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenue in the funds.		8,938
Principal payments on long term debt (bonds and notes payable)		2,088,168
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, less internal service funds.		(23,790)
Transfer of capital asset to business-type activity		(1,103)
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.		(1,686,445)
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 position of governmental activities.		<u>1,892,552</u>
Change in net position of governmental activities	\$	<u><u>1,679,046</u></u>

**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, 2014**

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable/ (Unfavorable)
<b>Revenue:</b>				
Taxes and fees	\$ 5,728,464	5,728,464	5,785,326	56,862
Fees and permits	1,100,170	1,100,170	1,067,026	(33,144)
State shared fees	7,493,840	7,493,840	7,158,700	(335,140)
User fees	312,001	312,001	309,188	(2,813)
Fines	365,000	365,000	293,394	(71,606)
Miscellaneous revenue	789,770	789,770	833,970	44,200
Grants	174,867	-	5,600	5,600
Investment income	15,464	15,464	46,021	30,557
Public safety fines	5,000	5,000	3,406	(1,594)
	<u>15,984,576</u>	<u>15,809,709</u>	<u>15,502,631</u>	<u>(307,078)</u>
<b>Total revenues</b>				
<b>Expenditures</b>				
Legislative	155,330	155,330	118,911	36,419
City manager	305,152	305,152	228,360	76,792
Legal	303,882	320,154	282,833	37,321
City clerk	257,875	267,875	236,449	31,426
Finance/accounting	683,758	690,291	650,072	40,219
Accounts receivable	99,821	99,821	94,080	5,741
Nondepartmental	511,050	945,289	417,700	527,589
Public safety-bench warrant	17,890	17,890	10,413	7,477
Code enforcement/public safety	300,190	300,190	279,815	20,375
Planning	244,269	244,269	161,062	83,207
Animal control	387,977	387,977	334,495	53,482
Public safety-dispatch	515,412	515,412	481,392	34,020
Public safety-police	6,320,195	6,170,702	5,428,140	742,562
Fire	1,662,054	1,531,944	1,259,184	272,760
A.P.S. resource program	296,948	296,948	274,266	22,682
GIS/land management	67,159	67,159	54,365	12,794
	<u>12,128,962</u>	<u>12,316,403</u>	<u>10,311,537</u>	<u>2,004,866</u>
<b>Total expenditures</b>				
Excess (deficiency) of revenues over expenditures	<u>3,855,614</u>	<u>3,493,306</u>	<u>5,191,094</u>	<u>1,697,788</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, 2014**

	Budgeted Amounts		Actual	Variance Favorable/ (Unfavorable)
	Original	Final		
<b>Other financing sources (uses):</b>				
Transfers in	\$ -	-	-	-
Transfers out	(5,872,536)	(5,863,300)	(5,439,146)	424,154
Total other financing sources (uses)	<u>(5,872,536)</u>	<u>(5,863,300)</u>	<u>(5,439,146)</u>	<u>424,154</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>(2,016,922)</u>	<u>(2,369,994)</u>	<u>(248,052)</u>	<u>2,121,942</u>
Budgeted cash carryover	<u>7,023,042</u>	<u>7,023,042</u>		
	<u>\$ 5,006,120</u>	<u>4,653,048</u>		

RECONCILIATION FROM BUDGET/ACTUAL TO GAAP

Change in net position (Budget Basis)	\$ (248,052)
To adjust applicable revenue accruals and deferrals	56,204
To adjust applicable expenditures and accruals	20,076
Change in net position for funds consolidated into to the General Fund's fund financial statements per GASB 54, but having separate legally adopted budgets:	
Fund 32 - Community Services	40,625
Fund 63 - Community Development	10,321
Fund 65 - Building Codes	<u>22,763</u>
Change in net position (GAAP basis)	<u>\$ (98,063)</u>



**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
STATEMENT OF NET POSITION  
PROPRIETARY AND INTERNAL SERVICE FUNDS  
As of June 30, 2014**

	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
<b>Assets</b>								
Current assets:								
Cash and cash equivalents	\$ 615,017	217,029	2,778	39,592	189,428	1,518,961	2,582,805	703,556
Investments	12,710,576	22,915	87,456	86,218	74,257	207,378	13,188,800	815,526
Receivables, net	399,506	102,881	362	-	17,064	7,478	527,291	-
Other receivables	32,177	128	681,598	-	-	18	713,921	-
Due from other funds	312,256	-	-	-	-	-	312,256	-
Inventories and prepaid expenses	302,231	-	-	-	-	562,993	865,224	277,561
Total current assets	<u>14,371,763</u>	<u>342,953</u>	<u>772,194</u>	<u>125,810</u>	<u>280,749</u>	<u>2,296,828</u>	<u>18,190,297</u>	<u>1,796,643</u>
Non-current assets:								
Restricted cash and cash equivalents	535,805	-	-	-	9,552	105,447	650,804	-
Capital assets, net	65,756,916	234,026	1,790,524	4,974,141	2,636,260	4,351,408	79,743,275	-
Total non-current assets	<u>66,292,721</u>	<u>234,026</u>	<u>1,790,524</u>	<u>4,974,141</u>	<u>2,645,812</u>	<u>4,456,855</u>	<u>80,394,079</u>	<u>-</u>
Total assets	<u>\$ 80,664,484</u>	<u>576,979</u>	<u>2,562,718</u>	<u>5,099,951</u>	<u>2,926,561</u>	<u>6,753,683</u>	<u>98,584,376</u>	<u>1,796,643</u>
<b>Liabilities</b>								
Current liabilities:								
Accounts payable	\$ 229,996	15,882	119	3,035	2,833	16,538	268,403	20,697
Due to other funds	-	-	163,283	-	-	-	163,283	-
Bonds, notes, and leases payable	1,212,250	-	-	-	-	-	1,212,250	-
Accrued interest payable	160,443	-	-	-	-	-	160,443	-
Accrued payroll liabilities	95,942	3,360	5	8,735	4,052	17,891	129,985	29,177
Compensated absences	184,943	5,960	-	26,571	1,501	28,571	247,546	136,699
Unearned revenues	33,719	313	-	-	-	5,957	39,989	-
Total current liabilities	<u>1,917,293</u>	<u>25,515</u>	<u>163,407</u>	<u>38,341</u>	<u>8,386</u>	<u>68,957</u>	<u>2,221,899</u>	<u>186,573</u>
Long-term liabilities:								
Deposits	535,805	-	-	-	9,552	105,447	650,804	-
Bonds, notes, and leases payable	27,081,442	-	-	-	-	-	27,081,442	-
Compensated absences	-	-	-	-	-	-	-	-
Total long-term liabilities	<u>27,617,247</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,552</u>	<u>105,447</u>	<u>27,732,246</u>	<u>-</u>
Total liabilities	<u>29,534,540</u>	<u>25,515</u>	<u>163,407</u>	<u>38,341</u>	<u>17,938</u>	<u>174,404</u>	<u>29,954,145</u>	<u>186,573</u>
Deferred inflows of resources	139,403	-	-	-	-	-	139,403	-
<b>Net position</b>								
Net investment in capital assets	37,463,224	234,026	1,790,524	4,974,141	2,636,260	4,351,408	51,449,583	-
Restricted for:								
Other purposes	2,329,815	313,326	168,151	255,783	154,109	-	3,221,184	152,236
Unrestricted	11,197,502	4,112	440,636	(168,314)	118,254	2,227,871	13,820,061	1,457,834
Total net position	<u>50,990,541</u>	<u>551,464</u>	<u>2,399,311</u>	<u>5,061,610</u>	<u>2,908,623</u>	<u>6,579,279</u>	<u>68,490,828</u>	<u>1,610,070</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 80,664,484</u>	<u>576,979</u>	<u>2,562,718</u>	<u>5,099,951</u>	<u>2,926,561</u>	<u>6,753,683</u>	<u>98,584,376</u>	<u>1,796,643</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 POSITION  
PROPRIETARY AND INTERNAL SERVICE FUNDS  
For The Year Ended June 30, 2014**

	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
Operating revenues:								
Charges for services	\$ 9,022,679	1,980,685	-	1,242,117	154,637	356,199	12,756,317	-
Federal grants	-	-	681,598	-	-	1,110,733	1,792,331	-
Other grants and gifts	-	-	-	-	30,943	-	30,943	-
Fees and permits	-	-	-	-	-	-	-	120,395
Miscellaneous income	-	109,401	10,317	3,043	18,680	11,931	153,372	326,598
Total operating revenues	<u>9,022,679</u>	<u>2,090,086</u>	<u>691,915</u>	<u>1,245,160</u>	<u>204,260</u>	<u>1,478,863</u>	<u>14,732,963</u>	<u>446,993</u>
Operating expenses:								
Personnel services	2,353,077	145,214	-	267,782	74,009	417,240	3,257,322	1,387,588
Repairs and maintenance	250,898	7,126	-	36,879	23,203	42,622	360,728	262,796
Supplies	971,997	18,366	370,294	91,633	9,854	73,857	1,536,001	306,853
Other services and insurance	1,510,968	1,589,585	2,565	965,787	65,854	405,021	4,539,780	631,683
Depreciation	2,730,657	41,617	5,671	195,709	170,055	370,902	3,514,611	-
Total operating expenses	<u>7,817,597</u>	<u>1,801,908</u>	<u>378,530</u>	<u>1,557,790</u>	<u>342,975</u>	<u>1,309,642</u>	<u>13,208,442</u>	<u>2,588,920</u>
Operating income (loss)	<u>1,205,082</u>	<u>288,178</u>	<u>313,385</u>	<u>(312,630)</u>	<u>(138,715)</u>	<u>169,221</u>	<u>1,524,521</u>	<u>(2,141,927)</u>
Non-operating revenues (expenses):								
Interest and investment revenue	93,960	237	2,659	724	624	2,682	100,886	6,848
Interest payments	(942,333)	-	-	-	-	-	(942,333)	-
Gain/(loss) on sale of assets	(31,685)	-	-	-	-	-	(31,685)	-
Total nonoperating revenue (expenses)	<u>(880,058)</u>	<u>237</u>	<u>2,659</u>	<u>724</u>	<u>624</u>	<u>2,682</u>	<u>(873,132)</u>	<u>6,848</u>
Income (loss) before contributions and transfers	<u>325,024</u>	<u>288,415</u>	<u>316,044</u>	<u>(311,906)</u>	<u>(138,091)</u>	<u>171,903</u>	<u>651,389</u>	<u>(2,135,079)</u>
Transfers in	4,675,153	-	39,740	143,834	569,949	-	5,428,676	2,341,186
Transfers out	<u>(1,992,213)</u>	<u>(125,948)</u>	<u>(44,540)</u>	<u>(64,586)</u>	<u>(41,944)</u>	<u>-</u>	<u>(2,269,231)</u>	<u>-</u>
Change in net position	<u>3,007,964</u>	<u>162,467</u>	<u>311,244</u>	<u>(232,658)</u>	<u>389,914</u>	<u>171,903</u>	<u>3,810,834</u>	<u>206,107</u>
Beginning net position	48,216,207	388,997	2,088,067	5,294,268	2,518,709	6,407,376	64,913,624	1,403,963
Restatement	<u>(233,630)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(233,630)</u>	<u>-</u>
Beginning net position-as restated	<u>47,982,577</u>	<u>388,997</u>	<u>2,088,067</u>	<u>5,294,268</u>	<u>2,518,709</u>	<u>6,407,376</u>	<u>64,679,994</u>	<u>1,403,963</u>
Net position-end of the year	<u>\$ 50,990,541</u>	<u>551,464</u>	<u>2,399,311</u>	<u>5,061,610</u>	<u>2,908,623</u>	<u>6,579,279</u>	<u>68,490,828</u>	<u>1,610,070</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, 2014**

	Business-Type Activities						Governmental	
	Enterprise funds						Activities	
	46,81,82, 104,110 Water & Sewer	86 Solid Waste	88 Bonito Lake	90 Golf Course	91 Airport	901,902, 903,904 Public Housing	12, 96, 107  Internal Service	
Cash flows from operating activities:								
Receipts from customers	\$ 9,144,717	2,016,152	22	1,242,157	166,150	1,474,209	14,043,407	125,604
Payment to suppliers	(2,797,717)	(1,729,395)	(515,078)	(1,095,721)	(98,977)	(507,907)	(6,744,795)	(1,288,268)
Payment to employees	(2,298,671)	(146,558)	5	(264,441)	(73,208)	(418,444)	(3,201,317)	(1,382,940)
Other receipts (payments)	-	109,401	10,317	3,043	49,623	11,931	184,315	326,598
Net cash provided (used) by operating activities	<u>4,048,329</u>	<u>249,600</u>	<u>(504,734)</u>	<u>(114,962)</u>	<u>43,588</u>	<u>559,789</u>	<u>4,281,610</u>	<u>(2,219,006)</u>
Cash flows from non-capital financing activities:								
Transfers from other funds	4,675,153	-	39,740	143,834	569,949	-	5,428,676	2,341,186
Operating subsidies and transfers to other funds	<u>(1,992,213)</u>	<u>(125,948)</u>	<u>(44,540)</u>	<u>(64,586)</u>	<u>(41,944)</u>	<u>-</u>	<u>(2,269,231)</u>	<u>-</u>
Total cash provided (used) by non-capital financing activities	<u>2,682,940</u>	<u>(125,948)</u>	<u>(4,800)</u>	<u>79,248</u>	<u>528,005</u>	<u>-</u>	<u>3,159,445</u>	<u>2,341,186</u>
Cash flows from capital and related financing activities:								
(Purchase)/disposal of capital assets	(2,614,589)	-	4,800	-	(569,949)	(583,500)	(3,763,238)	-
Principal payments	(1,433,971)	-	-	-	-	-	(1,433,971)	-
Interest paid	(942,578)	-	-	-	-	-	(942,578)	-
Proceeds from issuance of debt	<u>44,005</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>44,005</u>	<u>-</u>
Net cash provided (used) by capital and related financing activities	<u>(4,947,133)</u>	<u>-</u>	<u>4,800</u>	<u>-</u>	<u>(569,949)</u>	<u>(583,500)</u>	<u>(6,095,782)</u>	<u>-</u>
Cash flows from investing activities:								
Proceeds from sales and maturities of investments	-	19,780	298,542	-	-	499,747	818,069	-
Purchase of investments	(1,184,451)	-	-	(671)	(578)	-	(1,185,700)	(6,345)
Interest and dividends	<u>93,960</u>	<u>237</u>	<u>2,659</u>	<u>724</u>	<u>624</u>	<u>2,682</u>	<u>100,886</u>	<u>6,848</u>
Net cash provided (used) by investing activities	<u>(1,090,491)</u>	<u>20,017</u>	<u>301,201</u>	<u>53</u>	<u>46</u>	<u>502,429</u>	<u>(266,745)</u>	<u>503</u>
Net increase (decrease) in cash and cash equivalents	693,645	143,669	(203,533)	(35,661)	1,690	478,718	1,078,528	122,683
Balances-beginning of year	<u>457,177</u>	<u>73,360</u>	<u>206,311</u>	<u>75,253</u>	<u>197,290</u>	<u>1,145,690</u>	<u>2,155,081</u>	<u>580,873</u>
Balances-end of year	<u>\$ 1,150,822</u>	<u>217,029</u>	<u>2,778</u>	<u>39,592</u>	<u>198,980</u>	<u>1,624,408</u>	<u>3,233,609</u>	<u>703,556</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, 2014**

	Business-Type Activities						Governmental 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	12,96,107 Internal Service
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:								
Operating income (loss)	\$ 1,205,082	288,178	313,385	(312,630)	(138,715)	169,221	1,524,521	(2,141,927)
Adjustments:								
Depreciation expense	2,730,657	41,617	5,671	195,709	170,055	370,902	3,514,611	-
Bad debt expense	(52,696)	-	-	-	-	-	(52,696)	-
Change in assets and liabilities:								
Receivables, net	108,162	35,237	22	40	11,513	6,288	161,262	5,209
Other receivables	11,510	87	(681,598)	-	-	44	(669,957)	-
Due from other funds	(312,256)	-	-	-	-	320	(311,936)	-
Inventories and prepaid expenses	139,900	-	-	-	-	5,821	145,721	50,413
Accounts payable	146,580	(114,318)	(142,219)	(1,422)	(216)	3,793	(107,802)	(137,349)
Accrued expenses	3,802	(257)	5	2,034	3,242	1,587	10,413	2,592
Compensated absences	50,604	(1,087)	-	1,307	(2,441)	(2,791)	45,592	2,056
Due to other funds	-	-	-	-	-	(320)	(320)	-
Deposits	14,618	-	-	-	150	3,979	18,747	-
Unearned revenue	2,366	143	-	-	-	945	3,454	-
Net cash provided (used) by operating activities	<u>\$ 4,048,329</u>	<u>249,600</u>	<u>(504,734)</u>	<u>(114,962)</u>	<u>43,588</u>	<u>559,789</u>	<u>4,281,610</u>	<u>(2,219,006)</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, 2014**

		Agency Funds
		<u>17,39,115</u>
<b>Assets</b>		
Cash and cash equivalents	\$	19,984
Receivables		70,018
Allowance for uncollectible accounts		<u>(70,018)</u>
 Total assets	 \$	 <u><u>19,984</u></u>
<b>Liabilities</b>		
Accounts payable	\$	3,684
Deposits held in custody for others		<u>16,300</u>
 Total liabilities	 \$	 <u><u>19,984</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, 2014**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial statement presentation

As required by U.S. generally accepted accounting principles, these financial statements present the City of Alamogordo (the City) 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:

<u>Otero County</u>	<u>Lincoln County</u>
City of Alamogordo	County of Lincoln
County of Otero	Town of Carrizozo
Village of Cloudcroft	Village of Capitan
Village of Tularosa	Village of Ruidoso
Village of Corona	Village of Ruidoso Downs

The purpose of the joint venture was to establish, finance and operate the Otero-Greentree Regional Landfill (formerly known as 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-Greentree Regional Landfill;
2. Title to the facility shall be held in undivided-joint tenancy between the Otero and Lincoln Solid Waste Authorities;
3. The entities, through their respective Otero or Lincoln County Authorities, shall be joint owners of a co-equal undivided one-half interest in the assets and also shall be equally responsible for

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended June 30, 2014**

- 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;
  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, 2014.

According to Governmental Accounting Standards Board Statement No. 14 and 61, *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 Otero-Greentree 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 Legislative Department, Administration Department<sup>1</sup>, Finance Department, Police Department, Fire Department, Code Enforcement Division, as well as, the Planning and Zoning Division, are classified as general governmental activities. The City's utilities (water & sewer, and solid waste), Bonito Lake, Golf Course, and White Sands Regional Airport are classified as business activities. The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) 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 regard to interfund activities, payables and receivables. All internal balances in the Statement of Net Position 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

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<sup>1</sup> The Administration Department includes the City Manager, City Attorney, and City Clerk.

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended June 30, 2014**

column. In the Statement of Activities, internal service fund<sup>2</sup> 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.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with 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.

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, deferred outflows, liabilities, deferred inflows, 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 and classified into one of five governmental fund types, including the general fund, the collection and disbursement of earmarked money (special revenue funds), the accumulation of resources for the payment of long-term debt principal and interest (debt service funds) the acquisition of construction of general capital assets (capital projects funds) and obligatory permanent funds. 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.

*Permanent funds* are used to account for report resources that are restricted to the extent that only

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<sup>2</sup> Internal Service Fund (F012) include Fleet Maintenance Division, Facility Maintenance Division, Purchasing Division, Management Information Systems Division, and Human Resources Division.



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earnings, and not principal, may be used for purposes that support the City's programs. Permanent funds are most likely to be used for resources legally restricted to cemeteries, libraries, museums, parks, public land maintenance, social services, and scholarships.

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

The City reports the following major governmental funds:

*The General Fund: (F011, F032, F063, F065 & F098)* – 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.

*Gross Receipts Tax (GRT) Principal and Interest Fund (F059 is a debt service fund)* – This fund accounts for accumulating monies for payment of gross receipts for revenue bonds.

*2004 Gross Receipts Tax Capital Outlay (F109 is a capital project fund)* – This fund accounts for ¼ of 1% gross receipts tax dedication adopted in 2004 to be used for construction, reconstruction or improvement of municipal streets, alleys, roads or bridges, including acquisition of rights of way.

*2011 Street Projects Improvement Loan Fund (F118 is a capital project fund)* – This fund accounts for loan proceeds to be utilized for city street projects.

The City reports the following major proprietary or business funds:

*Water & Sewer Operating (F081, F082, & F104)* – 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 (F086)* – to account for solid waste services to the residents of the City and some residents of the County.

*Bonito Lake (F088)* – to account for the operation of Bonito Lake Watershed, Recreational Area and part of the Bonito Pipeline.

*Desert Lakes Golf Course Operating (F090)* – to account for the operations of the golf course and facilities.

*White Sands Regional Airport (F091)* – to account for the operations of the City's airport system.

*Public Housing Authority (F901, F903, & F904 are considered a special revenue fund)* – Provides financial assistance to low income families for housing within the community as well as low rent housing in city owned facilities.

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The City reports internal service funds (*F012, F096<sup>3</sup>, F107<sup>4</sup>*) established to provide financing for activities of services provided in-house by the using department. The City currently provides central services for human resources, purchasing, fleet maintenance, management information systems, and facilities maintenance. 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.

Also, the City reports non-major governmental funds and agency funds as supplementary information in this report.

**C. Capital assets**

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

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

Software is depreciated over 36 months. In addition, the Public Housing Authority records depreciation on its capital assets in accordance with U.S. generally accepted accounting principles.

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<sup>3</sup> Claims paid from Self-Insurance Fund  
<sup>4</sup> Self-Insurance Liability Fund

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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 position. 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 Position.

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 taxes 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.

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.

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

The City also reports deferred revenues/unearned revenues on its combined balance sheet. Deferred revenues/unearned 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/unearned revenues is removed from the combined balance sheet and revenue is recognized.

The remaining unearned revenue reported on the financial statements is unearned service revenues. These transactions are resources received in advance of an exchange transaction. Therefore they will be presented as a liability on the financial statements.

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 position and changes in net position 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.

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 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

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manner. The level of control at which expenditures may not legally exceed budgeted revenues, cash and investments is at the total fund level for each legally adopted budget.

Encumbrance accounting is used for all fund types. Encumbrances are recorded when purchase orders are issued, but are not considered expenditures until liabilities for payments are incurred. Encumbrances do not lapse at the close of the fiscal year, for capital projects and contractual arrangement, but are carried forward until liquidated. Encumbrances are included in fund balance classification on the balance sheet according to the level of the constraint of the resources that will be used for the encumbrance.

**H. Investments**

Cash and cash equivalent resources of the individual funds are combined to form a consolidated pool of cash and cash equivalents and a consolidated pool of investments, which is managed by the Chief Treasurer or Finance Director as specified in the City Ordinance. 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 expense 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 and AFSCME Union Agreement allow for the accrual of paid time off (PTO) and the APSCOA Union Agreement allow for accrual of vacation and sick leave. After a probationary period, City employees are allowed to use the time they have accrued.

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The maximum number of accrued PTO or 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 computer generated.

N. Interfund transactions

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

O. Net position/fund equity classifications

*Government-wide Statements*

Net position on the Statement of Net position includes the following:

1. Net investment in capital assets—the component of net position 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 position— for capital projects, debt service, or other purposes consist of net position 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 position—all other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

*Fund Statements*

In the governmental fund financial statements, fund balances are classified as nonspendable, restricted, or unrestricted (committed, assigned, or unassigned). Restricted represents those portions of fund balance where constraints placed on the resources are either externally imposed or imposed by law through constitutional provisions or enabling legislation. Committed fund balance represents amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of City Commissioners. Assigned fund balance is constrained by the City's intent to be used for specific purposes.

Proprietary fund equity is classified the same as in the government-wide statements.

P. Spending Policy

When an expenditure/expense is incurred for purposes for which both restricted and unrestricted resources are available, it is the City's policy to use restricted resources first. When expenditures/expenses are incurred for purposes for which unrestricted (committed, assigned and

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unassigned) resources are available, and amounts in any of these unrestricted classifications could be used, it is the City's policy to spend committed resources first.

**Q. Indirect expenses**

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

**R. 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.

**S. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position and/or the balance sheet for governmental funds will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, Deferred Outflows of Resources, represents a consumption of net position/fund balance that applies to a future period and so will not be recognized as an expense or expenditure until then. The City has no deferred outflows of resources during fiscal year 2014.

In addition to liabilities, the statement of net position and/or the balance sheet for the governmental funds will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, Deferred Inflows of Resources, represents an acquisition of net position/fund balance that applied to a future period and so will not be recognized until then.

The City has the following deferred inflows of resources during fiscal year 2014 on the fund financials:

<u>Deferred Inflows of Resources - Fund Financials</u>	
<u>Governmental Activities</u>	
Property tax revenue	\$ 187,542
Non-exchange transactions	<u>7,086</u>
Total governmental deferred inflows of resources	194,628
 <u>Business Type Activities</u>	
Non-exchange transactions	<u>139,403</u>
Total business type deferred inflows of resources	<u>139,403</u>
 Total deferred inflows of resources on fund financials	 \$ <u><u>334,031</u></u>

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The City has the following deferred inflows of resources during fiscal year 2014 on the government wide financials:

<u>Deferred Inflows of Resources - GW</u>	
<u>Governmental Activities</u>	
Non-exchange transactions	\$ 7,086
 <u>Business Type Activities</u>	
Non-exchange transactions	<u>139,403</u>
Total deferred inflows of resources on government wide financials	\$ <u><u>146,489</u></u>

T. Evaluation of Subsequent Events

Subsequent events are events or transactions that occur after the statement of net position date but before the financial statements are issued. The City recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the statement of net position, including the estimates inherent in the process of preparing the financial statements. The City's financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the statement of net position but arose after the statement of net position date and before financial statements are available to be issued. The City has evaluated subsequent events through November 19, 2014, which is the date the financial statements were available to be issued.

NOTE 2 – CASH AND INVESTMENTS

*Cash and Cash Equivalents*

Cash and cash equivalents includes cash in banks with various financial institutions. As of June 30, 2014, 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.

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The locations and amounts deposited at each of the financial institutions are as follows:

	<u>1st National</u>	<u>Wells Fargo</u>	<u>NMFA</u>
	<u>Bank</u>	<u>Bank</u>	
Total amount of deposits in bank	\$ 7,204,498	15,875,768	422
Less: FDIC coverage	<u>(250,000)</u>	<u>(7,750,000)</u>	N/A
Total uninsured public funds	6,954,498	8,125,768	-
State Collateral Requirement - 50%	3,477,249	4,062,884	-
Pledged security	<u>5,218,346</u>	<u>4,329,749</u>	-
Over/(under) collateralized	<u>\$ 1,741,097</u>	<u>266,865</u>	<u>-</u>
	<b>Bank of New York Mellon Trust</b>		
Total amount of deposits in bank	\$ 1,184,075		
Less: FDIC coverage	<u>N/A</u>		
Total uninsured public funds	-		
State Collateral Requirement - 50%	-		
Pledged security	<u>\$ -</u>		

<u>Cash by fund type</u>	<u>Book Balance Amount</u>
Governmental funds	\$ 3,320,719
Business-type funds	3,233,609
Fiduciary funds	19,984
Internal service funds	703,556
Component unit	<u>12,663</u>
Cash per financial statements	<u>\$ 7,290,531</u>

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

*Investments*

Investments consisted of the following as of June 30, 2014:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Allocation</u>
State Treasurer's Investment Pool	\$ 215,122	0.4%
CDs and other	30,369,541	51.1%
Federal Home Loan Notes	<u>28,857,067</u>	<u>48.5%</u>
Total	<u>\$ 59,441,730</u>	<u>100%</u>

In compliance with Governmental Accounting Standards Board Statement No. 31, the City's investments are stated at fair value, except for highly liquid market investments with maturities of one year or less at the time of purchase, which are stated at amortized cost. Market value is used for those securities for which market quotations are readily available. For securities that lack readily available market quotations, reasonable estimates of fair value are used based on the market value of similar investments. The City generally holds all investments until maturity or until market values equal or exceed cost. Therefore, the fair value of securities in the investment pool does not necessarily reflect realized gains or losses but rather the fair value of those investments as of June 30, 2014.

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

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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 \$215,122 as of June 30, 2014 within the short-term investment fund pool. The yield at June 30, 2014 was .001007%. 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. As of June 30, 2014, the LGIP WAM(R) was 60 days.

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, 2014, 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.

The U.S. Treasury investments are all backed by the full faith and credit of the U.S. government and are therefore insured against loss.

Deposits of funds may be made in interest or non-interest bearing checking accounts in one or more banks or savings and loan associations within the geographical boundaries of the City. Deposits may be made to the extent that they are insured by an agency of the United States or by collateral deposited as security or by bond given by the financial institution.

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

Excess funds may be temporarily invested in securities which are issued by the State or by the United

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States government, or by their departments or agencies, and which are either direct obligations of the State or the United States or are backed by the full faith and credit of those governments.

According to the Federal Deposit Insurance Corporation, public unit deposits are funds owned by the public unit. Time deposits, savings deposits and interest bearing NOW accounts of an institution in the same state will be insured up to \$250,000 in aggregate and separate from the \$250,000 coverage for public unit demand deposits at the same institution.

**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, 2014, the City's bank and investment balances of \$66,732,264, which includes the component units, were exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$	-
Uninsured and collateral held by pledging bank's trust department, not in the City's name		19,658,055
	Total \$	<u><u>19,658,055</u></u>

**NOTE 4 – INTERFUND BALANCES AND TRANSFERS**

Interfund receivables and payables are amounts due from and to other funds within the City. The interfund payables are due to interfund borrowing between funds for operating purposes. The interfund receivables are expected to be paid in the current year.

Interfund balances as of June 30, 2014, are as follows:

<u>Fund Description</u>	<u>Fund Number</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General - Major Fund	011	\$ 206,556	-
Water & Sewer - Major Enterprise Fund	081	312,256	-
Bonito Lake - Major Enterprise Fund	088	-	163,283
Various non-major funds	various	225	355,754
		<u>\$ 519,037</u>	<u>519,037</u>

Transfers and payments within the reporting entity are substantially for the purpose of subsidizing operating functions and funding capital projects, namely street projects. All transfers made during the year were considered routine and were consistent with the general characteristics of the City's transfer. The details of interfund transfers during fiscal year 2014 are provided on the following page.

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		<b>Transfers In</b>									
		11,32,63 65,98 General Fund	59 GRT P&I	109 2004 GRT Capital Outlay	46,81,82, 104,110 Water & Sewer	118 Street Projects	90 Golf Course	91 Airport	Non Major Govern- mental	12,96,107 Internal Service	Total
General	\$	3,187,634	-	-	-	-	143,834	-	1,037,863	1,529,178	5,898,509
59 GRT P&I		-	-	-	-	-	-	-	-	-	-
109 2004 GRT		-	1,161,362	-	-	-	-	-	-	-	1,161,362
46,81,82, 104,110 Water & Sewer		2,497	44,006	-	1,586,007	-	-	-	46,855	312,848	1,992,213
118 Street Project		-	-	398,520	-	-	-	-	16,818	-	415,338
88 Bonito Lake		-	-	-	44,540	-	-	-	-	-	44,540
90 Golf Course		-	-	-	-	-	-	-	-	64,586	64,586
91 Airport		-	-	-	-	-	-	-	-	41,944	41,944
Non-Major Governmental		200,000	1,705,793	-	3,044,606	-	-	569,949	31,931	390,910	5,943,189
94 Component Unit		-	-	-	-	-	-	-	-	1,720	1,720
Total	\$	<u>3,390,131</u>	<u>2,911,161</u>	<u>398,520</u>	<u>4,675,153</u>	<u>-</u>	<u>143,834</u>	<u>569,949</u>	<u>1,133,467</u>	<u>2,341,186</u>	<u>15,563,401</u>
		For acquis- ition of services for City services.	For payment of debt service	For collection of GRT to pay for general improvements and repairs to the City's roadways.	For payment of improve- ments to the City's water and sewer system.	To pay for improve- ments to City streets.	To pay for general 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.	

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**NOTE 5 – RECEIVABLES**

The receivables 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	<b>General</b>	<b>2004 GRT Capital Outlay</b>	<b>Other Gov Funds</b>	<b>Total Govern- mental</b>
Taxes	\$ 2,082,278	483,949	1,409,440	3,975,667
Grants	23,661	-	133,286	156,947
Accounts	968,402	-	227,936	1,196,338
Allowance for doubtful accts	(945,792)	-	(209,199)	(1,154,991)
Total	\$ <u>2,128,549</u>	<u>483,949</u>	<u>1,561,463</u>	<u>4,173,961</u>

<b>Enterprise Funds</b>				
Type	<b>Water and Sewer</b>	<b>Public Housing Authority</b>	<b>Solid Waste</b>	<b>Bonito Lake</b>
Other	\$ 32,177	18	128	681,598
Accounts	627,542	16,909	125,658	362
Allowance for doubtful accts	(228,036)	(9,431)	(22,777)	-
Total	\$ <u>431,683</u>	<u>7,496</u>	<u>103,009</u>	<u>681,960</u>

<b>Enterprise Funds</b>			
Type	<b>Airport</b>	<b>Golf Course</b>	<b>Total Enterprise</b>
Other	\$ -	-	713,921
Accounts	17,064	40	787,575
Allowance for doubtful accts	-	(40)	(260,284)
Total	\$ <u>17,064</u>	<u>-</u>	<u>1,241,212</u>

Type	<b>Comp Unit Landfill</b>	<b>Internal Service</b>	<b>Fiduciary</b>
Taxes	\$ 3,295	-	-
Grants	-	-	-
Accounts	61,001	-	70,018
Allowance for doubtful accts	(54)	-	(70,018)
Total	\$ <u>64,242</u>	<u>-</u>	<u>-</u>

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NOTE 6 – CAPITAL ASSETS

Capital asset activities for the year ended June 30, 2014:

<b>GOVERNMENTAL ACTIVITIES</b>					
<b>Asset Description</b>	<b>2013</b>	<b>Additions</b>	<b>Deletions</b>	<b>Reclass/ Transfers</b>	<b>2014</b>
<b>Capital assets not being depreciated:</b>					
Land	\$ 8,235,274	-	(38,826)	618,146	<b>8,814,594</b>
Construction in progress	742,445	3,685,589	-	(2,997,569)	<b>1,430,465</b>
Total capital assets not being depreciated	<u>8,977,719</u>	<u>3,685,589</u>	<u>(38,826)</u>	<u>(2,379,423)</u>	<b>10,245,059</b>
<b>Capital assets being depreciated:</b>					
Buildings and improvements	22,374,511	13,688	-	246,225	<b>22,634,424</b>
Mechanized equipment	9,457,393	358,163	(13,375)	61,187	<b>9,863,368</b>
Unscheduled property	4,307,923	210,401	(162,303)	135,127	<b>4,491,148</b>
Infrastructure	183,589,983	-	-	1,993,071	<b>185,583,054</b>
Total capital assets being depreciated	219,729,810	582,252	(175,678)	2,435,610	<b>222,571,994</b>
Less accumulated depreciation for:					
Buildings and improvements	(13,807,711)	(678,046)	-	-	<b>(14,485,757)</b>
Mechanized equipment	(6,546,820)	(476,419)	13,375	(62,290)	<b>(7,072,154)</b>
Unscheduled property	(3,402,291)	(238,406)	159,651	5,000	<b>(3,476,046)</b>
Infrastructure	(145,281,448)	(2,875,056)	-	-	<b>(148,156,504)</b>
Total accumulated depreciation	<u>(169,038,270)</u>	<u>(4,267,927)</u>	<u>173,026</u>	<u>(57,290)</u>	<b>(173,190,461)</b>
Governmental activities Capital assets, net	<u>\$ 59,669,259</u>	<u>(86)</u>	<u>(41,478)</u>	<u>(1,103)</u>	<b>59,626,592</b>

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**STATE OF NEW MEXICO  
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**BUSINESS -TYPE ACTIVITIES**

<b>Asset Description</b>	<b>2013</b>	<b>Additions</b>	<b>Deletions</b>	<b>Reclass/ Transfers</b>	<b>2014</b>
<b>Capital assets not being depreciated:</b>					
Land	\$ 6,970,263	-	-	-	<b>6,970,263</b>
Construction in progress	1,086,443	3,127,298	-	(4,033,751)	<b>179,990</b>
Total capital assets not being depreciated	<u>8,056,706</u>	<u>3,127,298</u>	<u>-</u>	<u>(4,033,751)</u>	<u><b>7,150,253</b></u>
<b>Capital assets being depreciated:</b>					
Buildings and improvements	24,575,053	578,305	(5,870)	626,492	<b>25,773,981</b>
Mechanized equipment	7,031,005	88,215	(155,006)	31,124	<b>6,995,339</b>
Unscheduled property	1,516,759	-	(28,615)	470,678	<b>1,958,822</b>
Infrastructure	77,261,284	-	-	2,845,874	<b>80,107,158</b>
Total capital assets being depreciated	<u>110,384,101</u>	<u>666,520</u>	<u>(189,491)</u>	<u>3,974,168</u>	<u><b>114,835,300</b></u>
Less accumulated depreciation for:					
Buildings and improvements	(15,250,756)	(831,190)	1,173	-	<b>(16,080,773)</b>
Mechanized equipment	(3,752,921)	(403,401)	128,919	61,187	<b>(3,966,216)</b>
Unscheduled property	(539,885)	(264,355)	27,714	(501)	<b>(777,027)</b>
Infrastructure	(19,402,597)	(2,015,665)	-	-	<b>(21,418,262)</b>
Total accumulated depreciation	<u>(38,946,159)</u>	<u>(3,514,611)</u>	<u>157,806</u>	<u>60,686</u>	<u><b>(42,242,278)</b></u>
Business-type activities capital assets, net	<u>\$ 79,494,648</u>	<u>279,207</u>	<u>(31,685)</u>	<u>1,103</u>	<u><b>79,743,275</b></u>

**COMPONENT UNIT**

<b>Asset Description</b>	<b>2013</b>	<b>Additions</b>	<b>Deletions</b>	<b>Reclassifi- cations</b>	<b>2014</b>
<b>Capital assets not being depreciated:</b>					
Land	\$ 1,526,005	-	-	-	<b>1,526,005</b>
Construction in progress	-	41,482	-	(41,482)	<b>-</b>
Total capital assets not being depreciated	<u>1,526,005</u>	<u>41,482</u>	<u>-</u>	<u>(41,482)</u>	<u><b>1,526,005</b></u>
<b>Capital assets being depreciated:</b>					
Buildings and improvements	158,737	-	-	-	<b>158,737</b>
Mechanized equipment	3,065,384	-	-	-	<b>3,065,384</b>
Unscheduled property	99,745	-	-	41,358	<b>141,103</b>
Infrastructure	1,270,664	-	-	-	<b>1,270,664</b>
Total capital assets being depreciated	<u>4,594,530</u>	<u>-</u>	<u>-</u>	<u>41,358</u>	<u><b>4,635,888</b></u>
Less: accumulated depreciation for:					
Buildings and improvements	(158,738)	-	-	-	<b>(158,738)</b>
Mechanized equipment	(1,873,662)	(260,284)	-	-	<b>(2,133,946)</b>
Unscheduled property	(95,031)	(3,017)	-	124	<b>(97,924)</b>
Infrastructure	(567,382)	(39,999)	-	-	<b>(607,381)</b>
Total accumulated depreciation	<u>(2,694,813)</u>	<u>(303,300)</u>	<u>-</u>	<u>124</u>	<u><b>(2,997,989)</b></u>
Component unit capital assets, net	<u>\$ 3,425,722</u>	<u>(261,818)</u>	<u>-</u>	<u>-</u>	<u><b>3,163,904</b></u>

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

<b>Governmental activities</b>		<b>Business-type activities</b>	
General government	\$ 4,168,660	Water/sewer	\$ 2,730,657
Public safety	99,267	Solid waste	41,617
Public works	-	Bonito Lake	5,671
Culture and recreation	-	Golf course	195,709
Health and welfare	-	Airport	170,055
Total	<u>\$ 4,267,927</u>	Public housing authority	<u>370,902</u>
		Total	<u>\$ 3,514,611</u>
 <b>Component unit</b>			
Landfill	<u>\$ 303,300</u>		

**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.

	<u>2013</u>	<u>Increases</u>	<u>Decreases</u>	<u>Adjustments</u>	<u>2014</u>	<u>Amount due within one year</u>
<b>Governmental funds debt</b>						
General obligation bonds	\$ 1,918,520	-	(180,340)	-	<b>1,738,180</b>	182,800
Revenue bonds	3,100,000	-	(295,000)	-	<b>2,805,000</b>	310,000
NMFA	25,664,313	-	(1,612,828)	-	<b>24,051,485</b>	1,637,674
Compensated absences	1,127,896	863,792	(929,911)	-	<b>1,061,777</b>	1,061,777
<b>Total</b>	<u>\$ 31,810,729</u>	<u>863,792</u>	<u>(3,018,079)</u>	<u>-</u>	<u><b>29,656,442</b></u>	<u>3,192,251</u>
 <b>Business-type funds debt</b>						
General obligation bonds	\$ 5,873,580	-	(249,660)	-	<b>5,623,920</b>	275,940
Revenue bonds	12,984,902	-	(684,919)	-	<b>12,299,983</b>	697,284
NMFA	10,591,544	44,005	(499,392)	233,631	<b>10,369,788</b>	558,972
Compensated absences	201,953	236,452	(190,859)	-	<b>247,546</b>	247,546
	<u>\$ 29,651,979</u>	<u>280,457</u>	<u>(1,624,830)</u>	<u>233,631</u>	<u><b>28,541,237</b></u>	<u>1,779,742</u>
 <b>Component unit debt</b>						
Compensated absences	\$ 18,089	13,784	(11,235)	-	<b>20,638</b>	20,638
	<u>\$ 18,089</u>	<u>13,784</u>	<u>(11,235)</u>	<u>-</u>	<u><b>20,638</b></u>	<u>20,638</u>

Prior year compensated absences have been liquidated by the general fund. See Note 19 for an explanation of the adjustments to long-term debt.

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The annual principal and interest requirements on long-term debt outstanding as of June 30, 2014 includes:

Governmental Activities							
Year Ended June 30	General Obligation Bonds		Revenue Bonds		New Mexico Finance Authority		Total P & I
	Principal	Interest	Principal	Interest	Principal	Interest	
	2015 \$	182,800	52,657	310,000	117,146	1,637,674	
2016	140,900	49,481	320,000	104,746	1,679,029	644,670	2,938,826
2017	143,300	46,391	340,000	91,946	1,670,532	611,228	2,903,397
2018	151,000	42,748	900,000	78,006	1,124,008	574,000	2,869,762
2019	153,400	38,476	935,000	40,206	1,156,703	543,251	2,867,036
2020-2024	493,400	127,896	-	-	8,863,539	2,050,982	11,535,817
2025-2029	359,400	59,672	-	-	6,920,000	685,634	8,024,706
2030-2032	113,980	1,918	-	-	1,000,000	116,666	1,232,564
Total \$	<u>1,738,180</u>	<u>419,239</u>	<u>2,805,000</u>	<u>432,050</u>	<u>24,051,485</u>	<u>5,899,536</u>	<u>35,345,490</u>

  

Business Type Activities							
Year Ended June 30	General Obligation Bonds		Revenue Bonds		New Mexico Finance Authority		Total P & I
	Principal	Interest	Principal	Interest	Principal	Interest	
	2015 \$	275,940	225,628	697,284	388,047	558,972	
2016	110,000	217,884	711,001	373,729	596,695	310,506	2,319,815
2017	127,600	213,132	725,884	357,846	613,913	294,366	2,332,741
2018	140,800	207,764	742,145	340,184	631,210	276,746	2,338,849
2019	176,000	201,780	764,702	320,828	539,288	258,936	2,261,534
2020-2024	1,553,200	869,228	4,168,835	1,244,785	2,938,848	1,005,577	11,780,473
2025-2029	2,635,600	437,591	3,216,582	561,287	3,398,448	481,616	10,731,124
2030-2032	604,780	14,068	1,273,550	72,725	1,092,416	68,488	3,126,027
Total \$	<u>5,623,920</u>	<u>2,387,075</u>	<u>12,299,983</u>	<u>3,659,431</u>	<u>10,369,788</u>	<u>3,023,103</u>	<u>37,363,302</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.

Advance Refunding

The City did not have any advance refunding in fiscal year 2014.

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
2011	\$ 2,000,000	2020	5.86%	\$ 942,100
2010	920,000	2029	4.05%	796,080
Total				<u>\$ 1,738,180</u>
Amount due within one year				<u>\$ 182,800</u>

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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>5,623,920</u>
Amount due within one year				\$ <u>275,940</u>

**Revenue Bonds**

The City has issued revenue bonds, 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:

Purpose	Series	Issue Amount	Maturity Date	Average Coupon Rate	Year-end Balances
Public works improvements	2004	5,405,000	2019	3.51%	<u>2,805,000</u>
Total					\$ <u>2,805,000</u>
Amount due within one year					\$ <u>310,000</u>

\* Bond refunding in 2012

The revenue bonds in the City's governmental activities are payable from gross receipts tax collections. Revenue bonds issued in prior years and reported as liabilities of the City's business-type activities are:

Purpose	Series	Issue Amount	Maturity Date	Average Coupon Rate	Year-end Balances
Improve water/sewer system	2011	\$ 9,812,674	2031	3.07%	\$ 8,739,983
Improve water/sewer system	2005	5,530,000	2025	4.00%	<u>3,560,000</u>
Total					\$ <u>12,299,983</u>
Amount due within one year					\$ <u>697,284</u>

\* Bond refunding in 2012

The revenue bonds in the City's business-type activities are payable from the net revenues of the City's Joint Water and Sewer System.

**Promissory Notes**

The City has outstanding loans with the New Mexico Finance Authority (NMFA) 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.

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Promissory notes reported as liabilities of the City's governmental activities are:

Purpose	Date of Issuance	Amount	Maturity Date	Average Coupon Rate	Year-end Balances
Construction of fire station	2000	\$ 572,223	2020	5.49%	\$ 241,352
Purchase of ladder truck	2004	455,000	2016	3.21%	87,380
Purchase of fire pumper	2009	196,910	2017	3.34%	80,143
Infrastructure - flood control	2009	3,620,000	2028	3.74%	2,970,000
Infrastructure - street projects	2009	7,350,000	2028	4.50%	5,810,000
Infrastructure - RO project	2011	2,735,456	2021	2.71%	1,622,610
Infrastructure - street projects	2011	7,640,000	2031	3.19%	6,840,000
Public works improvements	2012	8,130,000	2027	3.84%	6,400,000
		Total			\$ 24,051,485
					Amount due within one year \$ 1,637,674

The City has outstanding loans with the NMFA that are secured by a security interest in the City's receipts from the Municipal 0.250% Gross Receipts Tax enacted in 1987 and generally requires semi-annual principal and interest payments.

Promissory notes issued 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%	\$ 511,446
Infrastructure improvements	2007	6,565,000	2029	2.00%	4,513,257
Infrastructure improvements	2009	5,340,000	2029	3.75%	4,395,000
Infrastructure -regional water	2010	1,127,000	n/a**	0.00%	906,080
Infrastructure/Drinking Water	2014	855,320	2034	2.00%	44,005
Infrastructure/Desalination Facility	2014	1,136,250	2034	2.00%	-
		Total			\$ 10,369,788
					Amount due within one year \$ 558,972

\*\* Dependent upon timing of project completion

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

Fund Type	Principal	Interest	Total
Governmental funds	\$ 28,594,665	6,750,825	35,345,490
Business-type funds	28,293,691	9,069,609	37,363,300
	\$ 56,888,356	15,820,434	72,708,790

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.

Compensated Absences

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 expense and a fund liability of the governmental or enterprise fund that will pay it. Amounts of vacation leave that are not expected to be

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liquidated with expendable available financial resources are reported in the Government-Wide statements as "compensated absences".

**NOTE 8 – RESTRICTED ASSETS – CASH AND INVESTMENTS**

Three debt issuances carried in the water and sewer fund required restricted reserves; 2005 Water & Sewer Bond, 2009 NMFA Water and Waste Water Loan, and 2011 Joint Water & Sewer refunding and improvement projects. The Housing Authority requires a reserve for tenant deposit and escrow accounts. The Housing Authority is in compliance with this restricted. The Airport collects deposits for gate cards. As a result, they have restricted cash related to the deposits held. The following amount of restricted reserves at June 30, is as follows:

<b>Fund</b>		<b>2014</b>
PHA Tenant and Escrow Deposits	\$	105,447
Water & Sewer Fund		535,805
Airport		9,552
Total restricted cash	\$	650,804

**NOTE 9 – FUND BALANCE**

The City's fund balances represent:

Non-Spendable Purposes – Amounts that cannot be spent due to form (such as inventories, prepaid items, accounts receivable, and other current assets that are consumed in the course of operations that cannot be converted to cash or are not expected to be available to pay current liabilities), and/or amounts that much be maintained legally intact or contractually intact (such as principal of a permanent fund).

Unassigned Purposes – Amounts not classified as non-spendable, restricted, committed, or assigned. The General Fund is the only fund that would report a positive amount in the unassigned fund balance.

Restricted Purposes – Amounts constrained for a specific purpose by external parties, creditors, grantors, contributors, constitutional provisions, debt covenants, or enabling legislation (i.e. DFA General Fund 1/12<sup>th</sup> required reserve).

Committed Purposes – Amounts that have been designated by City Resolution or City Ordinances. These funds may only be spent for the purpose intended by the Resolution or Ordinance, and can only be uncommitted by the same action taken to commit the funds.

Assigned Purposes – Amounts of the net resources of governmental funds that the City Commission intends for a specific purpose. Assigned resources do not require formal action of the governing body. The permanent funds net resources would be assigned fund balance as well as any net resources remaining in some special revenue funds, capital project funds, and debt service funds. The Assigned fund balances can be constrained for a specific purpose by the City Manager who has been given the delegated authority to assign amounts, by the City Commission. The amount reported as assigned should not result in a deficit in unassigned fund balance.

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A summary of the nature and purpose of these reserves by fund type at June 30, 2014, follows:

	<u>Non- Spendable</u>	<u>Unassigned Purposes</u>	<u>Restricted Purposes</u>	<u>Committed Purposes</u>	<u>Assigned Purposes</u>
<b>General Fund (11, 32, 63, 65, 98):</b>					
All funds	\$ 7,504	7,088,178	1,000	2,119,242	122,808
<b>GRT P &amp; I (59)</b>					
Debt service	-	-	7,697	-	-
<b>2004 GRT Capital Outlay (109)</b>					
Public works	-	-	6,617,518	558,327	64,151
<b>Street Projects (118)</b>					
Public works	-	-	2,683,544	-	-
<b>Other Funds</b>					
Corrections & promotions (15)	-	-	34,438	-	-
Tourism & Promotions (16)	-	-	134,593	-	-
Court automation (19)	-	-	70,531	-	-
Lodgers' tax city share (20)	-	-	173,673	-	-
D.A.R.E donations (21)	-	-	13,463	-	-
Designated gifts (22)	-	-	35,869	-	-
Grant capital (24)	-	-	52,870	-	-
Municipal court (27)	-	-	13,381	66,647	-
Police contingency (28)	-	-	(40,647)	-	-
Fire protection (33)	-	-	256,317	49,721	-
Law enforcement protection (36)	-	-	(13,847)	-	-
State highway cleanup (37)	-	-	83,582	-	-
Traffic safety (38)	-	-	53,629	-	-
1984 GRT (42)	-	-	3,008,823	-	-
Transportation (44)	-	-	652,800	146,933	150,625
1994 GRT (69)	-	-	743,222	672,375	-
Senior center III (71)	-	-	109,183	120,816	4,536
Senior center gift fund (74)	-	-	97,353	-	-
Senior center RSVP (75)	-	-	(4,112)	8,362	-
ESGRT .0625% convenience center (89)	-	-	1,839,784	-	-
General obligation (53)	-	-	648,691	-	-
Fire bond services (103)	-	-	7,589	-	-
Airport improvements (40)	-	-	(746)	-	-
Community development (48)	-	-	-	-	-
1986 GRT (49)	-	-	7,207,810	334,414	67,391
Property acquisition (50)	-	-	143,040	-	1,033
Reverse osmosis (54)	-	-	(802,420)	-	1,140,591
1999 GRT flood control (56)	-	-	891,588	-	3,347
1991 GRT infrastructure (61)	-	-	413,675	-	-
Economic development (105)	-	-	3,984,704	1,167,673	-
2002 GRT bond acquisition (108)	-	-	-	-	-
2009 GO bond (113)	-	-	347,665	-	454,700
Sidewalk revolving loan fund (114)	-	-	129,932	-	-
Regional water supply transmission (116)	-	-	(120,463)	-	63,598
2011 Water Refunding (117)	-	-	711,699	-	-
GRT refunding (119)	-	-	1,922,276	-	233,844
Cemetery perpetual (31)	-	-	736,839	-	-
	\$ -	-	23,536,784	2,566,941	2,119,665

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CITY OF ALAMOGORDO  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended June 30, 2014**

NOTE 10 – DEFICIT FUND BALANCE

The following funds had deficit fund balances at June 30, 2014:

<u>Fund Type</u>	<u>Fund No.</u>	<u>Amount</u>
Special revenue	28	\$ (40,647)
Special revenue	36	\$ (13,847)
Capital project	40	\$ (746)
Capital project	116	\$ (56,865)

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

NOTE 11 – SURETY BONDS

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

<u>Employee Position</u>	<u>Coverage</u>
City Manager	\$ 100,000
Finance Director	\$ 100,000

NOTE 12 – 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 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

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For the Year Ended June 30, 2014**

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 employer, employee and retiree contributions are required to be remitted to the RHCA on a monthly basis. The statutory requirements for the employer and employee contributions can be changed by the New Mexico State Legislature. Employers that choose to become participating employers after January 1, 1998, are required to make contributions to the RHCA fund in the amount determined to be appropriate by the board.

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. For employees that were members of an enhanced retirement plan (state police and adult correctional officer member coverage plan 1; municipal police member coverage plans 3, 4 or 5; municipal fire member coverage plan 3, 4 or 5; municipal detention officer member coverage plan 1; and members pursuant to the Judicial Retirement Act) during the fiscal year ended June 30, 2014, the statute required each participating employer to contribute 2.5% of each participating employee's annual salary; and each participating employee was required to contribute 1.25% of their salary. For employees that were not members of an enhanced retirement plan during the fiscal year ended June 30, 2014, the statute required each participating employer to contribute 2.0% of each participating employee's annual salary; each participating employee was required to contribute 1.0% of their salary. In addition, pursuant to Section 10-7C-15(G) NMSA 1978, at the first session of the Legislature following July 1, 2013, the legislature shall review and adjust the distributions pursuant to Section 7-1-6.1 NMSA 1978 and the employer and employee contributions to the authority in order to ensure the actuarial soundness of the benefits provided under the Retiree Health Care Act.

The City of Alamogordo's contributions to the RHCA for the years ended June 30, 2014, 2013, and 2012 were \$244,563, \$225,259, and \$201,845, respectively, which equal the required contributions for each year.

**NOTE 13 – PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION**

**Plan Description.** Substantially all of the City of Alamogordo'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 <http://www.pera.state.nm.us>.

**STATE OF NEW MEXICO  
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For the Year Ended June 30, 2014**

**Funding Policy.** Plan members are required to contribute from 6.28% to 18.15% 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 7.0% to 25.72% 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, 2014, 2013, 2012 were \$2,815,533, \$2,475,874, and \$2,438,141, respectively, which equal the amount of the required contributions for each fiscal year.

**NOTE 14 – OTERO-GREENTREE REGIONAL LANDFILL**

State and Federal laws and regulations require the Regional Landfill to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the 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, 2014 are \$685,743 and the estimated total current cost of closure and post closure remaining to be recognized is \$119,664 (for a total of \$805,407).

The landfill currently holds a 92-acre permit. The permit is defined as land that may be disturbed. To date 39% of the landfill capacity has been used: 30 acres have been disturbed for solid waste disposal and 15 acres for landfill facilities. The landfill is averaging six years of use for every ten acres of land. The remaining acres should give approximately 28 more years of life before re-permitting is requested.

The landfill is required to set aside a predetermined amount of funds to cover any closure and post closure care. The City sets aside approximately \$20,000 to \$40,000 annually in investments. To date, the City has restricted \$685,743 in investments for this purpose.

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

The Environmental Protection Agency (EPA) required the landfill to obtain a permit under 20 NMAC 2.70 Title V. This permit requires the landfill to monitor and report 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.



**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
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For the Year Ended June 30, 2014**

**NOTE 15 – 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, 2014, 2013, and 2012 are \$783,583, \$637,910, and \$654,547, 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 \$50,000 from July 1, 2013 to June 30, 2014.

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 16 – LEASE COMMITMENTS**

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:

<u>For the Year Ended June 30</u>	<u>Machinery &amp; Equipment</u>
2015	\$ 30,809
2016	24,442
2017	510
2018	-
2019	-
Thereafter	-
Total	<u>\$ 55,761</u>

Lease expense for the year ended June 30, 2014 was \$30,809.

**NOTE 17 – FEDERAL AND STATE 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, 2014 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 loss is not estimable

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended June 30, 2014**

and therefore, no accrual has been recorded in these financial statements.

**NOTE 19 – RESTATEMENT**

The following restatements were made for the fiscal year ended June 30, 2014 to the City’s funds:

<u>Type</u>	<u>Fund</u>	<u>Reason</u>	<u>Amount</u>
Enterprise/ Business Type	Water & Sewer	To record additional debt drawdown in prior year	\$ <u>(233,630)</u>
		Total Business Type activities:	\$ <u><u>(233,630)</u></u>

**NOTE 20 – COMMITMENTS**

Capital Projects

Commitments for engineering and construction projects relating to construction or major repairs in progress as of June 30, 2014 include:

<u>Project Name</u>	<u>Budget</u>	<u>Amount Expended</u>	<u>Percent Complete</u>	<u>Estimated Date of Completion</u>
Flood Control (COE) - McKinley Phase 7	\$ 3,673,250	21,289	1%	Project will be constructed in multiple phases - final completion 2015
Library Lighting & Floor	200,000	88,973	44%	2014
Zoo Primate Exhibit	103,775	81,645	79%	2014
Skate Park Surface Renovation	300,000	88,418	29%	2014
Well Transmission Phase 3	1,530,316	-	0%	2014
Pecan Drive Extension	1,890,270	595,562	32%	2014
Pecan/Indian Wells Alignment - Additional Work	82,000	-	0%	2014
10th & White Sands NE	282,343	72,801	26%	2014
Replace Rec Center Pool Track	21,065	9,864	47%	2014
Washingtown/1st Alignment	2,357,409	247,525	10%	2014
Panorama/Hamilton Reconfigure	500,326	181,321	36%	2014
Fairgrounds Road P & P	288,823	7,663	3%	2014
Washingtown P & P (1st through 10th)	218,746	3,405	2%	2014
Florida P & P (10th through 16th)	53,525	-	0%	2014
Library Renovations	36,490	32,000	88%	2014
WWTP/Construction 2010 Phase II	3,805,881	4,559	0%	2015
1MGD Desal Plant Design	1,634,274	144,854	9%	2015
Griggs Field Booster Station	80,000	30,577	38%	2014
	<u>\$ 17,058,493</u>	<u>1,610,456</u>		

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.

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended June 30, 2014**

NOTE 21 – IMPLEMENTATION OF NEW GASB STANDARDS

In June 2012, The Governmental Accounting Standards Board (GASB) approved Statement No. 67, Financial Reporting for Pension Plans, which applies to pension plans that administer pension benefits. The Public Employees Retirement Association (PERA) administers the pension for the City. Statement No. 68, Accounting and Financial Reporting for Pensions, which applies to governments that provide pension benefits to their employees.

**GASB 67 Financial Reporting for Pension Plans**

Requires changes to presentation in financial statements, notes to the financial statements, and required supplementary information in PERA’s financial report. GASB 67 will be implemented in FY 2014 by PERA.

**GASB 68 Accounting and Financial Reporting for Pensions**

Applies the changes implemented at the pension plan level (PERA) under GASB 67 and segregates and divides, or allocates, the pension liability to each participating employer (state, municipal, judicial, magistrate, volunteer firefighters, and legislative). The statement implementation date is FY 2015.

**PERA’s Current Implementation and Timeline**

Implementation GASB 67

GASB 67 will require the net pension liability to be disclosed in PERA’s FY 2014 financial report. The total “collective” pension liability will then be allocated to the participant employers for FY 2015 financial reporting.

PERA plans to separately issue an audited report, referred to as the “Schedule of Employer Allocations” that will allocate the total pension liability *by employer*. The report will also include other required information that will be used by each employer participant for disclosure in each employer’s FY 2015 financial reports.

*Anticipated process and timeline is as follows:*

1. The “Schedule of Employer Allocations” is provided to PERA’s external auditor in January of 2015.
2. PERA’s external auditor’s will audit the “Schedule of Employer Allocations” in February of 2015 and submit that report to the State Auditor’s Office for review in March of 2015. (*See also 2.2.2.10 NMAC Sections CC and DD*)
3. The “Schedule of Employer Allocations” will be provided to employers in April of 2015, allowing enough time for incorporation into financial reports as required by GASB 68, after the June 30, 2015 year end.

In FY 15, the City will report a net pension liability based on its proportion of the collective net pension liability of all of the governments participating.

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
As of June 30, 2014**

	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	Permanent Fund	Total
<b>Assets</b>					
Cash and cash equivalents	\$ 826,393	282,558	16,761	575	1,126,287
Investments	7,283,935	17,847,247	624,044	736,039	26,491,265
Accounts receivable	8,211	10,526	-	-	18,737
Taxes receivable	656,773	699,112	53,555	-	1,409,440
Grants receivable	105,936	27,350	-	-	133,286
Due from other funds	-	-	-	225	225
Total assets	<u>8,881,248</u>	<u>18,866,793</u>	<u>694,360</u>	<u>736,839</u>	<u>29,179,240</u>
<b>Liabilities</b>					
Accounts payable	283,156	123,465	-	-	406,621
Due to other funds	15,178	340,352	-	-	355,530
Accrued liabilities	40,831	-	-	-	40,831
Deposits	-	107,625	-	-	107,625
Unearned revenue	76	-	-	-	76
Total liabilities	<u>339,241</u>	<u>571,442</u>	<u>-</u>	<u>-</u>	<u>910,683</u>
Deferred inflows of resources	<u>7,087</u>	<u>-</u>	<u>38,080</u>	<u>-</u>	<u>45,167</u>
<b>Fund balances</b>					
Nonspendable	-	-	-	-	-
Restricted	7,314,905	14,828,760	656,280	736,839	23,536,784
Committed	1,064,854	1,502,087	-	-	2,566,941
Assigned	155,161	1,964,504	-	-	2,119,665
Unassigned	-	-	-	-	-
Total fund balances	<u>8,534,920</u>	<u>18,295,351</u>	<u>656,280</u>	<u>736,839</u>	<u>28,223,390</u>
Total liabilities deferred inflows of resources, and fund balances	<u>\$ 8,881,248</u>	<u>18,866,793</u>	<u>694,360</u>	<u>736,839</u>	<u>29,179,240</u>

**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, 2014**

	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	Permanent Fund	Total
<b>Revenues</b>					
Taxes and fees	\$ 4,828,474	2,550,957	751,199	-	8,130,630
Fines and forfeitures	186,018	-	-	-	186,018
Federal grants	218,081	337,596	-	-	555,677
Other grants and gifts	1,264,732	1,280,494	-	-	2,545,226
Charges for services	248,484	26,368	-	-	274,852
Interest income	59,614	149,256	2,619	6,122	217,611
Miscellaneous	154,148	222,518	-	11,775	388,441
Total revenues	<u>6,959,551</u>	<u>4,567,189</u>	<u>753,818</u>	<u>17,897</u>	<u>12,298,455</u>
<b>Expenditures</b>					
Current:					
General government	627,939	28,709	2,034	-	658,682
Public Safety	580,666	-	-	-	580,666
Public works	1,197,003	127,236	-	-	1,324,239
Health and welfare	218,081	-	-	-	218,081
Culture and recreation	1,397,503	142,498	-	-	1,540,001
Non-current					
Principal payments	99,485	-	179,200	-	278,685
Interest payments	23,520	-	43,332	-	66,852
Capital outlay	528,362	448,091	-	-	976,453
Total expenditures	<u>4,672,559</u>	<u>746,534</u>	<u>224,566</u>	<u>-</u>	<u>5,643,659</u>
Excess (deficiency) or revenues over expenditures	<u>2,286,992</u>	<u>3,820,655</u>	<u>529,252</u>	<u>17,897</u>	<u>6,654,796</u>
<b>Other financing sources (uses)</b>					
Transfers in	1,081,546	12,181	-	-	1,093,727
Transfers out	(2,063,096)	(3,217,484)	(498,659)	-	(5,779,239)
Total other financing sources (uses)	<u>(981,550)</u>	<u>(3,205,303)</u>	<u>(498,659)</u>	<u>-</u>	<u>(4,685,512)</u>
Net change in net position	<u>1,305,440</u>	<u>615,353</u>	<u>30,593</u>	<u>17,897</u>	<u>1,969,283</u>
Fund balances-beginning of year	7,229,480	17,679,998	625,687	718,942	26,254,107
Restatement	-	-	-	-	-
Fund balances-beginning of year, restated	<u>7,229,480</u>	<u>17,679,998</u>	<u>625,687</u>	<u>718,942</u>	<u>26,254,107</u>
Fund balances-end of the year	<u>\$ 8,534,920</u>	<u>18,295,351</u>	<u>656,280</u>	<u>736,839</u>	<u>28,223,390</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, 2014**

	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	\$ 34,479	36,147	17,784	36,359	4,417	14,654
Investments	-	69,387	44,603	138,721	9,046	21,215
Receivables	-	-	-	4,603	-	-
Grants receivable	-	35,487	8,428	-	-	-
Total assets	<u>\$ 34,479</u>	<u>141,021</u>	<u>70,815</u>	<u>179,683</u>	<u>13,463</u>	<u>35,869</u>
<b>Liabilities</b>						
Accounts payable	\$ 41	6,175	92	3,713	-	-
Accrued liabilities	-	253	192	2,297	-	-
Total liabilities	<u>41</u>	<u>6,428</u>	<u>284</u>	<u>6,010</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances</b>						
Nonspendable	-	-	-	-	-	-
Restricted	34,438	134,593	70,531	173,673	13,463	35,869
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balances	<u>34,438</u>	<u>134,593</u>	<u>70,531</u>	<u>173,673</u>	<u>13,463</u>	<u>35,869</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 34,479</u>	<u>141,021</u>	<u>70,815</u>	<u>179,683</u>	<u>13,463</u>	<u>35,869</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, 2014**

	24	27	28	33	36
	Grant Capital	Municipal Court	Police Contingency	Fire Protection	Law Enforcement Protection
<b>Assets</b>					
Cash and cash equivalents	\$ 52,870	86,377	6,746	122,156	-
Investments	-	-	38,007	188,190	-
Receivables	-	-	1,410	-	-
Grants receivable	-	-	-	-	10,273
Total assets	<u>\$ 52,870</u>	<u>86,377</u>	<u>46,163</u>	<u>310,346</u>	<u>10,273</u>
<b>Liabilities</b>					
Accounts payable	\$ -	654	86,810	4,308	1,061
Due to other funds	-	-	-	-	11,620
Accrued liabilities	-	5,619	-	-	4,352
Unearned revenue	-	76	-	-	-
Total liabilities	<u>-</u>	<u>6,349</u>	<u>86,810</u>	<u>4,308</u>	<u>17,033</u>
Deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,087</u>
<b>Fund balances</b>					
Nonspendable	-	-	-	-	-
Restricted	52,870	13,381	(40,647)	256,317	(13,847)
Committed	-	66,647	-	49,721	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	<u>52,870</u>	<u>80,028</u>	<u>(40,647)</u>	<u>306,038</u>	<u>(13,847)</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 52,870</u>	<u>86,377</u>	<u>46,163</u>	<u>310,346</u>	<u>10,273</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, 2014**

	37 State Highway Cleanup	38 Traffic Safety	42 1984 Gross receipts Tax	44 Transportation	69 1994 Gross Receipts Tax	71 Senior Center III
<b>Assets</b>						
Cash and cash equivalents	\$ 36,267	16,295	8,676	25,412	2,736	253,443
Investments	36,806	37,334	2,758,173	966,398	1,170,887	-
Receivables	-	-	-	2,097	-	101
Taxes receivable	-	-	241,974	112,329	241,974	2
Grants receivable	11,294	-	-	30,610	-	-
Total assets	<u>\$ 84,367</u>	<u>53,629</u>	<u>3,008,823</u>	<u>1,136,846</u>	<u>1,415,597</u>	<u>253,546</u>
<b>Liabilities</b>						
Accounts payable	\$ -	-	-	174,816	-	5,315
Accrued liabilities	785	-	-	11,672	-	13,696
Total liabilities	<u>785</u>	<u>-</u>	<u>-</u>	<u>186,488</u>	<u>-</u>	<u>19,011</u>
Deferred inflows of resources	-	-	-	-	-	-
<b>Fund balances</b>						
Nonspendable	-	-	-	-	-	-
Restricted	83,582	53,629	3,008,823	652,800	743,222	109,183
Committed	-	-	-	146,933	672,375	120,816
Assigned	-	-	-	150,625	-	4,536
Unassigned	-	-	-	-	-	-
Total fund balances	<u>83,582</u>	<u>53,629</u>	<u>3,008,823</u>	<u>950,358</u>	<u>1,415,597</u>	<u>234,535</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 84,367</u>	<u>53,629</u>	<u>3,008,823</u>	<u>1,136,846</u>	<u>1,415,597</u>	<u>253,546</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, 2014**

	74 Senior Center Gift Fund	75 Senior Center RSVP	89 ESGRT .0625% Convenience Center	Total Special Revenue Funds
<b>Assets</b>				
Cash and cash equivalents	\$ 41,192	100	30,283	826,393
Investments	56,161	-	1,749,007	7,283,935
Receivables	-	-	-	8,211
Taxes receivable	-	-	60,494	656,773
Grants receivable	-	9,844	-	105,936
Total assets	<u>\$ 97,353</u>	<u>9,944</u>	<u>1,839,784</u>	<u>8,881,248</u>
<b>Liabilities</b>				
Accounts payable	\$ -	171	-	283,156
Due to other funds	-	3,558	-	15,178
Accrued liabilities	-	1,965	-	40,831
Unearned revenue	-	-	-	76
Total liabilities	<u>-</u>	<u>5,694</u>	<u>-</u>	<u>339,241</u>
Deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,087</u>
<b>Fund balances</b>				
Nonspendable	-	-	-	-
Restricted	97,353	(4,112)	1,839,784	7,314,905
Committed	-	8,362	-	1,064,854
Assigned	-	-	-	155,161
Unassigned	-	-	-	-
Total fund balances	<u>97,353</u>	<u>4,250</u>	<u>1,839,784</u>	<u>8,534,920</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 97,353</u>	<u>9,944</u>	<u>1,839,784</u>	<u>8,881,248</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, 2014**

	53	103	Total
	General Obligation	Fire Services Bond	Debt Service Funds
<b>Assets</b>			
Cash and cash equivalents	\$ 9,172	7,589	16,761
Investments	624,044	-	624,044
Taxes receivable	53,555	-	53,555
Total assets	<u>\$ 686,771</u>	<u>7,589</u>	<u>694,360</u>
<b>Liabilities</b>			
Due to other funds	\$ -	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources	<u>38,080</u>	<u>-</u>	<u>38,080</u>
<b>Fund balances</b>			
Nonspendable	-	-	-
Restricted	648,691	7,589	656,280
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
Total fund balances	<u>648,691</u>	<u>7,589</u>	<u>656,280</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 686,771</u>	<u>7,589</u>	<u>694,360</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, 2014**

	40	48	49	50	54	56	61	105
	Airport Improvements	Community Development Block Grant	1986 Gross Receipts	Property Acquisition	Reverse Osmosis	1999 GRT Flood Control	1991 GRT Infrastructure	Economic Development
<b>Assets</b>								
Cash and cash equivalents	\$ -	107,625	1,379	253	146,035	693	3,853	4,556
Investments	-	-	7,366,262	134,327	290,834	894,242	349,329	5,029,888
Receivables	-	-	-	10,526	-	-	-	-
Taxes receivable	-	-	241,974	-	-	-	60,493	120,987
Grants receivable	27,350	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 27,350</b>	<b>107,625</b>	<b>7,609,615</b>	<b>145,106</b>	<b>436,869</b>	<b>894,935</b>	<b>413,675</b>	<b>5,155,431</b>
<b>Liabilities</b>								
Accounts payable	\$ -	-	-	1,033	98,698	-	-	3,054
Due to other funds	28,096	-	-	-	-	-	-	-
Deposits	-	107,625	-	-	-	-	-	-
<b>Total liabilities</b>	<b>28,096</b>	<b>107,625</b>	<b>-</b>	<b>1,033</b>	<b>98,698</b>	<b>-</b>	<b>-</b>	<b>3,054</b>
<b>Fund balances</b>								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	(746)	-	7,207,810	143,040	(802,420)	891,588	413,675	3,984,704
Committed	-	-	334,414	-	-	-	-	1,167,673
Assigned	-	-	67,391	1,033	1,140,591	3,347	-	-
Unassigned	-	-	-	-	-	-	-	-
<b>Total fund balances</b>	<b>(746)</b>	<b>-</b>	<b>7,609,615</b>	<b>144,073</b>	<b>338,171</b>	<b>894,935</b>	<b>413,675</b>	<b>5,152,377</b>
<b>Total liabilities and fund balances \$</b>	<b>27,350</b>	<b>107,625</b>	<b>7,609,615</b>	<b>145,106</b>	<b>436,869</b>	<b>894,935</b>	<b>413,675</b>	<b>5,155,431</b>

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, 2014**

	113 2009 GO Bond	114 Sidewalk Revolving Loan Fund	116 Regional Water Supply Transmission	117 2011 Water Refunding	119 GRT Refunding	Total Capital Projects
<b>Assets</b>						
Cash and cash equivalents	\$ 1,780	-	-	545	15,839	282,558
Investments	800,585	129,932	-	711,154	2,140,694	17,847,247
Receivables	-	-	-	-	-	10,526
Taxes receivable	-	-	275,658	-	-	699,112
Grants receivable	-	-	-	-	-	27,350
Total assets	<u>\$ 802,365</u>	<u>129,932</u>	<u>275,658</u>	<u>711,699</u>	<u>2,156,533</u>	<u>18,866,793</u>
<b>Liabilities</b>						
Accounts payable	-	-	20,267	-	413	123,465
Due to other funds	-	-	312,256	-	-	340,352
Deposits	-	-	-	-	-	107,625
Total liabilities	<u>-</u>	<u>-</u>	<u>332,523</u>	<u>-</u>	<u>413</u>	<u>571,442</u>
<b>Fund balances</b>						
Nonspendable	-	-	-	-	-	-
Restricted	347,665	129,932	(120,463)	711,699	1,922,276	14,828,760
Committed	-	-	-	-	-	1,502,087
Assigned	454,700	-	63,598	-	233,844	1,964,504
Unassigned	-	-	-	-	-	-
Total fund balances	<u>802,365</u>	<u>129,932</u>	<u>(56,865)</u>	<u>711,699</u>	<u>2,156,120</u>	<u>18,295,351</u>
Total liabilities and fund balances	<u>\$ 802,365</u>	<u>129,932</u>	<u>275,658</u>	<u>711,699</u>	<u>2,156,533</u>	<u>18,866,793</u>

The accompanying notes are integral to these financial statements

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
COMBINING BALANCE SHEET  
NON-MAJOR PERMANENT FUND  
As of June 30, 2014**

	31	Total Permanent Fund
	Cemetery Perpetual	
<b>Assets</b>		
Cash and cash equivalents	\$ 575	575
Investments	736,039	736,039
Due from other funds	225	225
Total assets	\$ 736,839	736,839
<b>Liabilities</b>		
Accounts payable	\$ -	-
Total liabilities	-	-
<b>Fund balances</b>		
Nonspendable	-	-
Restricted	736,839	736,839
Committed	-	-
Assigned	-	-
Unassigned	-	-
Total fund balances	736,839	736,839
Total liabilities and fund balances	\$ 736,839	736,839

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, 2014**

	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	\$ 6,950	189,243	-	282,213	-	-
Fines and forfeitures	109,083	-	44,849	535	-	-
Federal grants	-	-	-	-	-	-
Other grants and gifts	-	25,000	15,851	-	-	-
Charges for services	-	-	-	55,185	5,816	2,181
Interest income	-	583	374	1,165	93	178
Miscellaneous	-	3,135	-	61,661	-	-
Total revenues	<u>116,033</u>	<u>217,961</u>	<u>61,074</u>	<u>400,759</u>	<u>5,909</u>	<u>2,359</u>
<b>Expenditures</b>						
Current:						
General government	-	217,141	40,739	-	-	1,610
Public safety	119,208	-	-	-	13,762	-
Public works	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	359,106	-	-
Non-current:						
Principal payments-debt service	-	-	-	-	-	-
Interest payments-debt service	-	-	-	-	-	-
Capital outlay	-	-	28,979	-	-	-
Total expenditures	<u>119,208</u>	<u>217,141</u>	<u>69,718</u>	<u>359,106</u>	<u>13,762</u>	<u>1,610</u>
Excess (deficiency) of revenues over expenditures	<u>(3,175)</u>	<u>820</u>	<u>(8,644)</u>	<u>41,653</u>	<u>(7,853)</u>	<u>749</u>
<b>Other financing sources (uses)</b>						
Transfers in	49,484	-	-	-	-	-
Transfers out	(3,419)	(4,567)	(17,958)	(28,231)	-	-
Total other financing source (uses)	<u>46,065</u>	<u>(4,567)</u>	<u>(17,958)</u>	<u>(28,231)</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>42,890</u>	<u>(3,747)</u>	<u>(26,602)</u>	<u>13,422</u>	<u>(7,853)</u>	<u>749</u>
Fund balances-beginning of year	(8,452)	138,340	97,133	160,251	21,316	35,120
Restatement	-	-	-	-	-	-
Fund balances-beginning of year, restated	<u>(8,452)</u>	<u>138,340</u>	<u>97,133</u>	<u>160,251</u>	<u>21,316</u>	<u>35,120</u>
Fund balances-end of year	<u>\$ 34,438</u>	<u>134,593</u>	<u>70,531</u>	<u>173,673</u>	<u>13,463</u>	<u>35,869</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, 2014**

	24	27	28	33	36 Law Enforcement Protection
	Grant Capital	Municipal Court	Police Contingency	Fire Protection	
<b>Revenues</b>					
Taxes and fees	\$ -	-	-	-	-
Fines and forfeitures	-	3,790	-	-	-
Federal grants	104,233	-	-	-	-
Other grants and gifts	-	-	-	599,738	119,292
Charges for services	-	-	-	-	-
Interest income	-	-	319	1,399	-
Miscellaneous	-	-	4,994	-	-
Total revenues	<u>104,233</u>	<u>3,790</u>	<u>5,313</u>	<u>601,137</u>	<u>119,292</u>
<b>Expenditures</b>					
Current:					
General government	-	368,449	-	-	-
Public safety	-	-	15,022	335,750	86,906
Public works	-	-	-	-	-
Health and welfare	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Non-current:					
Principal payments-debt service	-	-	-	99,485	-
Interest payments-debt service	-	-	-	23,520	-
Capital outlay	109,204	5,951	-	32,415	40,613
Total expenditures	<u>109,204</u>	<u>374,400</u>	<u>15,022</u>	<u>491,170</u>	<u>127,519</u>
Excess (deficiency) of revenues over expenditures	<u>(4,971)</u>	<u>(370,610)</u>	<u>(9,709)</u>	<u>109,967</u>	<u>(8,227)</u>
<b>Other financing sources (uses)</b>					
Transfers in	-	425,769	-	-	-
Transfers out	-	(5,443)	-	-	-
Total other financing source (uses)	<u>-</u>	<u>420,326</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>(4,971)</u>	<u>49,716</u>	<u>(9,709)</u>	<u>109,967</u>	<u>(8,227)</u>
Fund balances-beginning of year	57,841	30,312	(30,938)	196,071	(5,620)
Restatement	-	-	-	-	-
Fund balances-beginning of year, restated	<u>57,841</u>	<u>30,312</u>	<u>(30,938)</u>	<u>196,071</u>	<u>(5,620)</u>
Fund balances-end of year	<u>\$ 52,870</u>	<u>80,028</u>	<u>(40,647)</u>	<u>306,038</u>	<u>(13,847)</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, 2014**

	37 State Highway Clean-up	38 Traffic Safety	42 1984 Gross Receipts Tax	44 Transportation	69 1994 Gross Receipts Tax	71 Senior Center III
<b>Revenues</b>						
Taxes and fees	\$ 21,037	-	1,468,983	1,023,817	1,468,984	-
Fines and forfeitures	-	27,761	-	-	-	-
Federal grants	-	-	-	-	-	113,848
Other grants and gifts	17,975	-	-	29,468	-	278,452
Charges for services	-	-	-	175	-	157,972
Interest income	309	314	20,160	9,558	11,389	-
Miscellaneous	-	-	-	15,986	-	60,189
Total revenues	<u>39,321</u>	<u>28,075</u>	<u>1,489,143</u>	<u>1,079,004</u>	<u>1,480,373</u>	<u>610,461</u>
<b>Expenditures</b>						
Current:						
General government	-	-	-	-	-	-
Public safety	-	10,018	-	-	-	-
Public works	28,445	-	-	1,168,558	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	1,032,061
Non-current:						
Principal payments-debt service	-	-	-	-	-	-
Interest payments-debt service	-	-	-	-	-	-
Capital outlay	-	31,249	-	239,986	-	24,756
Total expenditures	<u>28,445</u>	<u>41,267</u>	<u>-</u>	<u>1,408,544</u>	<u>-</u>	<u>1,056,817</u>
Excess (deficiency) of revenues over expenditures	<u>10,876</u>	<u>(13,192)</u>	<u>1,489,143</u>	<u>(329,540)</u>	<u>1,480,373</u>	<u>(446,356)</u>
<b>Other financing sources (uses)</b>						
Transfers in	-	-	-	44,540	-	506,300
Transfers out	(1,198)	-	(561,806)	(190,419)	(1,236,741)	-
Total other financing source (uses)	<u>(1,198)</u>	<u>-</u>	<u>(561,806)</u>	<u>(145,879)</u>	<u>(1,236,741)</u>	<u>506,300</u>
Net change in fund balance	<u>9,676</u>	<u>(13,192)</u>	<u>927,337</u>	<u>(475,419)</u>	<u>243,632</u>	<u>59,944</u>
Fund balances-beginning of year	73,906	66,821	2,081,486	1,425,777	1,171,965	174,591
Restatement	-	-	-	-	-	-
Fund balances-beginning of year, restated	<u>73,906</u>	<u>66,821</u>	<u>2,081,486</u>	<u>1,425,777</u>	<u>1,171,965</u>	<u>174,591</u>
Fund balances-end of year	<u>\$ 83,582</u>	<u>53,629</u>	<u>3,008,823</u>	<u>950,358</u>	<u>1,415,597</u>	<u>234,535</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, 2014**

	74 Senior Center Gift Fund	75 Senior Center RSVP	89 ESGRT .0625% Convenience Center	Total Special Revenue Funds
<b>Revenues</b>				
Taxes and fees	\$ -	-	367,247	4,828,474
Fines and forfeitures	-	-	-	186,018
Federal grants	-	-	-	218,081
Other grants and gifts	-	178,956	-	1,264,732
Charges for services	27,155	-	-	248,484
Interest income	472	-	13,301	59,614
Miscellaneous	-	8,183	-	154,148
Total revenues	<u>27,627</u>	<u>187,139</u>	<u>380,548</u>	<u>6,959,551</u>
<b>Expenditures</b>				
Current:				
General government	-	-	-	627,939
Public safety	-	-	-	580,666
Public works	-	-	-	1,197,003
Health and welfare	-	218,081	-	218,081
Culture and recreation	6,336	-	-	1,397,503
Non-current:				
Principal payments-debt service	-	-	-	99,485
Interest payments-debt service	-	-	-	23,520
Capital outlay	-	7,618	7,591	528,362
Total expenditures	<u>6,336</u>	<u>225,699</u>	<u>7,591</u>	<u>4,672,559</u>
Excess (deficiency) of revenues over expenditures	<u>21,291</u>	<u>(38,560)</u>	<u>372,957</u>	<u>2,286,992</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	55,453	-	1,081,546
Transfers out	(560)	(12,754)	-	(2,063,096)
Total other financing source (uses)	<u>(560)</u>	<u>42,699</u>	<u>-</u>	<u>(981,550)</u>
Net change in fund balance	<u>20,731</u>	<u>4,139</u>	<u>372,957</u>	<u>1,305,440</u>
Fund balances-beginning of year	76,622	111	1,466,827	7,229,480
Restatement	-	-	-	-
Fund balances-beginning of year, restated	<u>76,622</u>	<u>111</u>	<u>1,466,827</u>	<u>7,229,480</u>
Fund balances-end of year	<u>\$ 97,353</u>	<u>4,250</u>	<u>1,839,784</u>	<u>8,534,920</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, 2014**

	53	103	Total
	General Obligation	Fire Services Bond	Debt Service Funds
<b>Revenues</b>			
Taxes and fees	\$ 751,199	-	751,199
Fines and forfeitures	-	-	-
Federal grants	-	-	-
Other grants and gifts	-	-	-
Charges for services	-	-	-
Interest income	2,619	-	2,619
Miscellaneous	-	-	-
Total revenues	<u>753,818</u>	<u>-</u>	<u>753,818</u>
<b>Expenditures</b>			
Current:			
General government	2,034	-	2,034
Non-current:			
Principal payments	179,200	-	179,200
Interest payments	43,332	-	43,332
Capital outlay	-	-	-
Total expenditures	<u>224,566</u>	<u>-</u>	<u>224,566</u>
Excess (deficiency) of revenues over expenditures	<u>529,252</u>	<u>-</u>	<u>529,252</u>
<b>Other financing sources (uses)</b>			
Proceeds of refunding bonds	-	-	-
Payment to refunded bond escrow agent	-	-	-
Transfers in	-	-	-
Transfers out	<u>(498,659)</u>	<u>-</u>	<u>(498,659)</u>
Total other financing source (uses)	<u>(498,659)</u>	<u>-</u>	<u>(498,659)</u>
Net change in fund balance	30,593	-	30,593
Fund balances-beginning of year	618,098	7,589	625,687
Restatement	-	-	-
Fund balances-beginning of year, restated	<u>618,098</u>	<u>7,589</u>	<u>625,687</u>
Fund balances-end of year	<u>\$ 648,691</u>	<u>7,589</u>	<u>656,280</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, 2014**

	40	48	49	50	54	56	61	105
	Airport Improvements	Community Development Block Grant	1986 Gross Receipts	Property Acquisition	Reverse Osmosis	1999 GRT Flood Control	1991 GRT Infrastructure	Economic Development
<b>Revenues</b>								
Taxes and fees	-	-	1,449,220	-	-	-	367,246	734,491
Fines and forfeitures	-	-	-	-	-	-	-	-
Federal grants	337,596	-	-	-	-	-	-	-
Other grants and gifts	191,568	41,999	-	-	-	-	-	250,000
Charges for services	-	-	-	26,368	-	-	-	-
Interest income	76	-	63,658	1,104	2,442	7,586	2,186	37,369
Miscellaneous	-	-	-	-	58,674	-	-	150,929
Total revenues	<u>529,240</u>	<u>41,999</u>	<u>1,512,878</u>	<u>27,472</u>	<u>61,116</u>	<u>7,586</u>	<u>369,432</u>	<u>1,172,789</u>
<b>Expenditures</b>								
Current:								
General government	-	-	26,628	2,081	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Public works	9,856	857	-	-	89,601	18,612	-	-
Health and welfare	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	142,498
Non-current:								
Principal payments	-	-	-	-	-	-	-	-
Interest payments	-	-	-	-	-	-	-	-
Capital outlay	(9,569)	37,030	60,603	6,296	9,097	6,962	-	-
Total expenditures	<u>287</u>	<u>37,887</u>	<u>87,231</u>	<u>8,377</u>	<u>98,698</u>	<u>25,574</u>	<u>-</u>	<u>142,498</u>
Excess (deficiency) of revenues over expenditures	<u>528,953</u>	<u>4,112</u>	<u>1,425,647</u>	<u>19,095</u>	<u>(37,582)</u>	<u>(17,988)</u>	<u>369,432</u>	<u>1,030,291</u>
<b>Other financing sources (uses)</b>								
Proceeds of refunding bonds	-	-	-	-	-	-	-	-
Proceeds of long-term capital-related debt	-	-	-	-	-	-	-	-
Transfers in	-	5,066	-	-	-	-	-	-
Transfers out	(569,949)	-	(1,235,815)	-	(144,854)	-	(200,000)	-
Total other financing source (uses)	<u>(569,949)</u>	<u>5,066</u>	<u>(1,235,815)</u>	<u>-</u>	<u>(144,854)</u>	<u>-</u>	<u>(200,000)</u>	<u>-</u>
Net change in fund balance	<u>(40,996)</u>	<u>9,178</u>	<u>189,832</u>	<u>19,095</u>	<u>(182,436)</u>	<u>(17,988)</u>	<u>169,432</u>	<u>1,030,291</u>
Fund balances-beginning of year	40,250	(9,178)	7,419,783	124,978	520,607	912,923	244,243	4,122,086
Restatement	-	-	-	-	-	-	-	-
Fund balances-beginning of year, restated	<u>40,250</u>	<u>(9,178)</u>	<u>7,419,783</u>	<u>124,978</u>	<u>520,607</u>	<u>912,923</u>	<u>244,243</u>	<u>4,122,086</u>
Fund balances-end of year	<u>\$ (746)</u>	<u>-</u>	<u>7,609,615</u>	<u>144,073</u>	<u>338,171</u>	<u>894,935</u>	<u>413,675</u>	<u>5,152,377</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, 2014**

	113 2009 GO Bond	114 Sidewalk Revolving Loan Fund	116 Regional Water Supply Transmission	117 2011 Water Refunding	119 GRT Refunding	Total Capital Projects Funds
<b>Revenues</b>						
Taxes and fees	\$ -	-	-	-	-	2,550,957
Fines and forfeitures	-	-	-	-	-	-
Federal grants	-	-	-	-	-	337,596
Other grants and gifts	-	-	796,927	-	-	1,280,494
Charges for services	-	-	-	-	-	26,368
Interest income	7,386	973	443	5,951	20,082	149,256
Miscellaneous	12,915	-	-	-	-	222,518
Total revenues	<u>20,301</u>	<u>973</u>	<u>797,370</u>	<u>5,951</u>	<u>20,082</u>	<u>4,567,189</u>
<b>Expenditures</b>						
Current:						
General government	-	-	-	-	-	28,709
Public safety	-	-	-	-	-	-
Public works	7,115	-	-	-	1,195	127,236
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	142,498
Non-current:						
Principal payments	-	-	-	-	-	-
Interest payments	-	-	-	-	-	-
Capital outlay	(32,858)	-	9,677	-	360,853	448,091
Total expenditures	<u>(25,743)</u>	<u>-</u>	<u>9,677</u>	<u>-</u>	<u>362,048</u>	<u>746,534</u>
Excess (deficiency) of revenues over expenditures	<u>46,044</u>	<u>973</u>	<u>787,693</u>	<u>5,951</u>	<u>(341,966)</u>	<u>3,820,655</u>
<b>Other financing sources (uses)</b>						
Proceeds of refunding bonds	-	-	-	-	-	-
Proceeds of long-term capital-related debt	-	-	-	-	-	-
Transfers in	7,115	-	-	-	-	12,181
Transfers out	(276,205)	-	(790,142)	(519)	-	(3,217,484)
Total other financing source (uses)	<u>(269,090)</u>	<u>-</u>	<u>(790,142)</u>	<u>(519)</u>	<u>-</u>	<u>(3,205,303)</u>
Net change in fund balance	<u>(223,046)</u>	<u>973</u>	<u>(2,449)</u>	<u>5,432</u>	<u>(341,966)</u>	<u>615,353</u>
Fund balances-beginning of year	1,025,411	128,959	(54,417)	706,267	2,498,086	17,679,998
Restatement	-	-	-	-	-	-
Fund balances-beginning of year, restated	<u>1,025,411</u>	<u>128,959</u>	<u>(54,417)</u>	<u>706,267</u>	<u>2,498,086</u>	<u>17,679,998</u>
Fund balances-end of year	<u>\$ 802,365</u>	<u>129,932</u>	<u>(56,865)</u>	<u>711,699</u>	<u>2,156,120</u>	<u>18,295,351</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 PERMANENT FUND  
For The Year Ended June 30, 2014**

	31	Total Permanent Funds
	Cemetery Operations	
<b>Revenues</b>		
Taxes and fees	\$ -	-
Fines and forfeitures	-	-
Federal grants	-	-
Other grants and gifts	-	-
Charges for services	-	-
Interest income	6,122	6,122
Miscellaneous	11,775	11,775
Total revenues	17,897	17,897
<b>Expenditures</b>		
Current:		
General government	-	-
Public safety	-	-
Public works	-	-
Health and welfare	-	-
Culture and recreation	-	-
Non-current:		
Principal payments-debt service	-	-
Interest payments-debt service	-	-
Capital outlay	-	-
Total expenditures	-	-
Excess (deficiency) of revenues over expenditures	17,897	17,897
<b>Other financing sources (uses)</b>		
Transfers in	-	-
Transfers out	-	-
Total other financing source (uses)	-	-
Net change in fund balance	17,897	17,897
Fund balances-beginning of year	718,942	718,942
Restatement	-	-
Fund balances-beginning of year, restated	718,942	718,942
Fund balances-end of year	\$ 736,839	736,839

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, 2014**

	<u>Fund</u>	Balance <u>June 30, 2013</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2014</u>
<b>Police Court Bonds</b>	<b>17</b>				
<b>Assets</b>					
Cash	\$	8,043	26,356	(18,106)	16,293
Total assets		<u>8,043</u>	<u>26,356</u>	<u>(18,106)</u>	<u>16,293</u>
<b>Liabilities</b>					
Deposits held in custody for others		8,043	26,356	(18,106)	16,293
Total liabilities	\$	<u>8,043</u>	<u>26,356</u>	<u>(18,106)</u>	<u>16,293</u>
<b>State Judicial</b>	<b>39</b>				
<b>Assets</b>					
Cash	\$	3,957	60,360	(60,626)	3,691
Accounts receivable		70,524	-	(506)	70,018
Allowance for uncollectible accounts		(70,524)	506	-	(70,018)
Total assets		<u>3,957</u>	<u>60,866</u>	<u>(61,132)</u>	<u>3,691</u>
<b>Liabilities</b>					
Accounts payable		3,899	60,568	(60,783)	3,684
Deposits held in custody for others		58	1,055	(1,106)	7
Total liabilities	\$	<u>3,957</u>	<u>61,623</u>	<u>(61,889)</u>	<u>3,691</u>
<b>TOTAL</b>					
<b>Assets</b>					
Cash	\$	12,000	86,716	(78,732)	19,984
Accounts receivable		70,524	-	(506)	70,018
Allowance for uncollectible accounts		(70,524)	506	-	(70,018)
Total assets		<u>12,000</u>	<u>87,222</u>	<u>(79,238)</u>	<u>19,984</u>
<b>Liabilities</b>					
Accounts payable		3,899	60,568	(60,783)	3,684
Deposits held in custody for others		8,101	27,411	(19,212)	16,300
Total liabilities	\$	<u>12,000</u>	<u>87,979</u>	<u>(79,995)</u>	<u>19,984</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, 2014**

		94 Component Unit Landfill
<b>Assets</b>		
Cash and cash equivalents	\$	12,663
Investments		3,121,513
Receivables, net		60,947
Taxes receivable		3,295
Total current assets		3,198,418
Non-current assets		
Restricted cash held in investments		44,879
Capital assets, net		3,163,903
Total non-current assets		3,208,782
Total assets	\$	6,407,200
<b>Liabilities</b>		
Current liabilities		
Accounts payable	\$	3,002
Accrued liabilities		12,831
Compensated absences		20,638
Unearned revenue		228
Total current liabilities		36,699
Long-term liabilities		
Landfill post-closure		685,743
Total long-term liabilities		685,743
Total liabilities		722,442
Deferred inflows of resources		-
<b>Net Position</b>		
Net investment in capital assets		3,163,903
Restricted for:		
Other purposes		44,879
Unreserved		2,475,976
Total net position		5,684,758
Total liabilities, deferred inflows of resources, and net position	\$	6,407,200

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 POSITION  
COMPONENT UNIT - LANDFILL  
For The Year Ended June 30, 2014**

		94 Component Unit Landfill
Operating revenues		
Charges for services	\$	1,201,530
Miscellaneous		69,506
Total revenues		1,271,036
Operating expenses:		
Personnel services		293,940
Repairs and maintenance		58,867
Supplies		133,017
Other services and insurance		573,894
Depreciation		303,300
Total operating expenses		1,363,018
Excess (deficiency) of revenues over expenditures		(91,982)
Non-operating revenues (expenses):		
Interest and investment revenue		27,192
Interest payments		-
Gain/(loss) on sale of assets		-
Capital contributions		-
Transfers in		-
Transfers out		(1,720)
Total non-operating revenues (expenses)		25,472
Change in net position		(66,510)
Net position-beginning of year		5,751,268
Restatement		-
Net position-beginning of year, restated		5,751,268
Net position-end of the year	\$	5,684,758

The accompanying notes are integral to these financial statements



**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
FUND DESCRIPTIONS  
FOR THE YEAR ENDED JUNE 30, 2014**

**GENERAL FUND SUB FUNDS**

*Community Services (F32)* – to account for revenues and costs associated with community services.  
*Community Development (F63)* – to account for revenues and costs associated with community development.  
*Building Codes (F65)* – to account for revenues and costs associated with building codes.

**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.

*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.

*Transportation (F044)* – to account for the one-cent gasoline tax revenues used for local street and bridges capital items. NMSA 7-1-6-9. The City has elected to present this fund as a major fund.

*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.

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
FUND DESCRIPTIONS  
FOR THE YEAR ENDED JUNE 30, 2014**

**SPECIAL REVENUE FUNDS — (continued)**

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

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

*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.

*2000 Fire Services Bond (Property Tax) (F103)* – The purpose of this fund is to account for servicing of principal and interest requirements on the refunding of the Series 2000 GO.

**CAPITAL PROJECTS FUNDS**

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

Funds included are:

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

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

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

*Property Acquisition (F50)* – to account for funds used to acquire needed right-of-way and easements, as well as provide for expenditures involved in the disposition of City property and maintenance of City rental property.

*Reverse Osmosis Project Reserve (F54)* – This fund is established to receive the monies that are being “paid back” to the GO Bond Fund which were borrowed to fund the covers and linings on the reservoirs at La Luz.

*1999 Gross Receipts Tax 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.

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
FUND DESCRIPTIONS  
FOR THE YEAR ENDED JUNE 30, 2014**

**CAPITAL PROJECTS FUNDS — (continued)**

*Economic Development (F105)* – to account for projects that are not funded from specific revenue dedications.

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

*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.

*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.

*2011 Water and Wastewater Refunding and Improvement Fund (F117)* – This fund accounts for the proceeds of the refunding of the "1998 Joint Water and Sewer Bonds" and for additional loan proceeds to fund the wastewater treatment project. The City has elected to present this fund as a major fund.

*2012 State Shared GRT Bond Refunding and Improvement Revenue Loan (F119)* – This fund is for the improvement of the revenue loan, "Quality of Life", and GRT bond refunding. The City has elected to present this fund as a major fund.

**PERMANENT FUNDS**

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

**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.

**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, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Favorable/ (Unfavorable)
<b>Revenues</b>				
Taxes & Fees	\$ 5,550	5,550	6,950	1,400
Fines and forfeitures	<u>136,216</u>	<u>130,666</u>	<u>109,083</u>	<u>(21,583)</u>
Total revenues	<u>141,766</u>	<u>136,216</u>	<u>116,033</u>	<u>(20,183)</u>
<b>Expenditures</b>				
Current:				
Public Safety	<u>175,500</u>	<u>175,500</u>	<u>133,059</u>	<u>42,441</u>
Total expenditures	<u>175,500</u>	<u>175,500</u>	<u>133,059</u>	<u>42,441</u>
Excess (deficiency) of revenues over expenditures	<u>(33,734)</u>	<u>(39,284)</u>	<u>(17,026)</u>	<u>22,258</u>
<b>Other financing sources (uses)</b>				
Transfers in	49,484	49,484	49,484	-
Transfers out	<u>(4,119)</u>	<u>(4,119)</u>	<u>(3,419)</u>	<u>700</u>
Total other financing sources (uses)	<u>45,365</u>	<u>45,365</u>	<u>46,065</u>	<u>700</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>11,631</u>	<u>6,081</u>	<u>29,039</u>	<u>22,958</u>
Budgeted cash carryover	<u>5,441</u>	<u>5,441</u>		
	\$ <u>17,072</u>	<u>11,522</u>		

RECONCILIATION FROM BUDGET/ACTUAL TO GAAP

Change in net position (Budget Basis)	\$ 29,039
To adjust applicable revenue accruals and deferrals	-
To adjust applicable expenditures and accruals and payments	<u>13,850</u>
Change in net position (GAAP basis)	\$ <u><u>42,890</u></u>

**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, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Favorable/ (Unfavorable)
<b>Revenues</b>				
Taxes & Fees	\$ 197,144	197,144	189,245	(7,899)
Grants and gifts	33,333	40,000	4,513	(35,487)
Miscellaneous	-	-	3,134	3,134
Interest income	408	408	583	175
	<u>230,885</u>	<u>237,552</u>	<u>197,475</u>	<u>(40,077)</u>
<b>Total revenues</b>				
<b>Expenditures</b>				
Current:				
General government	<u>308,356</u>	<u>315,113</u>	<u>210,966</u>	<u>104,147</u>
	<u>308,356</u>	<u>315,113</u>	<u>210,966</u>	<u>104,147</u>
<b>Total expenditures</b>				
Excess (deficiency) of revenues over expenditures	<u>(77,471)</u>	<u>(77,561)</u>	<u>(13,491)</u>	<u>64,070</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers out	<u>(5,485)</u>	<u>(5,485)</u>	<u>(4,567)</u>	<u>918</u>
Total other financing sources (uses)	<u>(5,485)</u>	<u>(5,485)</u>	<u>(4,567)</u>	<u>918</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>(82,956)</u>	<u>(83,046)</u>	<u>(18,058)</u>	<u>64,988</u>
Budgeted cash carryover	<u>130,531</u>	<u>130,531</u>		
	<u>\$ 47,575</u>	<u>47,485</u>		
<b>RECONCILIATION FROM BUDGET/ACTUAL TO GAAP</b>				
Change in net position (Budget Basis)			\$ (18,058)	
To adjust applicable revenue accruals and deferrals			20,487	
To adjust applicable expenditures and accruals and payments			<u>(6,176)</u>	
Change in net position (GAAP basis)			<u>\$ (3,747)</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)  
Court Automation - 019  
For The Year Ended June 30, 2014**

	Budgeted Amounts		Actual	Variance Favorable/ (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Fines and forfeitures	\$ 50,000	50,000	44,851	(5,149)
Grants and gifts	31,073	31,073	19,099	(11,974)
Interest income	160	160	374	214
	<u>81,233</u>	<u>81,233</u>	<u>64,324</u>	<u>(16,909)</u>
<b>Expenditures</b>				
Current:				
General government	53,600	53,100	40,988	12,112
Non-current:				
Capital outlay	30,788	31,288	28,979	2,309
	<u>84,388</u>	<u>84,388</u>	<u>69,967</u>	<u>14,421</u>
Excess (deficiency) of revenues over expenditures	<u>(3,155)</u>	<u>(3,155)</u>	<u>(5,643)</u>	<u>(2,488)</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers out	(24,195)	(23,217)	(17,958)	5,259
Total other financing sources (uses)	<u>(24,195)</u>	<u>(23,217)</u>	<u>(17,958)</u>	<u>5,259</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>(27,350)</u>	<u>(26,372)</u>	<u>(23,601)</u>	<u>2,771</u>
Budgeted cash carryover	<u>85,988</u>	<u>85,988</u>		
	<u>\$ 58,638</u>	<u>59,616</u>		
<b>RECONCILIATION FROM BUDGET/ACTUAL TO GAAP</b>				
Change in net position (Budget Basis)			\$ (23,601)	
To adjust applicable revenue accruals and deferrals			(3,248)	
To adjust applicable expenditures and accruals and payments			<u>247</u>	
Change in net position (GAAP basis)			<u>\$ (26,602)</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)  
Lodger's Tax City Share - 20  
For The Year Ended June 30, 2014**

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable/ (Unfavorable)
<b>Revenues</b>				
Taxes and fees	\$ 295,720	295,720	282,213	(13,507)
Fines and forfeitures	-	-	535	535
Grants	60,000	60,000	2,382	(57,618)
Charges for services	61,500	61,500	55,186	(6,314)
Interest income	471	471	1,165	694
Miscellaneous	8,900	68,900	61,661	(7,239)
	<u>426,591</u>	<u>486,591</u>	<u>403,142</u>	<u>(83,449)</u>
<b>Expenditures</b>				
Current:				
Culture and recreation	355,933	416,023	356,388	59,635
Non-current:				
Capital outlay	122,997	122,997	-	122,997
	<u>478,930</u>	<u>539,020</u>	<u>356,388</u>	<u>182,632</u>
Excess (deficiency) of revenues over expenditures	<u>(52,339)</u>	<u>(52,429)</u>	<u>46,754</u>	<u>99,183</u>
<b>Other financing sources (uses)</b>				
Transfers in	35,320	35,320	-	(35,320)
Transfers out	(32,514)	(32,514)	(28,231)	4,283
Total other financing sources (uses)	<u>2,806</u>	<u>2,806</u>	<u>(28,231)</u>	<u>(31,037)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>(49,533)</u>	<u>(49,623)</u>	<u>18,523</u>	<u>68,146</u>
Budgeted cash carryover	<u>164,205</u>	<u>164,205</u>		
	<u>\$ 114,672</u>	<u>114,582</u>		
<b>RECONCILIATION FROM BUDGET/ACTUAL TO GAAP</b>				
Change in net position (Budget Basis)			\$ 18,523	
To adjust applicable revenue accruals and deferrals			(2,383)	
To adjust applicable expenditures and accruals and payments			(2,718)	
Change in net position (GAAP basis)			\$ 13,422	

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, 2014**

	Budgeted Amounts		Actual	Variance Favorable/ (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Grants and gifts	\$ -	-	-	-
Charges for services	5,000	5,000	5,816	816
Interest income	-	-	93	93
Total revenues	5,000	5,000	5,909	909
<b>Expenditures</b>				
Current:				
Public safety	10,312	15,312	13,762	1,550
Non-current:				
Capital outlay	-	-	-	-
Total expenditures	10,312	15,312	13,762	1,550
Excess (deficiency) of revenues over expenditures	(5,312)	(10,312)	(7,853)	2,459
<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	(5,312)	(10,312)	(7,853)	2,459
Budgeted cash carryover	21,316	21,316		
	\$ 16,004	11,004		

RECONCILIATION FROM BUDGET/ACTUAL TO GAAP

Change in net position (Budget Basis)	\$ (7,853)
To adjust applicable revenue accruals and deferrals	-
To adjust applicable expenditures and accruals and payments	-
Change in net position (GAAP basis)	\$ (7,853)



**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, 2014**

	Budgeted Amounts		Actual	Variance Favorable/ (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Grants and gifts	\$ -	-	-	-
User Fees	1,500	1,500	2,181	681
Interest income	-	-	178	178
<b>Total revenues</b>	<u>1,500</u>	<u>1,500</u>	<u>2,359</u>	<u>859</u>
<b>Expenditures</b>				
Current:				
General government	15,034	15,034	1,610	13,424
Non-current:				
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<u>15,034</u>	<u>15,034</u>	<u>1,610</u>	<u>13,424</u>
Excess (deficiency) of revenues over expenditures	<u>(13,534)</u>	<u>(13,534)</u>	<u>749</u>	<u>14,283</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>(13,534)</u>	<u>(13,534)</u>	<u>749</u>	<u>14,283</u>
Budgeted cash carryover	<u>35,121</u>	<u>35,121</u>		
	<u>\$ 21,587</u>	<u>21,587</u>		

**RECONCILIATION FROM BUDGET/ACTUAL TO GAAP**

Change in net position (Budget Basis)	\$ 749
To adjust applicable revenue accruals and deferrals	-
To adjust applicable expenditures and accruals and payments	<u>-</u>
Change in net position (GAAP basis)	<u>\$ 749</u>

**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, 2014**

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable/ (Unfavorable)
<b>Revenues</b>				
Grants and gifts	\$ 116,852	116,852	112,678	(4,174)
Miscellaneous	5,555	5,555	-	(5,555)
Total revenues	<u>122,407</u>	<u>122,407</u>	<u>112,678</u>	<u>(9,729)</u>
<b>Expenditures</b>				
Current:				
General government	-	31,678	-	31,678
Non-current:				
Capital outlay	116,852	116,852	109,204	-
Total expenditures	<u>116,852</u>	<u>148,530</u>	<u>109,204</u>	<u>31,678</u>
Excess (deficiency) of revenues over expenditures	<u>5,555</u>	<u>(26,123)</u>	<u>3,474</u>	<u>29,597</u>
<b>Other financing sources (uses)</b>				
Transfers in	12,661	12,661	-	(12,661)
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>12,661</u>	<u>12,661</u>	<u>-</u>	<u>(12,661)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>18,216</u>	<u>(13,462)</u>	<u>3,474</u>	<u>16,936</u>
Budgeted cash carryover	<u>49,397</u>	<u>49,397</u>		
	<u>\$ 67,613</u>	<u>35,935</u>		

**RECONCILIATION FROM BUDGET/ACTUAL TO GAAP**

Change in net position (Budget Basis)	\$ 3,474
To adjust applicable revenue accruals and deferrals	(8,446)
To adjust applicable expenditures and accruals and payments	<u>1</u>
Change in net position (GAAP basis)	<u>\$ (4,971)</u>

**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, 2014**

	Budgeted Amounts		Actual	Variance Favorable/ (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Fines and forfeitures	\$ 5,000	5,000	3,790	(1,210)
Miscellaneous	-	-	-	-
Total revenues	<u>5,000</u>	<u>5,000</u>	<u>3,790</u>	<u>(1,210)</u>
<b>Expenditures</b>				
Current:				
General government	418,892	418,892	369,473	49,419
Non-current:				
Capital outlay	<u>10,000</u>	<u>10,000</u>	<u>5,951</u>	<u>4,049</u>
Total expenditures	<u>428,892</u>	<u>428,892</u>	<u>375,424</u>	<u>53,468</u>
Excess (deficiency) of revenues over expenditures	<u>(423,892)</u>	<u>(423,892)</u>	<u>(371,634)</u>	<u>52,258</u>
<b>Other financing sources (uses)</b>				
Transfers in	425,769	425,769	425,769	-
Transfers out	<u>(6,113)</u>	<u>(6,113)</u>	<u>(5,443)</u>	<u>670</u>
Total other financing sources (uses)	<u>419,656</u>	<u>419,656</u>	<u>420,326</u>	<u>670</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>(4,236)</u>	<u>(4,236)</u>	<u>48,692</u>	<u>52,928</u>
Budgeted cash carryover	<u>51,112</u>	<u>51,112</u>		
	<u>\$ 46,876</u>	<u>46,876</u>		

**RECONCILIATION FROM BUDGET/ACTUAL TO GAAP**

Change in net position (Budget Basis)	\$ 48,692
To adjust applicable revenue accruals and deferrals	-
To adjust applicable expenditures and accruals and payments	<u>1,024</u>
Change in net position (GAAP basis)	<u>\$ 49,716</u>

**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, 2014**

	Budgeted Amounts		Actual	Variance Favorable/ (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Interest income	\$ 130	130	319	189
Miscellaneous	10,000	10,000	4,993	(5,007)
Total revenues	10,130	10,130	5,312	(4,818)
<b>Expenditures</b>				
Current:				
Public safety	16,000	16,000	14,342	1,658
Non-current:				
Capital outlay	-	-	-	-
Total expenditures	16,000	16,000	14,342	1,658
Excess (deficiency) of revenues over expenditures	(5,870)	(5,870)	(9,030)	(3,160)
<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	(5,870)	(5,870)	(9,030)	(3,160)
Budgeted cash carryover	51,112	51,112		
	\$ 45,242	45,242		

**RECONCILIATION FROM BUDGET/ACTUAL TO GAAP**

Change in net position (Budget Basis)	\$ (9,030)
To adjust applicable revenue accruals and deferrals	-
To adjust applicable expenditures and accruals and payments	(680)
Change in net position (GAAP basis)	\$ <u>(9,709)</u>

**STATE OF NEW MEXICO**  
**CITY OF ALAMOGORDO**  
**Statement of Revenues and Expenditures**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**General Fund Sub Fund - Community Services - 032**  
**For The Year Ended June 30, 2014**

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable/ (Unfavorable)
<b>Revenues</b>				
Grants and gifts	\$ 168,623	170,476	45,522	(124,954)
Charges for services	429,860	429,860	429,634	(226)
Interest Income	127	127	1,694	1,567
Fines	20,000	20,000	13,912	(6,088)
Miscellaneous	59,400	36,158	37,417	1,259
<b>Total revenues</b>	<b>678,010</b>	<b>656,621</b>	<b>528,179</b>	<b>(128,442)</b>
<b>Expenditures</b>				
Current:				
General government	1,039,756	1,039,231	989,328	49,903
Culture and recreation	2,464,553	2,405,853	2,113,975	291,878
Non-current:				
Capital outlay	102,468	182,733	61,402	121,331
<b>Total expenditures</b>	<b>3,606,777</b>	<b>3,627,817</b>	<b>3,164,705</b>	<b>463,112</b>
Excess (deficiency) of revenues over expenditures	(2,928,767)	(2,971,196)	(2,636,526)	334,670
<b>Other financing sources (uses)</b>				
Transfers in	3,160,345	3,150,159	3,058,899	(91,260)
Transfers out	(510,712)	(510,712)	(427,487)	83,225
<b>Total other financing sources (uses)</b>	<b>2,649,633</b>	<b>2,639,447</b>	<b>2,631,412</b>	<b>(8,035)</b>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(279,134)	(331,749)	(5,114)	326,635
Budgeted cash carryover	498,788	498,788		
	\$ 219,654	167,039		
<b>RECONCILIATION FROM BUDGET/ACTUAL TO GAAP</b>				
Change in net position (Budget Basis)			\$ (5,114)	
To adjust applicable revenue accruals and deferrals			32,367	
To adjust applicable expenditures and accruals			13,372	
Change in net position (GAAP basis)			\$ 40,625	

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, 2014**

	Budgeted Amounts		Actual	Variance Favorable/ (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Grants and gifts	\$ 394,170	599,437	599,737	300
Miscellaneous	-	-	-	-
Interest income	1,038	1,038	1,399	361
<b>Total revenues</b>	<b>395,208</b>	<b>600,475</b>	<b>601,136</b>	<b>661</b>
<b>Expenditures</b>				
Current:				
Public safety	423,752	622,507	465,142	157,365
Non-current:				
Capital outlay	126,975	133,575	32,415	101,160
<b>Total expenditures</b>	<b>550,727</b>	<b>756,082</b>	<b>497,557</b>	<b>258,525</b>
Excess (deficiency) of revenues over expenditures	(155,519)	(155,607)	103,579	259,186
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(155,519)	(155,607)	103,579	259,186
Budgeted cash carryover	206,766	206,766		
	\$ 51,247	51,159		

**RECONCILIATION FROM BUDGET/ACTUAL TO GAAP**

Change in net position (Budget Basis)	\$ 103,579
To adjust applicable revenue accruals and deferrals	-
To adjust applicable expenditures and accruals and payments	6,388
Change in net position (GAAP basis)	\$ <u>109,967</u>

**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, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance Favorable/ (Unfavorable)
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Grants and gifts	\$ 175,848	180,807	121,799	(59,008)
Total revenues	<u>175,848</u>	<u>180,807</u>	<u>121,799</u>	<u>(59,008)</u>
<b>Expenditures</b>				
Current:				
Public safety	101,283	99,408	85,243	14,165
Non-current:				
Capital outlay	<u>41,183</u>	<u>40,658</u>	<u>39,591</u>	<u>1,067</u>
Total expenditures	<u>142,466</u>	<u>140,066</u>	<u>124,834</u>	<u>15,232</u>
Excess (deficiency) of revenues over expenditures	<u>33,382</u>	<u>40,741</u>	<u>(3,035)</u>	<u>(43,776)</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>33,382</u>	<u>40,741</u>	<u>(3,035)</u>	<u>(43,776)</u>
Budgeted cash carryover	<u>(8,586)</u>	<u>(8,586)</u>		
	\$ <u>24,796</u>	<u>32,155</u>		
<b>RECONCILIATION FROM BUDGET/ACTUAL TO GAAP</b>				
Change in net position (Budget Basis)			\$ (3,035)	
To adjust applicable revenue accruals and deferrals			(2,507)	
To adjust applicable expenditures and accruals and payments			<u>(2,684)</u>	
Change in net position (GAAP basis)			\$ <u><u>(8,227)</u></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)  
State Highway Cleanup - 037  
For The Year Ended June 30, 2014**

	Budgeted Amounts		Actual	Variance Favorable/ (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Taxes and fees	\$ 21,348	21,348	21,035	(313)
Grants and gifts	28,532	28,532	15,213	(13,319)
Investment Income	131	131	309	178
<b>Total revenues</b>	<b>50,011</b>	<b>50,011</b>	<b>36,557</b>	<b>(13,454)</b>
<b>Expenditures</b>				
Current:				
Public works	33,565	33,565	27,659	5,906
Non-current:				
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<b>33,565</b>	<b>33,565</b>	<b>27,659</b>	<b>5,906</b>
Excess (deficiency) of revenues over expenditures	16,446	16,446	8,898	(7,548)
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers out	(1,535)	(1,535)	(1,198)	337
<b>Total other financing sources (uses)</b>	<b>(1,535)</b>	<b>(1,535)</b>	<b>(1,198)</b>	<b>337</b>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	14,911	14,911	7,699	(7,211)
Budgeted cash carryover	65,624	65,624		
	<b>\$ 80,535</b>	<b>80,535</b>		

**RECONCILIATION FROM BUDGET/ACTUAL TO GAAP**

Change in net position (Budget Basis)	\$ 7,699
To adjust applicable revenue accruals and deferrals	2,762
To adjust applicable expenditures and accruals and payments	(785)
Change in net position (GAAP basis)	<u>\$ 9,676</u>



**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, 2014**

	Budgeted Amounts		Actual	Variance Favorable/ (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Fines and forfeitures	\$ 38,000	38,000	27,761	(10,239)
Miscellaneous	-	-	-	-
Interest income	132	132	314	182
	<u>38,132</u>	<u>38,132</u>	<u>28,075</u>	<u>(10,057)</u>
Total revenues				
<b>Expenditures</b>				
Current:				
Public safety	11,000	11,000	10,018	982
Non-current:				
Capital outlay	45,504	45,504	31,249	14,255
	<u>56,504</u>	<u>56,504</u>	<u>41,267</u>	<u>15,237</u>
Total expenditures				
Excess (deficiency) of revenues over expenditures	<u>(18,372)</u>	<u>(18,372)</u>	<u>(13,192)</u>	<u>5,180</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
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>(18,372)</u>	<u>(18,372)</u>	<u>(13,193)</u>	<u>5,180</u>
Budgeted cash carryover	<u>66,821</u>	<u>66,821</u>		
	<u>\$ 48,449</u>	<u>48,449</u>		

RECONCILIATION FROM BUDGET/ACTUAL TO GAAP

Change in net position (Budget Basis)	\$ (13,193)
To adjust applicable revenue accruals and deferrals	1
To adjust applicable expenditures and accruals and payments	<u>-</u>
Change in net position (GAAP basis)	<u>\$ (13,192)</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)  
1984 Gross Receipts Tax - 042  
For The Year Ended June 30, 2014**

	Budgeted Amounts		Actual	Variance Favorable/ (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Taxes and fees	\$ 1,529,352	1,529,352	1,460,959	(68,393)
Interest income	6,600	6,600	20,160	13,560
	<b>1,535,952</b>	<b>1,535,952</b>	<b>1,481,119</b>	<b>(54,833)</b>
<b>Expenditures</b>				
Current:				-
Non-current:				
Capital outlay	-	-	-	-
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of revenues over expenditures	<b>1,535,952</b>	<b>1,535,952</b>	<b>1,481,119</b>	<b>(54,833)</b>
<b>Other financing sources (uses)</b>				
Transfers in	-	217,845	-	(217,845)
Transfers out	1,103,963	(571,455)	(561,806)	9,649
Total other financing sources (uses)	<b>1,103,963</b>	<b>(353,610)</b>	<b>(561,806)</b>	<b>(208,196)</b>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<b>2,639,915</b>	<b>1,182,342</b>	<b>919,313</b>	<b>(263,029)</b>
Budgeted cash carryover	<b>1,919,014</b>	<b>1,919,014</b>		
	<b>\$ 4,558,929</b>	<b>3,101,356</b>		
<b>RECONCILIATION FROM BUDGET/ACTUAL TO GAAP</b>				
Change in net position (Budget Basis)			\$ 919,313	
To adjust applicable revenue accruals and deferrals			8,024	
To adjust applicable expenditures and accruals and payments			-	
Change in net position (GAAP basis)			\$ 927,337	

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, 2014**

	Budgeted Amounts		Actual	Variance Favorable/ (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Taxes and fees	\$ 382,137	382,137	365,415	(16,722)
Grants and gifts	170,880	170,880	12,701	(158,179)
State Shared Fees	621,049	621,049	650,793	29,744
Interest Income	14,032	14,032	9,558	(4,474)
Miscellaneous	-	-	15,986	15,986
<b>Total revenues</b>	<u>1,188,098</u>	<u>1,188,098</u>	<u>1,054,453</u>	<u>(133,645)</u>
<b>Expenditures</b>				
Current:				
General government	234,383	44,356	40,478	3,878
Public works	1,340,275	1,420,313	1,144,636	275,677
Non-current:				
Capital outlay	<u>552,826</u>	<u>514,869</u>	<u>90,488</u>	<u>424,381</u>
<b>Total expenditures</b>	<u>2,127,484</u>	<u>1,979,538</u>	<u>1,275,602</u>	<u>703,936</u>
Excess (deficiency) of revenues over expenditures	<u>(939,386)</u>	<u>(791,440)</u>	<u>(221,149)</u>	<u>570,291</u>
<b>Other financing sources (uses)</b>				
Transfers in	128,889	145,707	44,540	(101,167)
Transfers out	<u>(175,734)</u>	<u>(213,691)</u>	<u>(190,419)</u>	<u>23,272</u>
Total other financing sources (uses)	<u>(46,845)</u>	<u>(67,984)</u>	<u>(145,879)</u>	<u>(77,895)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>(986,231)</u>	<u>(859,424)</u>	<u>(367,028)</u>	<u>492,396</u>
Budgeted cash carryover	<u>1,360,601</u>	<u>1,360,601</u>		
	<u>\$ 374,370</u>	<u>501,177</u>		
<b>RECONCILIATION FROM BUDGET/ACTUAL TO GAAP</b>				
Change in net position (Budget Basis)			\$ (367,028)	
To adjust applicable revenue accruals and deferrals			24,552	
To adjust applicable expenditures and accruals			<u>(132,943)</u>	
Change in net position (GAAP basis)			<u>\$ (475,419)</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 Sub Fund - Community Development - 063  
For The Year Ended June 30, 2014**

	Budgeted Amounts		Actual	Variance Favorable/ (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Fees and Permits	\$ 12,000	12,000	15,361	3,361
Charges for services	40	40	8	(32)
Miscellaneous	125,000	125,000	145,920	20,920
Interest income	10	10	-	(10)
	<u>137,050</u>	<u>137,050</u>	<u>161,289</u>	<u>20,878</u>
<b>Expenditures</b>				
Current:				
General government	402,075	399,525	325,804	73,721
Non-current:				
Capital outlay	-	2,550	2,511	39
	<u>402,075</u>	<u>402,075</u>	<u>328,315</u>	<u>73,760</u>
Excess (deficiency) of revenues over expenditures	<u>(265,025)</u>	<u>(265,025)</u>	<u>(167,026)</u>	<u>97,999</u>
<b>Other financing sources (uses)</b>				
Transfers in	200,000	200,000	200,000	-
Transfers out	(28,494)	(28,494)	(21,634)	6,860
Total other financing sources (uses)	<u>171,506</u>	<u>171,506</u>	<u>178,366</u>	<u>6,860</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>(93,519)</u>	<u>(93,519)</u>	<u>11,340</u>	<u>104,859</u>
Budgeted cash carryover	<u>233,487</u>	<u>233,487</u>		
	<u>\$ 139,968</u>	<u>139,968</u>		

RECONCILIATION FROM BUDGET/ACTUAL TO GAAP

Change in net position (Budget Basis)	\$ 11,340
To adjust applicable revenue accruals and deferrals	2
To adjust applicable expenditures and accruals and payments	(1,020)
Change in net position (GAAP basis)	\$ 10,321

**STATE OF NEW MEXICO**  
**CITY OF ALAMOGORDO**  
**Statement of Revenues and Expenditures**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**General Fund Sub Fund - Building Codes - 065**  
**For The Year Ended June 30, 2014**

	Budgeted Amounts		Actual	Variance Favorable/ (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Fees and Permits	\$ 4,000	4,000	5,267	1,267
Miscellaneous	<u>25,000</u>	<u>25,000</u>	<u>29,648</u>	<u>4,648</u>
Total revenues	<u>29,000</u>	<u>29,000</u>	<u>34,915</u>	<u>4,648</u>
<b>Expenditures</b>				
Current:				
General government	131,997	131,597	130,021	1,576
Non-current:				
Capital outlay	<u>-</u>	<u>400</u>	<u>348</u>	<u>52</u>
Total expenditures	<u>131,997</u>	<u>131,997</u>	<u>130,369</u>	<u>1,628</u>
Excess (deficiency) of revenues over expenditures	<u>(102,997)</u>	<u>(102,997)</u>	<u>(95,454)</u>	<u>7,543</u>
<b>Other financing sources (uses)</b>				
Transfers in	128,735	128,735	128,735	-
Transfers out	<u>(14,893)</u>	<u>(14,893)</u>	<u>(10,242)</u>	<u>4,651</u>
Total other financing sources (uses)	<u>113,842</u>	<u>113,842</u>	<u>118,493</u>	<u>4,651</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>10,845</u>	<u>10,845</u>	<u>23,039</u>	<u>12,194</u>
Budgeted cash carryover	<u>1,903</u>	<u>1,903</u>		
	<u>\$ 12,748</u>	<u>12,748</u>		

RECONCILIATION FROM BUDGET/ACTUAL TO GAAP

Change in net position (Budget Basis)	\$ 23,039
To adjust applicable revenue accruals and deferrals	1
To adjust applicable expenditures and accruals and payments	<u>(277)</u>
Change in net position (GAAP basis)	<u>\$ 22,763</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)  
1994 Gross Receipts Tax - 069  
For The Year Ended June 30, 2014**

	Budgeted Amounts		Actual	Variance Favorable/ (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Taxes and fees	\$ 1,529,352	1,529,352	1,460,959	(68,393)
Interest income	3,182	3,182	11,389	8,207
	<u>1,532,534</u>	<u>1,532,534</u>	<u>1,472,348</u>	<u>(60,186)</u>
<b>Expenditures</b>				
Current:				
Public works	-	-	-	-
Non-current:				
Capital outlay	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>1,532,534</u>	<u>1,532,534</u>	<u>1,472,348</u>	<u>(60,186)</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers out	(1,592,167)	(1,593,072)	(1,236,741)	356,331
Total other financing sources (uses)	<u>(1,592,167)</u>	<u>(1,593,072)</u>	<u>(1,236,741)</u>	<u>356,331</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>(59,633)</u>	<u>(60,538)</u>	<u>235,607</u>	<u>296,145</u>
Budgeted cash carryover	<u>938,016</u>	<u>938,016</u>		
	<u>\$ 878,383</u>	<u>877,478</u>		

RECONCILIATION FROM BUDGET/ACTUAL TO GAAP

Change in net position (Budget Basis)	\$ 235,607
To adjust applicable revenue accruals and deferrals	8,024
To adjust applicable expenditures and accruals and payments	-
Change in net position (GAAP basis)	\$ 243,632

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, 2014**

	Budgeted Amounts		Actual	Variance Favorable/ (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Grants and gifts	\$ 506,971	457,787	440,973	(16,814)
Charges for services	117,050	117,050	157,972	40,922
Miscellaneous	18,144	58,844	60,189	1,345
<b>Total revenues</b>	<b>642,165</b>	<b>633,681</b>	<b>659,134</b>	<b>25,453</b>
<b>Expenditures</b>				
Current:				
Health and welfare	1,027,037	1,138,600	1,030,028	108,572
Non-current:				
Capital outlay	85,441	87,134	24,756	62,378
<b>Total expenditures</b>	<b>1,112,478</b>	<b>1,225,734</b>	<b>1,054,784</b>	<b>170,950</b>
Excess (deficiency) of revenues over expenditures	(470,313)	(592,053)	(395,650)	196,403
<b>Other financing sources (uses)</b>				
Transfers in	506,300	506,300	506,300	-
Transfers out	(112,440)	-	-	-
<b>Total other financing sources (uses)</b>	<b>393,860</b>	<b>506,300</b>	<b>506,300</b>	<b>-</b>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(76,453)	(85,753)	110,650	196,403
Budgeted cash carryover	142,492	142,492		
	\$ 66,039	56,739		

**RECONCILIATION FROM BUDGET/ACTUAL TO GAAP**

Change in net position (Budget Basis)	\$ 110,650
To adjust applicable revenue accruals and deferrals	(48,674)
To adjust applicable expenditures and accruals and payments	(2,032)
Change in net position (GAAP basis)	\$ <u>59,944</u>

**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, 2014**

	Budgeted Amounts		Actual	Variance Favorable/ (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Grants and gifts	\$ 20,050	21,550	27,156	5,606
Interest income	192	192	472	280
Total revenues	<u>20,242</u>	<u>21,742</u>	<u>27,628</u>	<u>5,886</u>
<b>Expenditures</b>				
Current:				
General government	48,188	49,688	6,896	42,792
Non-current:				
Capital outlay	-	-	-	-
Total expenditures	<u>48,188</u>	<u>49,688</u>	<u>6,896</u>	<u>42,792</u>
Excess (deficiency) of revenues over expenditures	<u>(27,946)</u>	<u>(27,946)</u>	<u>20,732</u>	<u>48,678</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers out	(674)	(674)	(560)	114
Total other financing sources (uses)	<u>(674)</u>	<u>(674)</u>	<u>(560)</u>	<u>114</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>(28,620)</u>	<u>(28,620)</u>	<u>20,171</u>	<u>48,792</u>
Budgeted cash carryover	<u>76,622</u>	<u>76,622</u>		
	<u>\$ 48,002</u>	<u>48,002</u>		

**RECONCILIATION FROM BUDGET/ACTUAL TO GAAP**

Change in net position (Budget Basis)	\$ 20,171
To adjust applicable revenue accruals and deferrals	-
To adjust applicable expenditures and accruals and payments	<u>560</u>
Change in net position (GAAP basis)	<u>\$ 20,731</u>



**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, 2014**

	Budgeted Amounts		Actual	Variance Favorable/ (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Grants and gifts	\$ 199,582	199,582	189,737	(9,845)
Miscellaneous	7,839	7,839	8,183	344
Total revenues	207,421	207,421	197,920	(9,501)
<b>Expenditures</b>				
Current:				
Health and welfare	219,373	219,373	230,651	(11,278)
Non-current:				
Capital outlay	19,366	27,765	26,984	781
Total expenditures	238,739	247,138	257,635	(10,497)
Excess (deficiency) of revenues over expenditures	(31,318)	(39,717)	(59,715)	(19,998)
<b>Other financing sources (uses)</b>				
Transfers in	55,453	55,453	55,453	-
Transfers out	(16,249)	(16,249)	(12,754)	3,495
Total other financing sources (uses)	39,204	39,204	42,699	3,495
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	7,886	(513)	(17,016)	(16,503)
Budgeted cash carryover	731	731		
	\$ 8,617	218		
<b>RECONCILIATION FROM BUDGET/ACTUAL TO GAAP</b>				
Change in net position (Budget Basis)			\$ (17,016)	
To adjust applicable revenue accruals and deferrals			(10,781)	
To adjust applicable expenditures and accruals and payments			31,936	
Change in net position (GAAP basis)			\$ 4,139	

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, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance Favorable/ (Unfavorable)
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes and fees	\$ 382,137	382,137	365,240	(16,897)
Grants and gifts	400,750	643,750	-	(643,750)
Interest income	3,581	3,581	13,301	9,720
	<u>786,468</u>	<u>1,029,468</u>	<u>378,541</u>	<u>(650,927)</u>
<b>Total revenues</b>				
<b>Expenditures</b>				
Current:				
General government	10,000	25,000	7,591	17,409
Non-current:				
Capital outlay	<u>370,750</u>	<u>613,750</u>	-	<u>613,750</u>
	<u>380,750</u>	<u>638,750</u>	<u>7,591</u>	<u>631,159</u>
<b>Total expenditures</b>				
Excess (deficiency) of revenues over expenditures	<u>405,718</u>	<u>390,718</u>	<u>370,950</u>	<u>(19,768)</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers out	-	(4,000)	-	4,000
Total other financing sources (uses)	<u>-</u>	<u>(4,000)</u>	<u>-</u>	<u>4,000</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>405,718</u>	<u>386,718</u>	<u>370,950</u>	<u>(15,768)</u>
Budgeted cash carryover	<u>1,408,340</u>	<u>1,408,340</u>		
	<u>\$ 1,814,058</u>	<u>1,795,058</u>		

RECONCILIATION FROM BUDGET/ACTUAL TO GAAP

Change in net position (Budget Basis)	\$ 370,950
To adjust applicable revenue accruals and deferrals	2,007
To adjust applicable expenditures and accruals and payments	<u>-</u>
Change in net position (GAAP basis)	<u>\$ 372,957</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 Obligation - 053**  
**For The Year Ended June 30, 2014**

	Budgeted Amounts		Actual	Variance Favorable/ (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Taxes and fees	\$ 653,387	653,387	750,645	97,258
Interest income	1,354	1,354	2,619	1,265
<b>Total revenues</b>	<u>654,741</u>	<u>654,741</u>	<u>753,264</u>	<u>98,523</u>
<b>Expenditures</b>				
Current:				
General government	-	905	892	13
Non-current:				
Principal payments	180,340	430,000	430,000	-
Interest payments	56,905	292,332	292,330	2
<b>Total expenditures</b>	<u>237,245</u>	<u>723,237</u>	<u>723,222</u>	<u>15</u>
Excess (deficiency) of revenues over expenditures	<u>417,496</u>	<u>(68,496)</u>	<u>30,042</u>	<u>98,538</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	(498,659)	(498,659)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>(498,659)</u>	<u>(498,659)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>417,496</u>	<u>(68,496)</u>	<u>(468,617)</u>	<u>(400,121)</u>
Budgeted cash carryover	<u>603,174</u>	<u>603,174</u>		
	<u>\$ 1,020,670</u>	<u>534,678</u>		

RECONCILIATION FROM BUDGET/ACTUAL TO GAAP

Change in net position (Budget Basis)	\$ (468,617)
To adjust applicable revenue accruals and deferrals	554
To adjust applicable expenditures and accruals and payments	<u>498,656</u>
Change in net position (GAAP basis)	<u>\$ 30,593</u>

**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, 2014**

	Budgeted Amounts		Actual	Variance Favorable/ (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Interest income	\$ -	-	3	3
Total revenues	-	-	3	3
<b>Expenditures</b>				
Current:				
General government	-	905	892	13
Non-current:				
Principal payments	1,808,343	1,808,343	-	1,808,343
Interest payments	979,372	979,372	1,057,923	(78,551)
Total expenditures	2,787,715	2,788,620	1,058,815	1,729,805
Excess (deficiency) of revenues over expenditures	(2,787,715)	(2,788,620)	(1,058,812)	1,729,808
<b>Other financing sources (uses)</b>				
Transfers in	2,787,715	2,788,620	2,788,598	(22)
Transfers out	-	-	-	-
Total other financing sources (uses)	2,787,715	2,788,620	2,788,598	(22)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	-	-	1,729,786	1,729,786
Budgeted cash carryover	7,696	7,696		
	\$ 7,696	7,696		

RECONCILIATION FROM BUDGET/ACTUAL TO GAAP

Change in net position (Budget Basis)	\$ 1,729,786
To adjust applicable revenue accruals and deferrals	-
To adjust applicable expenditures and accruals and payments	(1,729,785)
Change in net position (GAAP basis)	\$ <u>1</u>

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
Statement of Revenues and Expenditures  
Budget and Actual (Non-GAAP Budgetary Basis)  
Fire Protection Bond - 103  
For The Year Ended June 30, 2014**

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable/ (Unfavorable)
<b>Revenues</b>				
Loan and bond proceeds	\$ -	-	-	-
Interest income	-	-	1	1
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>1</b>
<b>Expenditures</b>				
Current:				
General government	-	-	-	-
Non-current:				
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of revenues over expenditures	-	-	1	1
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	-	-	1	1
Budgeted cash carryover	7,589	7,589		
	<b>\$ 7,589</b>	<b>7,589</b>		

RECONCILIATION FROM BUDGET/ACTUAL TO GAAP

Change in net position (Budget Basis)	\$ 1
To adjust applicable revenue accruals and deferrals	(1)
To adjust applicable expenditures and accruals and payments	-
Change in net position (GAAP basis)	<u><u>\$ -</u></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)**  
**Airport Improvements - 040**  
**For The Year Ended June 30, 2014**

	Budgeted Amounts		Actual	Variance Favorable/ (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Grants and gifts	\$ -	536,750	505,011	(31,739)
Interest income	-	-	76	76
Total revenues	-	536,750	505,087	(31,663)
<b>Expenditures</b>				
Current:	-	10,000	9,856	144
Non-current:				
Capital outlay	-	560,380	560,380	-
Total expenditures	-	570,380	570,236	144
Excess (deficiency) of revenues over expenditures	-	(33,630)	(65,150)	(31,520)
<b>Other financing sources (uses)</b>				
Transfers in	-	5,380	-	(5,380)
Transfers out	-	-	(569,949)	(569,949)
Total other financing sources (uses)	-	5,380	(569,949)	(575,329)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	-	(28,250)	(635,099)	(606,849)
Budgeted cash carryover	37,054	37,054		
	\$ 37,054	8,804		

**RECONCILIATION FROM BUDGET/ACTUAL TO GAAP**

Change in net position (Budget Basis)	\$ (635,099)
To adjust applicable revenue accruals and deferrals	24,154
To adjust applicable expenditures and accruals and payments	<u>569,949</u>
Change in net position (GAAP basis)	\$ <u><u>(40,996)</u></u>

**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, 2014**

	Budgeted Amounts		Actual	Variance Favorable/ (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Grants and gifts	\$ 42,093	542,093	41,999	(500,094)
Miscellaneous	-	107,625	-	(107,625)
<b>Total revenues</b>	<u>42,093</u>	<u>649,718</u>	<u>41,999</u>	<u>(607,719)</u>
<b>Expenditures</b>				
Current:	-	59,950	857	59,093
Non-current:				
Capital outlay	<u>37,125</u>	<u>585,750</u>	<u>37,030</u>	<u>548,720</u>
<b>Total expenditures</b>	<u>37,125</u>	<u>645,700</u>	<u>37,887</u>	<u>607,813</u>
Excess (deficiency) of revenues over expenditures	<u>4,968</u>	<u>4,018</u>	<u>4,112</u>	<u>94</u>
<b>Other financing sources (uses)</b>				
Transfers in	4,210	5,160	5,066	(94)
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>4,210</u>	<u>5,160</u>	<u>5,066</u>	<u>(94)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>9,178</u>	<u>9,178</u>	<u>9,178</u>	<u>-</u>
Budgeted cash carryover	<u>(9,178)</u>	<u>(9,178)</u>		
	\$ -	-		

RECONCILIATION FROM BUDGET/ACTUAL TO GAAP

Change in net position (Budget Basis)	\$ 9,178
To adjust applicable revenue accruals and deferrals	-
To adjust applicable expenditures and accruals and payments	<u>-</u>
Change in net position (GAAP basis)	<u>\$ 9,178</u>

**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, 2014**

	Budgeted Amounts		Actual	Variance Favorable/ (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Taxes and fees	\$ 1,529,252	1,529,252	1,460,959	(68,293)
Grants and gifts	312,617	312,617	-	(312,617)
Interest income	23,399	23,399	63,658	40,259
<b>Total revenues</b>	<b>1,865,268</b>	<b>1,865,268</b>	<b>1,524,617</b>	<b>(340,651)</b>
<b>Expenditures</b>				
Current:				
General government	236,160	93,478	26,629	66,849
Non-current:				
Capital outlay	1,109,887	1,402,269	882,161	520,108
<b>Total expenditures</b>	<b>1,346,047</b>	<b>1,495,747</b>	<b>908,790</b>	<b>586,957</b>
Excess (deficiency) of revenues over expenditures	519,221	369,521	615,827	246,306
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers out	(961,050)	(801,132)	(1,235,815)	(434,683)
<b>Total other financing sources (uses)</b>	<b>(961,050)</b>	<b>(801,132)</b>	<b>(1,235,815)</b>	<b>(434,683)</b>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(441,829)	(431,611)	(619,988)	(188,377)
Budgeted cash carryover	7,166,070	7,166,070		
	<b>\$ 6,724,241</b>	<b>6,734,459</b>		

**RECONCILIATION FROM BUDGET/ACTUAL TO GAAP**

Change in net position (Budget Basis)	\$ (619,988)
To adjust applicable revenue accruals and deferrals	(11,739)
To adjust applicable expenditures and accruals and payments	821,559
Change in net position (GAAP basis)	<u><u>\$ 189,832</u></u>



**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, 2014**

	Budgeted Amounts		Actual	Variance Favorable/ (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Charges for services	\$ 12,000	12,000	26,367	14,367
Interest income	541	541	1,104	563
<b>Total revenues</b>	<b>12,541</b>	<b>12,541</b>	<b>27,471</b>	<b>14,930</b>
<b>Expenditures</b>				
Current:				
General government	2,200	2,200	2,081	119
Non-current:				
Capital outlay	57,777	59,777	5,263	54,514
<b>Total expenditures</b>	<b>59,977</b>	<b>61,977</b>	<b>7,344</b>	<b>54,633</b>
Excess (deficiency) of revenues over expenditures	(47,436)	(49,436)	20,127	69,563
<b>Other financing sources (uses)</b>				
Transfers in	124,572	124,572	-	(124,572)
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>124,572</b>	<b>124,572</b>	<b>-</b>	<b>(124,572)</b>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	77,136	75,136	20,127	(55,009)
Budgeted cash carryover	148,811	148,811		
	<b>\$ 225,947</b>	<b>223,947</b>		

**RECONCILIATION FROM BUDGET/ACTUAL TO GAAP**

Change in net position (Budget Basis)	\$ 20,127
To adjust applicable revenue accruals and deferrals	-
To adjust applicable expenditures and accruals and payments	(1,032)
Change in net position (GAAP basis)	<u>\$ 19,095</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)  
Reverse Osmosis Prj Rsv - 054  
For The Year Ended June 30, 2014**

	Budgeted Amounts		Actual	Variance Favorable/ (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Grants and gifts	\$ -	285,105	-	(285,105)
Loan and bond proceeds	1,807,283	1,980,320	58,674	(1,921,646)
Interest income	1,000	1,000	2,442	1,442
	<u>1,808,283</u>	<u>2,266,425</u>	<u>61,116</u>	<u>(2,205,309)</u>
<b>Expenditures</b>				
Current:				
Public works	-	497,594	55,441	442,153
Non-current:				
Capital outlay	2,291,481	2,261,680	89,413	2,172,267
	<u>2,291,481</u>	<u>2,759,274</u>	<u>144,854</u>	<u>2,614,420</u>
Excess (deficiency) of revenues over expenditures	<u>(483,198)</u>	<u>(492,849)</u>	<u>(83,738)</u>	<u>409,111</u>
<b>Other financing sources (uses)</b>				
Transfers in	237,705	-	-	-
Transfers out	-	-	(144,854)	(144,854)
Total other financing sources (uses)	<u>237,705</u>	<u>-</u>	<u>(144,854)</u>	<u>(144,854)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>(245,493)</u>	<u>(492,849)</u>	<u>(228,591)</u>	<u>264,257</u>
Budgeted cash carryover	<u>520,607</u>	<u>520,607</u>		
	<u>\$ 275,114</u>	<u>27,758</u>		
<b>RECONCILIATION FROM BUDGET/ACTUAL TO GAAP</b>				
Change in net position (Budget Basis)			\$ (228,591)	
To adjust applicable revenue accruals and deferrals			-	
To adjust applicable expenditures and accruals and payments			<u>46,155</u>	
Change in net position (GAAP basis)			<u>\$ (182,436)</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)**  
**Alamogordo Flood Control - 056**  
**For The Year Ended June 30, 2014**

	Budgeted Amounts		Actual	Variance Favorable/ (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Interest income	\$ 5,024	5,024	7,586	2,562
Total revenues	5,024	5,024	7,586	2,562
<b>Expenditures</b>				
Current:				
General government	22,458	49,480	18,612	30,868
Non-current:				
Capital outlay	503,359	476,337	6,962	469,375
Total expenditures	525,817	525,817	25,574	500,243
Excess (deficiency) of revenues over expenditures	(520,793)	(520,793)	(17,988)	502,805
<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	(520,793)	(520,793)	(17,988)	502,805
Budgeted cash carryover	912,923	912,923		
	\$ 392,130	392,130		

**RECONCILIATION FROM BUDGET/ACTUAL TO GAAP**

Change in net position (Budget Basis)	\$ (17,988)
To adjust applicable revenue accruals and deferrals	-
To adjust applicable expenditures and accruals and payments	-
Change in net position (GAAP basis)	\$ (17,988)

**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, 2014**

	<u>Budgeted Amounts</u>			Variance Favorable/ (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Taxes and fees	\$ 382,338	382,137	365,240	(16,897)
Interest income	1,923	1,923	2,186	263
	<u>384,261</u>	<u>384,060</u>	<u>367,426</u>	<u>(16,634)</u>
<b>Expenditures</b>				
Non-current:				
Capital outlay	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>384,261</u>	<u>384,060</u>	<u>367,426</u>	<u>(16,634)</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers out	(208,661)	(214,041)	(200,000)	14,041
Total other financing sources (uses)	<u>(208,661)</u>	<u>(214,041)</u>	<u>(200,000)</u>	<u>14,041</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>175,600</u>	<u>170,019</u>	<u>167,426</u>	<u>(2,593)</u>
Budgeted cash carryover	<u>185,756</u>	<u>185,756</u>		
	<u>\$ 361,356</u>	<u>355,775</u>		

RECONCILIATION FROM BUDGET/ACTUAL TO GAAP

Change in net position (Budget Basis)	\$ 167,426
To adjust applicable revenue accruals and deferrals	2,006
To adjust applicable expenditures and accruals and payments	<u>-</u>
Change in net position (GAAP basis)	<u>\$ 169,432</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)  
Economic Development - 105  
For The Year Ended June 30, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Favorable/ (Unfavorable)
<b>Revenues</b>				
Taxes and fees	\$ 764,677	764,677	730,480	(34,197)
Grants	-	250,000	250,000	-
Miscellaneous	-	150,929	150,929	-
Interest income	<u>12,434</u>	<u>12,434</u>	<u>37,369</u>	<u>24,935</u>
 Total revenues	 <u>777,111</u>	 <u>1,178,040</u>	 <u>1,168,778</u>	 <u>(9,262)</u>
 <b>Expenditures</b>				
Current:				
Other services	<u>539,901</u>	<u>808,735</u>	<u>67,266</u>	<u>741,469</u>
 Total expenditures	 <u>539,901</u>	 <u>808,735</u>	 <u>67,266</u>	 <u>741,469</u>
 Excess (deficiency) of revenues over expenditures	 <u>237,210</u>	 <u>369,305</u>	 <u>1,101,512</u>	 <u>732,207</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>237,210</u>	 <u>369,305</u>	 <u>1,101,512</u>	 <u>732,207</u>
 Budgeted cash carryover	 <u>4,005,112</u>	 <u>4,005,112</u>		
	<u>\$ 4,242,322</u>	<u>4,374,417</u>		

RECONCILIATION FROM BUDGET/ACTUAL TO GAAP

Change in net position (Budget Basis)	\$ 1,101,512
To adjust applicable revenue accruals and deferrals	4,011
To adjust applicable expenditures and accruals and payments	<u>(75,232)</u>
Change in net position (GAAP basis)	<u>\$ 1,030,291</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)**  
**2002 GRT Bond Acquisition - 108**  
**For The Year Ended June 30, 2014**

	Budgeted Amounts		Actual	Variance Favorable/ (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Miscellaneous	\$ -	-	-	-
Interest income	-	-	3	3
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	-	-	3	3
<b>Expenditures</b>				
Current:				
Other services	-	-	-	-
Non-current:				
Capital outlay	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures				
	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	3	3
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers out	-	(15,545)	-	15,545
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	(15,545)	-	15,545
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses				
	<hr/>	<hr/>	<hr/>	<hr/>
	-	(15,545)	3	15,548
Budgeted cash carryover				
	<hr/>	<hr/>	<hr/>	<hr/>
	15,842	15,842		
	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 15,842	297		

**RECONCILIATION FROM BUDGET/ACTUAL TO GAAP**

Change in net position (Budget Basis)	\$	3
To adjust applicable revenue accruals and deferrals		(3)
To adjust applicable expenditures and accruals and payments		<hr/> -
Change in net position (GAAP basis)	\$	<hr/> <hr/> -

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, 2014**

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable/ (Unfavorable)
<b>Revenues</b>				
Taxes and fees	\$ 3,058,704	3,058,704	2,921,919	(136,785)
Miscellaneous	-	465,000	-	(465,000)
Interest income	<u>9,523</u>	<u>9,523</u>	<u>44,262</u>	<u>34,739</u>
Total revenues	<u>3,068,227</u>	<u>3,533,227</u>	<u>2,966,181</u>	<u>(567,046)</u>
<b>Expenditures</b>				
Current:				
Other services	95,741	205,104	38,218	166,886
Non-current:				
Capital outlay	<u>2,242,167</u>	<u>4,920,765</u>	<u>586,207</u>	<u>4,334,558</u>
Total expenditures	<u>2,337,908</u>	<u>5,125,869</u>	<u>624,425</u>	<u>4,501,444</u>
Excess (deficiency) of revenues over expenditures	<u>730,319</u>	<u>(1,592,642)</u>	<u>2,341,756</u>	<u>3,934,398</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	398,520	398,520	-
Transfers out	<u>(588,304)</u>	<u>(1,120,812)</u>	<u>(1,120,808)</u>	<u>(4)</u>
Total other financing sources (uses)	<u>(588,304)</u>	<u>(722,292)</u>	<u>(722,288)</u>	<u></u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>142,015</u>	<u>(2,314,934)</u>	<u>1,619,468</u>	<u>3,934,398</u>
Budgeted cash carryover	<u>5,137,380</u>	<u>5,137,380</u>		
	<u>\$ 5,279,395</u>	<u>2,822,446</u>		

**RECONCILIATION FROM BUDGET/ACTUAL TO GAAP**

Change in net position (Budget Basis)	\$ 1,619,468
To adjust applicable revenue accruals and deferrals	16,051
To adjust applicable expenditures and accruals and payments	<u>34,660</u>
Change in net position (GAAP basis)	<u>\$ 1,670,179</u>

**STATE OF NEW MEXICO**  
**CITY OF ALAMOGORDO**  
**Statement of Revenues and Expenditures**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**09 G.O. Bond Acq - 113**  
**For The Year Ended June 30, 2014**

	Budgeted Amounts		Actual	Variance Favorable/ (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Miscellaneous	\$ -	-	12,915	(12,915)
Interest income	6,981	6,981	7,386	(405)
Total revenues	<u>6,981</u>	<u>6,981</u>	<u>20,301</u>	<u>(13,320)</u>
<b>Expenditures</b>				
Current:				
General government	425,237	75,237	7,115	68,122
Non-current:				
Capital outlay	465,765	3,567,765	269,310	3,298,455
Total expenditures	<u>891,002</u>	<u>3,643,002</u>	<u>276,425</u>	<u>3,366,577</u>
Excess (deficiency) of revenues over expenditures	<u>(884,021)</u>	<u>(3,636,021)</u>	<u>(256,124)</u>	<u>3,379,897</u>
<b>Other financing sources (uses)</b>				
Transfers in	285,485	2,585,485	7,115	(2,578,370)
Transfers out	-	-	(276,205)	(276,205)
Total other financing sources (uses)	<u>285,485</u>	<u>2,585,485</u>	<u>(269,090)</u>	<u>(2,854,575)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>(598,536)</u>	<u>(1,050,536)</u>	<u>(525,214)</u>	<u>525,322</u>
Budgeted cash carryover	<u>1,051,375</u>	<u>1,051,375</u>		
	<u>\$ 452,839</u>	<u>839</u>		

RECONCILIATION FROM BUDGET/ACTUAL TO GAAP

Change in net position (Budget Basis)	\$ (525,214)
To adjust applicable revenue accruals and deferrals	-
To adjust applicable expenditures and accruals and payments	<u>302,168</u>
Change in net position (GAAP basis)	<u>\$ (223,046)</u>



**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, 2014**

	Budgeted Amounts		Actual	Variance Favorable/ (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Interest income	\$ 181	181	973	792
Total revenues	181	181	973	792
<b>Expenditures</b>				
Current:				
General government	-	-	-	-
Non-current:				
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	181	181	973	792
<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	181	181	973	792
Budgeted cash carryover	128,959	128,959		
	\$ -	-		

RECONCILIATION FROM BUDGET/ACTUAL TO GAAP

Change in net position (Budget Basis)	\$ 973
To adjust applicable revenue accruals and deferrals	-
To adjust applicable expenditures and accruals and payments	-
Change in net position (GAAP basis)	\$ <u>973</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)**  
**Reg Water Supply Trans Ln - 116**  
**For The Year Ended June 30, 2014**

	Budgeted Amounts		Actual	Variance Favorable/ (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Grants	\$ 1,815,205	1,815,205	529,173	(1,286,032)
Loan Proceeds	-	-	-	-
Interest income	-	-	443	443
	<u>1,815,205</u>	<u>1,815,205</u>	<u>529,616</u>	<u>(1,285,589)</u>
<b>Total revenues</b>				
	<u>1,815,205</u>	<u>1,815,205</u>	<u>529,616</u>	<u>(1,285,589)</u>
<b>Expenditures</b>				
Non-current:				
Capital outlay	2,338,046	2,338,046	779,552	1,558,494
	<u>2,338,046</u>	<u>2,338,046</u>	<u>779,552</u>	<u>1,558,494</u>
<b>Total expenditures</b>				
	<u>2,338,046</u>	<u>2,338,046</u>	<u>779,552</u>	<u>1,558,494</u>
Excess (deficiency) of revenues over expenditures	<u>(522,841)</u>	<u>(522,841)</u>	<u>(249,936)</u>	<u>272,905</u>
<b>Other financing sources (uses)</b>				
Transfers in	242,193	242,193	-	(242,193)
Transfers out	-	-	(790,142)	(790,142)
Total other financing sources (uses)	<u>242,193</u>	<u>242,193</u>	<u>(790,142)</u>	<u>(1,032,335)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>(280,648)</u>	<u>(280,648)</u>	<u>(1,040,078)</u>	<u>(759,430)</u>
Budgeted cash carryover	<u>293,485</u>	<u>293,485</u>		
	<u>\$ 12,837</u>	<u>12,837</u>		

RECONCILIATION FROM BUDGET/ACTUAL TO GAAP

Change in net position (Budget Basis)	\$ (1,040,078)
To adjust applicable revenue accruals and deferrals	267,755
To adjust applicable expenditures and accruals and payments	<u>769,873</u>
Change in net position (GAAP basis)	<u>\$ (2,449)</u>

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
Statement of Revenues and Expenditures  
Budget and Actual (Non-GAAP Budgetary Basis)  
2011 Water Refunding - 117  
For The Year Ended June 30, 2014**

	Budgeted Amounts		Actual	Variance Favorable/ (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Interest income	\$ 11,237	11,237	5,951	(5,286)
Total revenues	11,237	11,237	5,951	(5,286)
<b>Expenditures</b>				
Non-current:				
Capital outlay	705,050	705,050	519	704,531
Total expenditures	705,050	705,050	519	704,531
Excess (deficiency) of revenues over expenditures	(693,813)	(693,813)	5,432	699,245
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	(519)	(519)
Total other financing sources (uses)	-	-	(519)	(519)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(693,813)	(693,813)	4,913	698,726
Budgeted cash carryover	706,267	706,267		
	\$ 12,454	12,454		
<b>RECONCILIATION FROM BUDGET/ACTUAL TO GAAP</b>				
Change in net position (Budget Basis)			\$ 4,913	
To adjust applicable revenue accruals and deferrals			-	
To adjust applicable expenditures and accruals and payments			519	
Change in net position (GAAP basis)			\$ 5,432	

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)  
Street Projects - 118  
For The Year Ended June 30, 2014**

	Budgeted Amounts		Actual	Variance Favorable/ (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Interest income	\$ 17,269	17,269	50,700	33,431
Total revenues	<u>17,269</u>	<u>17,269</u>	<u>50,700</u>	<u>33,431</u>
<b>Expenditures</b>				
Current:				
General government	80,045	251,989	174,256	77,733
Non-current:				
Capital outlay	<u>6,282,269</u>	<u>6,133,194</u>	<u>2,738,281</u>	<u>3,394,913</u>
Total expenditures	<u>6,362,314</u>	<u>6,385,183</u>	<u>2,912,537</u>	<u>3,472,646</u>
Excess (deficiency) of revenues over expenditures	<u>(6,345,045)</u>	<u>(6,367,914)</u>	<u>(2,861,837)</u>	<u>3,506,077</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	415,338	-	(415,338)
Transfers out	<u>-</u>	<u>-</u>	<u>(415,338)</u>	<u>(415,338)</u>
Total other financing sources (uses)	<u>-</u>	<u>415,338</u>	<u>(415,338)</u>	<u>(830,676)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>(6,345,045)</u>	<u>(5,952,576)</u>	<u>(3,277,175)</u>	<u>2,675,401</u>
Budgeted cash carryover	<u>7,526,880</u>	<u>7,526,880</u>		
	<u>\$ 1,181,835</u>	<u>1,574,304</u>		

RECONCILIATION FROM BUDGET/ACTUAL TO GAAP

Change in net position (Budget Basis)	\$ (3,277,175)
To adjust applicable revenue accruals and deferrals	-
To adjust applicable expenditures and accruals and payments	<u>(821,934)</u>
Change in net position (GAAP basis)	<u>\$ (4,099,109)</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)  
GRT Refunding -119  
For The Year Ended June 30, 2014**

	Budgeted Amounts		Actual	Variance Favorable/ (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Interest income	\$ 9,894	9,894	20,082	10,188
Total revenues	9,894	9,894	20,082	10,188
<b>Expenditures</b>				
Current:				
General government	6,676	6,676	1,195	5,481
Non-current:				
Capital outlay	2,575,244	2,575,244	497,416	2,077,828
Total expenditures	2,581,920	2,581,920	498,611	2,083,309
Excess (deficiency) of revenues over expenditures	(2,572,026)	(2,572,026)	(478,529)	2,093,497
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(2,572,026)	(2,572,026)	(478,529)	2,093,497
Budgeted cash carryover	3,976,951	3,976,951		
	\$ 1,404,925	1,404,925		

RECONCILIATION FROM BUDGET/ACTUAL TO GAAP

Change in net position (Budget Basis)	\$ (478,529)
To adjust applicable revenue accruals and deferrals	-
To adjust applicable expenditures and accruals and payments	136,563
Change in net position (GAAP basis)	\$ (341,966)

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, 2014**

	Budgeted Amounts		Actual	Variance Favorable/ (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Interest income	\$ 2,377	2,377	6,122	3,745
Miscellaneous - Land Sales	9,988	9,988	11,550	1,562
<b>Total revenues</b>	<b>12,365</b>	<b>12,365</b>	<b>17,672</b>	<b>5,307</b>
<b>Expenditures</b>				
Current:				
General government	-	-	-	-
Non-current:				
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of revenues over expenditures	12,365	12,365	17,672	5,307
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	12,365	12,365	17,672	5,307
Budgeted cash carryover	718,942	718,942		
	<b>\$ 731,307</b>	<b>731,307</b>		

**RECONCILIATION FROM BUDGET/ACTUAL To GAAP**

Change in net position (Budget Basis)	\$ 17,672
To adjust applicable revenue accruals and deferrals	225
To adjust applicable expenditures and accruals and payments	-
Change in net position (GAAP basis)	<u><u>\$ 17,897</u></u>

**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, 2014**

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable/ (Unfavorable)
<b>Revenues</b>				
Charges for services	\$ 9,849,081	9,852,581	9,035,726	(816,855)
Interest income	28,616	28,616	85,362	56,746
<b>Total revenues</b>	<b>9,877,697</b>	<b>9,881,197</b>	<b>9,121,088</b>	<b>(760,109)</b>
<b>Expenditures</b>				
Operating expenses				
Salaries and benefits	2,633,359	2,632,959	2,296,027	336,932
Supplies	895,163	883,438	508,586	374,852
Insurance Premiums	105,094	105,094	80,142	24,952
Maintenance	290,587	302,787	252,498	50,289
Utilities	95,958	101,583	78,991	22,592
Infrastructure	800,000	1,600,000	-	1,600,000
Capital Improvements	311,717	311,717	77,035	234,682
Other services	4,192,862	4,268,063	3,954,808	313,255
Non-operating:				
Capital outlay	663,273	663,273	757,750	(94,477)
<b>Total expenditures</b>	<b>9,988,013</b>	<b>10,868,914</b>	<b>8,005,837</b>	<b>2,863,077</b>
Excess (deficiency) of revenues over expenditures	(110,316)	(987,717)	1,115,251	2,102,968
<b>Other financing sources (uses)</b>				
Transfers in	98,413	97,413	2,425,891	2,328,478
Transfers out	(3,086,304)	(4,044,281)	(1,992,213)	2,052,068
Total other financing sources (uses)	(2,987,891)	(3,946,868)	433,678	4,380,546
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(3,098,207)	(4,934,585)	1,548,929	6,483,514
Budgeted cash carryover	9,763,600	9,763,600		
	\$ 6,665,393	4,829,015		

RECONCILIATION FROM BUDGET/ACTUAL To GAAP

Change in net position (Budget Basis)	\$ 1,548,929
To adjust applicable revenue accruals and deferrals	(446,723)
To adjust applicable expenditures and accruals and payments	173,010
Change in net position (GAAP basis)	\$ 1,275,216

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, 2014**

	Budgeted Amounts		Actual	Variance Favorable/ (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Interest income	\$ 5,851	6,743	8,597	1,854
Total revenues	<u>5,851</u>	<u>6,743</u>	<u>8,597</u>	<u>1,854</u>
<b>Expenditures</b>				
Current:				
General government	15,565	16,457	16,455	2
Non-current:				
Principal payments	1,433,971	1,184,311	1,184,311	-
Interest payments	938,161	722,680	702,731	19,949
Total expenditures	<u>2,387,697</u>	<u>1,923,448</u>	<u>1,903,497</u>	<u>19,951</u>
Excess (deficiency) of revenues over expenditures	<u>(2,381,846)</u>	<u>(1,916,705)</u>	<u>(1,894,900)</u>	<u>21,805</u>
<b>Other financing sources (uses)</b>				
Transfers in	2,387,697	1,823,461	2,249,263	425,802
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>2,387,697</u>	<u>1,823,461</u>	<u>2,249,263</u>	<u>425,802</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>5,851</u>	<u>(93,244)</u>	<u>354,363</u>	<u>447,607</u>
Budgeted cash carryover	<u>1,572,685</u>	<u>1,572,685</u>		
	<u>\$ 1,578,536</u>	<u>1,479,441</u>		

RECONCILIATION FROM BUDGET/ACTUAL To GAAP

Change in net position (Budget Basis)	\$ 354,363
To adjust applicable revenue accruals and deferrals	(2,249,263)
To adjust applicable expenditures and accruals and payments	<u>944,708</u>
Change in net position (GAAP basis)	<u>\$ (950,192)</u>



**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, 2014**

	Budgeted Amounts		Actual	Variance Favorable/ (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Charges for services	\$ 1,997,000	1,997,000	1,980,690	(16,310)
Interest income	194	194	237	43
Miscellaneous	3,535	3,535	112,604	109,069
 Total revenues	2,000,729	2,000,729	2,093,531	92,802
<b>Expenditures</b>				
Operating expenses				
Salaries and benefits	171,292	171,292	145,577	25,715
Supplies	24,125	24,275	18,457	5,818
Insurance Premiums	8,340	8,340	4,582	3,758
Maintenance	15,546	14,996	7,152	7,844
Utilities	8,900	9,068	7,214	1,854
Other Services	1,699,636	1,699,868	1,673,180	26,688
 Total expenditures	1,927,839	1,927,839	1,856,162	71,677
 Excess (deficiency) of revenues over expenditures	72,890	72,890	237,369	164,479
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers out	(131,872)	(127,705)	(125,948)	1,757
Total other financing sources (uses)	(131,872)	(127,705)	(125,948)	1,757
 Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(58,982)	(54,815)	111,421	166,236
 Budgeted cash carryover	116,056	116,056		
	\$ 57,074	61,241		
<b>RECONCILIATION FROM BUDGET/ACTUAL To GAAP</b>				
Change in net position (Budget Basis)			\$ 111,421	
To adjust applicable revenue accruals and deferrals			(3,203)	
To adjust applicable expenditures and accruals and payments			54,249	
Change in net position (GAAP basis)			\$ 162,467	

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, 2014**

	Budgeted Amounts		Actual	Variance Favorable/ (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Grants	\$ 188,398	188,398	-	(188,398)
Miscellaneous	-	-	10,318	10,318
Interest income	199	199	2,659	2,460
<b>Total revenues</b>	<b>188,597</b>	<b>188,597</b>	<b>12,977</b>	<b>(175,620)</b>
<b>Expenditures</b>				
Operating expenses				
Emergency disaster	74,551	74,551	-	74,551
Utilities	8,627	8,627	2,564	6,063
Other services	47,079	47,079	-	47,079
Non-operating:				
Capital outlay	798,567	798,567	512,514	286,053
<b>Total expenditures</b>	<b>928,824</b>	<b>928,824</b>	<b>515,078</b>	<b>413,746</b>
Excess (deficiency) of revenues over expenditures	(740,227)	(740,227)	(502,101)	238,126
<b>Other financing sources (uses)</b>				
Transfers in	400,000	400,000	39,740	(360,260)
Transfers out	-	-	(44,540)	(44,540)
<b>Total other financing sources (uses)</b>	<b>400,000</b>	<b>400,000</b>	<b>(4,800)</b>	<b>(404,800)</b>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(340,227)	(340,227)	(506,901)	(166,674)
Budgeted cash carryover	592,309	592,309		
	<b>\$ 252,082</b>	<b>252,082</b>		

RECONCILIATION FROM BUDGET/ACTUAL To GAAP

Change in net position (Budget Basis)	\$ (506,901)
To adjust applicable revenue accruals and deferrals	681,598
To adjust applicable expenditures and accruals and payments	136,546
Change in net position (GAAP basis)	<u>\$ 311,244</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)  
Desert Lakes Golf Course - 090  
For The Year Ended June 30, 2014**

	Budgeted Amounts		Actual	Variance Favorable/ (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Charges for services	\$ 1,259,785	1,314,785	1,242,118	(72,667)
Interest income	322	322	724	402
Miscellaneous	2,400	2,400	3,043	643
<b>Total revenues</b>	<b>1,262,507</b>	<b>1,317,507</b>	<b>1,245,885</b>	<b>(71,622)</b>
<b>Expenditures</b>				
Operating expenses				
Salaries and benefits	304,762	305,291	264,426	40,865
Supplies	105,224	105,223	91,748	13,475
Maintenance	46,124	41,656	36,932	4,724
Utilities	57,639	62,688	52,889	9,799
Insurance Premiums	9,077	9,077	7,107	1,970
Other services	854,325	908,216	907,003	1,213
<b>Total expenditures</b>	<b>1,377,151</b>	<b>1,432,151</b>	<b>1,360,105</b>	<b>72,046</b>
Excess (deficiency) of revenues over expenditures	(114,644)	(114,644)	(114,220)	424
<b>Other financing sources (uses)</b>				
Transfers in	143,834	143,834	143,834	-
Transfers out	(76,363)	(76,363)	(64,586)	11,777
<b>Total other financing sources (uses)</b>	<b>67,471</b>	<b>67,471</b>	<b>79,248</b>	<b>11,777</b>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(47,173)	(47,173)	(34,972)	12,201
Budgeted cash carryover	160,801	160,801		
	<b>\$ 113,628</b>	<b>113,628</b>		

RECONCILIATION FROM BUDGET/ACTUAL To GAAP

Change in net position (Budget Basis)	\$ (34,972)
To adjust applicable revenue accruals and deferrals	(1)
To adjust applicable expenditures and accruals and payments	(197,686)
Change in net position (GAAP basis)	<u>\$ (232,658)</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, 2014**

	Budgeted Amounts		Actual	Variance Favorable/ (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Charges for services	\$ 159,120	159,120	154,639	(4,481)
Grants	127,908	136,191	30,943	(105,248)
Investment Income	645	645	624	(21)
Miscellaneous	-	-	18,680	18,680
Total revenues	<u>287,673</u>	<u>295,956</u>	<u>204,886</u>	<u>(91,070)</u>
<b>Expenditures</b>				
Operating expenses				
Salaries and benefits	128,265	128,265	73,208	55,057
Supplies	16,809	21,772	10,019	11,753
Utilities	35,302	35,377	30,493	4,884
Maintenance	71,601	75,601	23,284	52,317
Insurance Premiums	4,419	4,584	3,988	596
Other Services	141,800	141,800	31,495	110,305
Non-operating:				
Capital outlay	12,656	12,656	-	12,656
Total expenditures	<u>410,852</u>	<u>420,055</u>	<u>172,487</u>	<u>247,568</u>
Excess (deficiency) of revenues over expenditures	<u>(123,179)</u>	<u>(124,099)</u>	<u>32,399</u>	<u>156,498</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	-	569,949	569,949
Transfers out	(49,536)	(49,536)	(41,944)	7,592
Total other financing sources (uses)	<u>(49,536)</u>	<u>(49,536)</u>	<u>528,005</u>	<u>577,541</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>(172,715)</u>	<u>(173,635)</u>	<u>560,404</u>	<u>734,039</u>
Budgeted cash carryover	<u>270,969</u>	<u>270,969</u>		
	<u>\$ 98,254</u>	<u>97,334</u>		

RECONCILIATION FROM BUDGET/ACTUAL To GAAP

Change in net position (Budget Basis)	\$ 560,404
To adjust applicable revenue accruals and deferrals	(2)
To adjust applicable expenditures and accruals and payments	<u>(170,488)</u>
Change in net position (GAAP basis)	<u>\$ 389,914</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)  
Internal Service Fund - 12, 096, 107  
For The Year Ended June 30, 2014**

	<u>Budgeted Amounts</u>			Variance
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Favorable/ (Unfavorable)
<b>Revenues</b>				
User fees	\$ 135,000	135,000	120,395	(14,605)
Interest income	3,187	3,187	6,848	3,661
Miscellaneous	<u>255,171</u>	<u>394,001</u>	<u>326,597</u>	<u>(67,404)</u>
Total revenues	<u>393,358</u>	<u>532,188</u>	<u>453,840</u>	<u>(78,348)</u>
<b>Expenditures</b>				
Operating expenses				
General Government	<u>3,845,203</u>	<u>4,108,626</u>	<u>2,723,414</u>	<u>1,385,212</u>
Total expenditures	<u>3,845,203</u>	<u>4,108,626</u>	<u>2,723,414</u>	<u>1,385,212</u>
Excess (deficiency) of revenues over expenditures	<u>(3,451,845)</u>	<u>(3,576,438)</u>	<u>(2,269,574)</u>	<u>1,306,864</u>
<b>Other financing sources (uses)</b>				
Transfers in	3,194,853	3,120,370	2,341,186	(779,184)
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>3,194,853</u>	<u>3,120,370</u>	<u>2,341,186</u>	<u>(779,184)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>(256,992)</u>	<u>(456,068)</u>	<u>71,612</u>	<u>527,680</u>
Budgeted cash carryover	<u>1,385,461</u>	<u>1,385,461</u>		
	<u>\$ 1,128,469</u>	<u>929,393</u>		
<b>RECONCILIATION FROM BUDGET/ACTUAL To GAAP</b>				
Change in net position (Budget Basis)			\$ 71,612	
To adjust applicable revenue accruals and deferrals			-	
To adjust applicable expenditures and accruals and payments			<u>134,495</u>	
Change in net position (GAAP basis)			<u>\$ 206,107</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)**  
**Housing Low Rent Operating - 901**  
**For The Year Ended June 30, 2014**

	Budgeted Amounts		Actual	Variance Favorable/ (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Charges for services	\$ 350,435	350,435	372,550	22,115
Fines & Fees	15,000	15,000	6,186	(8,814)
Miscellaneous	1,200	1,200	(12,487)	(13,687)
Grants	424,971	424,971	526,193	101,222
Investment Income	1,741	1,741	1,597	(144)
<b>Total revenues</b>	<b>793,347</b>	<b>793,347</b>	<b>894,039</b>	<b>100,692</b>
<b>Expenditures</b>				
Operating expenses				
Salaries and benefits	459,064	444,652	427,226	17,426
Supplies	57,714	68,723	68,492	231
Utilities	182,831	191,009	174,400	16,609
Maintenance	17,329	20,397	14,650	5,747
Insurance Premiums	79,630	79,883	67,840	12,043
Other Services	397,257	150,946	135,275	15,671
Non-operating:				
Capital outlay	17,000	232,825	27,252	205,573
<b>Total expenditures</b>	<b>1,210,825</b>	<b>1,188,435</b>	<b>915,135</b>	<b>273,300</b>
Excess (deficiency) of revenues over expenditures	(417,478)	(395,088)	(21,096)	373,992
<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	(417,478)	(395,088)	(21,096)	373,992
Budgeted cash carryover	1,148,406	1,148,406		
	<b>\$ 730,928</b>	<b>753,318</b>		

RECONCILIATION FROM BUDGET/ACTUAL To GAAP

Change in net position (Budget Basis)	\$ (21,096)
To adjust applicable revenue accruals and deferrals	520
To adjust applicable expenditures and accruals and payments	(327,857)
Change in net position (GAAP basis)	<u>\$ (348,433)</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)**  
**Housing Homeownership Operating - 903**  
**For The Year Ended June 30, 2014**

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable/ (Unfavorable)
<b>Revenues</b>				
Charges for services	\$ -	-	-	-
Fines & Fees	100	100	-	(100)
Miscellaneous	1,865	1,865	1,872	7
Investment Income	909	909	1,130	221
	<u>2,874</u>	<u>2,874</u>	<u>3,002</u>	<u>128</u>
<b>Expenditures</b>				
Operating expenses				
Salaries and benefits	13,592	12,147	9,437	2,710
Supplies	3,136	1,631	389	1,242
Utilities	1,341	4,111	3,670	441
Maintenance	636	636	488	148
Insurance Premiums	2,051	2,106	1,353	753
Other Services	4,713	4,913	4,043	870
	<u>25,469</u>	<u>25,544</u>	<u>19,380</u>	<u>6,164</u>
Excess (deficiency) of revenues over expenditures	<u>(22,595)</u>	<u>(22,670)</u>	<u>(16,378)</u>	<u>6,292</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
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>(22,595)</u>	<u>(22,670)</u>	<u>(16,378)</u>	<u>6,292</u>
Budgeted cash carryover	<u>703,632</u>	<u>703,632</u>		
	<u>\$ 681,037</u>	<u>680,962</u>		

**RECONCILIATION FROM BUDGET/ACTUAL To GAAP**

Change in net position (Budget Basis)	\$ (16,378)
To adjust applicable revenue accruals and deferrals	11
To adjust applicable expenditures and accruals and payments	<u>(644)</u>
Change in net position (GAAP basis)	<u>\$ (17,011)</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)**  
**Housing Capital Projects Fund - 904**  
**For The Year Ended June 30, 2014**

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable/ (Unfavorable)
<b>Revenues</b>				
Grants	\$ 876,224	880,274	583,964	(296,310)
Total revenues	<u>876,224</u>	<u>880,274</u>	<u>583,964</u>	<u>(296,310)</u>
<b>Expenditures</b>				
Non-current:				
Capital outlay	<u>876,225</u>	<u>880,275</u>	<u>583,964</u>	<u>296,311</u>
Total expenditures	<u>876,225</u>	<u>880,275</u>	<u>583,964</u>	<u>296,311</u>
Excess (deficiency) of revenues over expenditures	<u>(1)</u>	<u>(1)</u>	<u>-</u>	<u>1</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
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>(1)</u>	<u>(1)</u>	<u>-</u>	<u>1</u>
Budgeted cash carryover	<u>1</u>	<u>1</u>		
	<u>\$ -</u>	<u>-</u>		

RECONCILIATION FROM BUDGET/ACTUAL To GAAP

Change in net position (Budget Basis)	\$ -
To adjust applicable revenue accruals and deferrals	-
To adjust applicable expenditures and accruals and payments	<u>537,347</u>
Change in net position (GAAP basis)	<u>\$ 537,347</u>



**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, 2014**

	Budgeted Amounts		Actual	Variance Favorable/ (Unfavorable)
	Original	Final		
<b>Operating revenues</b>				
Charges for services	\$ 1,057,100	1,057,100	1,201,530	144,430
Investment Income	9,551	9,551	27,192	17,641
Miscellaneous	4,800	4,800	69,510	64,710
Total operating revenues	<u>1,071,451</u>	<u>1,071,451</u>	<u>1,298,232</u>	<u>226,781</u>
<b>Operating expense</b>				
Operating expenses				
Salaries and benefits	313,919	313,919	290,102	23,817
Supplies	153,865	154,665	131,532	23,133
Maintenance	304,363	304,363	62,746	241,617
Utilities	15,314	16,514	12,958	3,556
Insurance Premiums	13,911	13,911	9,574	4,337
Other Services	429,808	825,808	594,891	230,917
Non-operating				
Capital outlay	136,000	163,000	87,577	75,423
Total expenditures	<u>1,367,180</u>	<u>1,792,180</u>	<u>1,189,380</u>	<u>602,800</u>
Excess (deficiency) of revenues over expenditures	<u>(295,729)</u>	<u>(720,729)</u>	<u>108,852</u>	<u>829,581</u>
<b>Non-operating revenues (expenses)</b>				
Transfers in	-	-	-	-
Transfers out	(1,720)	(1,720)	(1,720)	-
Total non-operating revenues (expenses)	<u>(1,720)</u>	<u>(1,720)</u>	<u>(1,720)</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(297,449)</u>	<u>(722,449)</u>	<u>107,132</u>	<u>829,581</u>
Budgeted cash carryover	<u>3,076,410</u>	<u>3,076,410</u>		
	<u>\$ 2,778,961</u>	<u>2,353,961</u>		

RECONCILIATION FROM BUDGET/ACTUAL To GAAP

Change in net position (Budget Basis)	\$ 107,132
To adjust applicable revenue accruals and deferrals	(1)
To adjust applicable expenditures and accruals and payments	<u>(173,641)</u>
Change in net position (GAAP basis)	<u>\$ (66,510)</u>

STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For The Year Ended June 30, 2014

Federal Grantor/Pass-Through Program Title	Federal CFDA Number	Pass-Through / Grantor No.	Grant Award Expended
<b>DIRECT</b>			
<b>U.S. Department of Housing and Urban Development</b>			
Community Development Block Grant (CDBG)			
Senior Center Improvements	14.228	11-C-NR-I-03-G-14	\$ 34,717
Low Income Housing Rent Subsidy	14.850	NM00400111D	254,263
Low Income Housing Rent Subsidy	14.850	NM00400112D	275,477
			<u>529,740</u>
Public Housing Capital Fund	14.872	* NM02P04501-09	39,016
Public Housing Capital Fund	14.872	* NM02P04501-10	14,331
ARRA - Public Housing Capital Fund	14.872	* NM02P04501-11	288,648
Public Housing Capital Fund	14.872	* NM02P04501-12	241,970
			<u>583,965</u>
<b>Total - U.S. Department of Housing and Urban Development</b>			<b><u>1,148,422</u></b>
<b>U.S. Department of Transportation</b>			
Passed through - New Mexico Department of Transportation			
Airport Improvement - Roadway Extension	20.106	AVA691 (ALM-14-01)	504,342
10th & White Sands Right Turn Lane	20.205	Control #L210090	31,123
Operation Driving While Impaired (ODWI)	20.608	13-AL-64-001	7,457
Operation Driving While Impaired (ODWI)	20.608	14-AL-64-001	12,118
			<u>555,040</u>
<b>Total - U.S. Department of Transportation</b>			<b><u>555,040</u></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	30,526
Title III, Part C-I - Nutrition Services, Congregate	93.045	2009-10-64012	54,544
Title III, Part C-II - Nutrition Services, Home Delivered	93.045	2009-10-64012	23,477
Nutrition Services Incentive Program (NSIP)	93.053	2009-10-64012	51,625
			<u>160,172</u>
<b>Total - U.S. Department of Health and Human Services</b>			<b><u>160,172</u></b>
<b>DIRECT</b>			
<b>Corporation For National and Community Service</b>			
Retired and Senior Volunteer Program	94.002	11SRWN008	<u>44,414</u>
<b>DIRECT</b>			
<b>U.S. Department of Justice</b>			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2009-DJ-BX-1346	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2009-SB-B9-0188	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	8041495	-
			<u>-</u>
<b>DIRECT</b>			
<b>U.S. Department of Energy</b>			
American Recovery & Reinvestment Act (ARRA)	81.128	DE-RW0000081	<b>109,204</b>
<b>DIRECT</b>			
<b>U.S. Department of Homeland Security</b>			
Federal Emergency Management Agency (FEMA) - Bonito Lake	97.036	* FEMA-4079-001	<b>316,219</b>
<b>Environmental Protection Agency</b>			
Passed through - New Mexico Finance Authority			
Capitalization Grant for Drinking Water State Revolving Funds	66.468	2013DW2881NMFA	<u>14,816</u>
Total federal awards expended			<b>\$ <u>2,348,287</u></b>
*Major Program			
<b>Reconciliation of federal expenditure to federal revenue:</b>			
Federal revenue per Statement of Revenues, Expenditures, and Changes in Fund Balances			\$ <b>2,348,287</b>
Federal awards expended per SEFA			<u>2,348,287</u>
Difference			<u>\$ -</u>

**Note 1. Basis for Presentation**

The accompanying schedule of federal awards is presented on the U.S. 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.

**Note 2.** The City did not receive any non-cash federal assistance, federal loan or loan guarantees, or federal insurance benefits during the fiscal year ended June 30, 2014.

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
SCHEDULE OF REVENUE & EXPENSES- AGING PROGRAMS  
Fund 71 - Senior Center III  
For The Year Ended June 30, 2014**

**NCNMEDD Non-Metro AAA Programs**

	<b>Congregate Meals (8023)</b>	<b>Home Delivered Meals (8024)</b>	<b>Transportation (8025)</b>	<b>Homemaker (8026)</b>	<b>Total</b>	<b>Physical Fitness/ Other</b>	<b>Total</b>
<b>Revenue and other support</b>							
Contributions	\$ -	-	-	-	-	-	-
Governmental grants & contracts							
NCNMEDD - Non-Metro AAA							
Title IIIB	-	-	30,526	-	<b>30,526</b>	5,301	<b>35,827</b>
Title IIIC-1	54,544	-	-	-	<b>54,544</b>	-	<b>54,544</b>
Title IIIC-2	-	23,477	-	-	<b>23,477</b>	-	<b>23,477</b>
NSIP	26,845	24,780	-	-	<b>51,625</b>	-	<b>51,625</b>
State funds - program	72,237	87,719	31,899	22,320	<b>214,175</b>	4,013	<b>218,188</b>
State funds - capital outlay	-	-	-	-	-	8,639	<b>8,639</b>
Other grants & contracts							
Otero County	-	26,000	25,000	-	<b>51,000</b>	-	<b>51,000</b>
United Way	-	4,628	4,369	-	<b>8,997</b>	-	<b>8,997</b>
Local match (transfer from City)	197,512	218,484	90,304	-	<b>506,300</b>	-	<b>506,300</b>
Program service revenue	72,558	37,326	40,792	7,296	<b>157,972</b>	-	<b>157,972</b>
Miscellaneous	-	-	-	-	-	191	<b>191</b>
Total revenue and other support	<u>423,696</u>	<u>422,414</u>	<u>222,890</u>	<u>29,616</u>	<u><b>1,098,616</b></u>	<u>18,144</u>	<u><b>1,116,760</b></u>
<b>Expenses</b>							
Program services	246,415	246,344	121,048	38,258	<b>652,065</b>	121,121	<b>773,186</b>
Supporting services	66,162	50,463	41,617	7,533	<b>165,775</b>	117,856	<b>283,631</b>
Total expenses	<u>312,577</u>	<u>296,807</u>	<u>162,665</u>	<u>45,791</u>	<u><b>817,840</b></u>	<u>238,977</u>	<u><b>1,056,817</b></u>
Excess (deficiency) of revenue over expenses	\$ <u>111,119</u>	<u>125,607</u>	<u>60,225</u>	<u>(16,175)</u>	<u><b>280,776</b></u>	<u>(220,833)</u>	<u><b>59,943</b></u>
Units provided	<u>41,273</u>	<u>39,223</u>	<u>14,494</u>	<u>1,332</u>		<u>9,998</u>	

**City of Alamogordo**  
**Schedule of Joint Powers Agreements and Memorandums of Understanding**  
**For The Year Ended June 30, 2014**

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 6/30/2014 Indefinite	\$ 185,237.90	\$ 118,644.87 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 6/30/2014 Indefinite	\$ 609,198.00	\$ 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 6/30/2014 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 6/30/2014 Indefinite	\$ 25.00 plus hourly rate as deemed necessary for tech.	\$ 419.60	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 6/30/2014 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 1/10/2014 Indefinite	As Budgeted per each Department	As Budgeted per each Department	City of Alamogordo	City of Alamogordo
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	7/1/2009 \$ thru 6/30/2017	180,433.04 \$	118,644.87	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 6/30/2014 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.	6/2/2012 thru 6/30/2019 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 6/30/2014 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 6/30/2014	\$ 26,000.00	\$ -	City of Alamogordo	City of Alamogordo
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 6/30/2014	\$ 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	7/1/2013 thru 6/30/2014	\$ 779,253.00	\$ 33,000.00	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 6/30/2014	\$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.	9/28/2010 thru Completed	\$118,774	\$46,905.00	City of Alamogordo	

STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
SCHEDULE OF PLEDGED COLLATERAL  
BY BANK AND ACCOUNT  
As of June 30, 2014

Account Name	Account Type	First National Bank	Wells Fargo Bank	New Mexico Finance Authority	Bank of New York Mellon Trust Company NA	First Savings Bank	Bank '34	First American Bank	Pioneer Bank	Bank of the West	Washington Federal	Western Bank	RBC	Book Balance
<b>Non-interest bearing accounts</b>														
General Operating	Checking	\$ -	419,663	-	-	-	-	-	-	-	-	-	-	419,663
			419,663											419,663
<b>Interest bearing accounts</b>														
General Operating	Checking	5,579,025	-	-	-	-	-	-	-	-	-	-	-	5,245,121
PHA-Home Ownership	Checking	518,815	-	-	-	-	-	-	-	-	-	-	-	518,759
PHA-Operations	Checking	999,487	-	-	-	-	-	-	-	-	-	-	-	996,668
PHA-Low Rent	Checking	45,863	-	-	-	-	-	-	-	-	-	-	-	45,863
PHA-Home Ownership Reserve	Checking	61,308	-	-	-	-	-	-	-	-	-	-	-	61,308
Money Market	Savings	-	627,437	-	-	-	-	-	-	-	-	-	-	627,437
New Mexico Finance Authority	Debt Service	-	-	422	-	-	-	-	-	-	-	-	-	422
Bank of New York Mellon	Fire Program	-	-	-	1,184,075	-	-	-	-	-	-	-	-	1,184,075
Certificate of deposit	CD	-	-	-	-	-	-	-	-	-	-	253,880	-	253,880
Certificate of deposit	CD	-	-	-	-	-	-	-	-	-	-	253,906	-	253,906
Certificate of deposit	CD	-	-	-	-	-	-	-	-	-	-	761,336	-	761,336
Certificate of deposit	CD	-	-	-	-	-	-	-	-	-	-	502,073	-	502,073
Certificate of deposit	CD	-	-	-	-	253,880	-	-	-	-	-	-	-	253,880
Certificate of deposit	CD	-	-	-	-	1,012,583	-	-	-	-	-	-	-	1,012,583
Certificate of deposit	CD	-	-	-	-	-	250,000	-	-	-	-	-	-	250,000
Certificate of deposit	CD	-	-	-	-	-	-	252,875	-	-	-	-	-	252,875
Certificate of deposit	CD	-	-	-	-	-	-	1,010,500	-	-	-	-	-	1,010,500
Certificate of deposit	CD	-	-	-	-	-	-	-	253,444	-	-	-	-	253,444
Certificate of deposit	CD	-	-	-	-	-	-	-	-	253,032	-	-	-	253,032
Certificate of deposit	CD	-	-	-	-	-	-	-	-	-	254,907	-	-	254,907
Certificate of deposit	CD	-	-	-	-	-	-	-	-	-	1,015,373	-	-	1,015,373
Certificate of deposit	CD	-	1,303,958	-	-	-	-	-	-	-	-	-	-	1,303,958
Certificate of deposit	CD	-	1,208,019	-	-	-	-	-	-	-	-	-	-	1,208,019
Certificate of deposit	CD	-	1,207,869	-	-	-	-	-	-	-	-	-	-	1,207,869
Certificate of deposit	CD	-	1,303,959	-	-	-	-	-	-	-	-	-	-	1,303,959
Certificate of deposit	CD	-	1,303,917	-	-	-	-	-	-	-	-	-	-	1,303,917
Certificate of deposit	CD	-	1,207,991	-	-	-	-	-	-	-	-	-	-	1,207,991
Certificate of deposit	CD	-	250,041	-	-	-	-	-	-	-	-	-	-	250,000
Certificate of deposit	CD	-	250,761	-	-	-	-	-	-	-	-	-	-	250,000
Certificate of deposit	CD	-	259,721	-	-	-	-	-	-	-	-	-	-	250,000
Certificate of deposit	CD	-	250,862	-	-	-	-	-	-	-	-	-	-	250,000
Certificate of deposit	CD	-	251,115	-	-	-	-	-	-	-	-	-	-	250,000
Certificate of deposit	CD	-	253,971	-	-	-	-	-	-	-	-	-	-	250,000
Certificate of deposit	CD	-	250,955	-	-	-	-	-	-	-	-	-	-	250,000
Certificate of deposit	CD	-	256,278	-	-	-	-	-	-	-	-	-	-	250,000
Certificate of deposit	CD	-	254,435	-	-	-	-	-	-	-	-	-	-	250,000
Certificate of deposit	CD	-	254,250	-	-	-	-	-	-	-	-	-	-	250,000
Certificate of deposit	CD	-	253,527	-	-	-	-	-	-	-	-	-	-	250,000
Certificate of deposit	CD	-	254,472	-	-	-	-	-	-	-	-	-	-	250,000
Certificate of deposit	CD	-	249,681	-	-	-	-	-	-	-	-	-	-	250,000
Certificate of deposit	CD	-	254,754	-	-	-	-	-	-	-	-	-	-	250,000
Certificate of deposit	CD	-	242,793	-	-	-	-	-	-	-	-	-	-	250,000
Certificate of deposit	CD	-	253,027	-	-	-	-	-	-	-	-	-	-	250,000
Certificate of deposit	CD	-	251,429	-	-	-	-	-	-	-	-	-	-	250,000
Certificate of deposit	CD	-	251,505	-	-	-	-	-	-	-	-	-	-	250,000
Certificate of deposit	CD	-	253,736	-	-	-	-	-	-	-	-	-	-	250,000
Certificate of deposit	CD	-	242,841	-	-	-	-	-	-	-	-	-	-	250,000
Certificate of deposit	CD	-	250,279	-	-	-	-	-	-	-	-	-	-	250,000
Certificate of deposit	CD	-	125,361	-	-	-	-	-	-	-	-	-	-	125,000
Certificate of deposit	CD	-	124,954	-	-	-	-	-	-	-	-	-	-	125,000
Certificate of deposit	CD	-	246,661	-	-	-	-	-	-	-	-	-	-	250,000
Certificate of deposit	CD	-	251,791	-	-	-	-	-	-	-	-	-	-	250,000
Certificate of deposit	CD	-	250,448	-	-	-	-	-	-	-	-	-	-	250,000
Certificate of deposit	CD	-	251,689	-	-	-	-	-	-	-	-	-	-	250,000
Certificate of deposit	CD	-	251,004	-	-	-	-	-	-	-	-	-	-	250,000
Certificate of deposit	CD	-	250,334	-	-	-	-	-	-	-	-	-	-	250,000
Certificate of deposit	CD	-	250,280	-	-	-	-	-	-	-	-	-	-	250,000
Total amount of deposit in bank		7,204,498	15,875,768	422	1,184,075	1,266,463	250,000	1,263,375	253,444	253,032	1,270,280	1,771,195	-	30,212,818
FDIC coverage		(250,000)	(7,750,000)	N/A	N/A	(250,000)	(250,000)	(250,000)	(250,000)	(250,000)	(250,000)	(250,000)	-	
Total uninsured public funds		6,954,498	8,125,768	-	-	1,016,463	-	1,013,375	3,444	3,032	1,020,280	1,521,195	-	
50% Collateral Requirement (Section 6-10-17 NMSA 1978)		\$ 3,477,249	4,062,884	-	-	508,232	-	506,688	1,722	1,516	510,140	760,598	-	

STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
SCHEDULE OF PLEDGED COLLATERAL  
BY BANK AND ACCOUNT  
As of June 30, 2014

Pledged security at:	First National Bank	Wells Fargo Bank	New Mexico Finance Authority	Bank of New York Mellon Trust		First Savings Bank	Bank '34	First American Bank	Pioneer Bank	Bank of the West	Washington Federal	Western Bank	RBC	Book Balance
				Company NA										
Federal Home Loan Bank-Dallas														
FHLB 31410LDK5 Due 4/01/26	\$ 787,060	-	-	-	-	-	-	-	-	-	-	-	-	-
FHLB 31371ND51 Due 5/01/37	320,570	-	-	-	-	-	-	-	-	-	-	-	-	-
FHLB 31410GL50 Due 10/01/37	205,369	-	-	-	-	-	-	-	-	-	-	-	-	-
FHLB 31415BEU9 Due 8/01/38	639,927	-	-	-	-	-	-	-	-	-	-	-	-	-
FHLB31418AE95 Due 05/01/32	1,594,542	-	-	-	-	-	-	-	-	-	-	-	-	-
FNMA 3138EGAS Due 04/01/41	1,670,878	-	-	-	-	-	-	-	-	-	-	-	-	-
FNMS 31417EKV2 Due 01/01/43	-	4,324,697	-	-	-	-	-	-	-	-	-	-	-	-
FNMS 31418AZW7 11/01/33	-	5,052	-	-	-	-	-	-	-	-	-	-	-	-
MBS FHLMC Gold 31307BJW1 06/01/23	-	-	-	-	592,707	-	-	-	-	-	-	-	-	-
FHLB 31417S24 10/01/20	-	-	-	-	-	-	-	517,171	-	-	-	-	-	-
Tularosa NM Sch Dist 899172J50 10/15/22	-	-	-	-	-	-	-	82,398	-	-	-	-	-	-
MBS GNMA 36225FLB3 10/01/20	-	-	-	-	-	-	-	1,129,578	-	-	-	-	-	-
FNMA AJ1622/001 10/01/26	-	-	-	-	-	-	-	-	75,821	-	-	-	-	-
GNMA 36202FQ66 Due 3/20/41	-	-	-	-	-	-	-	-	-	17,331	-	-	-	-
FHLMC Gold PC 3620E0NW2 08/20/61	-	-	-	-	-	-	-	-	-	-	1,622,128	-	-	-
FNMA 31405QUA4 12/01/34	-	-	-	-	-	-	-	-	-	-	-	203,742	-	-
SBAP 83162CUP6 02/02/32	-	-	-	-	-	-	-	-	-	-	-	-	404,982	-
GNMA 36202E5E5 05/20/39	-	-	-	-	-	-	-	-	-	-	-	-	967,631	-
	5,218,346	4,329,749	-	-	592,707	-	-	1,729,147	75,821	17,331	1,622,128	1,576,355	-	-
Santa Fe TX Wtr Ompst Rev Ser	-	318,615	-	-	-	-	-	-	-	-	-	-	-	326,773
New Mexico DACCC GO Ser 2011	-	109,991	-	-	-	-	-	-	-	-	-	-	-	114,226
San Juan Co. NM Cons Ind SC GO	-	263,350	-	-	-	-	-	-	-	-	-	-	-	264,167
Carlsbad NM Jt Wtr & Swr	-	168,882	-	-	-	-	-	-	-	-	-	-	-	168,546
CNMCC GO Series 2009	-	143,782	-	-	-	-	-	-	-	-	-	-	-	144,450
New Mexico St Hosp Equip Rev	-	119,463	-	-	-	-	-	-	-	-	-	-	-	121,892
Los Alamos NM Public Sch Dist Rev	-	254,793	-	-	-	-	-	-	-	-	-	-	-	254,453
Alamogordo NM S/D #1	-	350,382	-	-	-	-	-	-	-	-	-	-	-	351,723
Bernalillo NM Muni Sch Dist #1	-	501,125	-	-	-	-	-	-	-	-	-	-	-	505,420
UNM Gallup Br CC GO Ser 2012	-	154,839	-	-	-	-	-	-	-	-	-	-	-	155,887
CNMCC UND E-6	-	100,268	-	-	-	-	-	-	-	-	-	-	-	100,985
DACCC NM LTD UND E-6	-	501,030	-	-	-	-	-	-	-	-	-	-	-	505,587
Fannie Mae Note	-	993,957	-	-	-	-	-	-	-	-	-	-	-	1,000,000
Federal Home LoanBk Bond	-	993,957	-	-	-	-	-	-	-	-	-	-	-	1,000,000
Fannie Mae Note	-	493,174	-	-	-	-	-	-	-	-	-	-	-	500,000
Fannie Mae Note	-	496,561	-	-	-	-	-	-	-	-	-	-	-	500,000
Fannie Mae Note	-	497,359	-	-	-	-	-	-	-	-	-	-	-	500,000
Fannie Mae Note	-	490,308	-	-	-	-	-	-	-	-	-	-	-	500,000
Rio Rancho NM Wtr & Wstwr Rev	-	112,312	-	-	-	-	-	-	-	-	-	-	-	115,734
San Juan Co. NM JC Dist	-	55,399	-	-	-	-	-	-	-	-	-	-	-	55,950
Rio Rancho Pub Sch Dist GO Series 2009A	-	103,064	-	-	-	-	-	-	-	-	-	-	-	106,614
Federal Farm Credit Note	-	149,532	-	-	-	-	-	-	-	-	-	-	-	150,000
Federal Home Loan Note	-	997,541	-	-	-	-	-	-	-	-	-	-	-	999,533
Fannie Mae Note	-	350,344	-	-	-	-	-	-	-	-	-	-	-	350,000
Federal Home Loan Note	-	844,018	-	-	-	-	-	-	-	-	-	-	-	845,566
Federal Home LoanBk Bond	-	822,266	-	-	-	-	-	-	-	-	-	-	-	828,717
Federal Home Loan Note	-	507,680	-	-	-	-	-	-	-	-	-	-	-	508,197
Federal Farm Credit Note	-	2,025,170	-	-	-	-	-	-	-	-	-	-	-	2,021,231
Federal Farm Credit Note	-	895,232	-	-	-	-	-	-	-	-	-	-	-	892,270
Fannie Mae Note	-	983,491	-	-	-	-	-	-	-	-	-	-	-	983,493
Fannie Mae Note	-	993,726	-	-	-	-	-	-	-	-	-	-	-	989,680
Fannie Mae Note	-	984,572	-	-	-	-	-	-	-	-	-	-	-	980,870
Federal Home Loan Note	-	999,487	-	-	-	-	-	-	-	-	-	-	-	998,000
Federal Farm Credit Note	-	994,596	-	-	-	-	-	-	-	-	-	-	-	993,248
Fannie Mae Note	-	987,917	-	-	-	-	-	-	-	-	-	-	-	990,060
Federal Farm Credit Note	-	987,099	-	-	-	-	-	-	-	-	-	-	-	990,703
Fannie Mae Note	-	973,023	-	-	-	-	-	-	-	-	-	-	-	988,025
Federal Home Loan Note	-	987,117	-	-	-	-	-	-	-	-	-	-	-	988,611
Fannie Mae Note	-	980,065	-	-	-	-	-	-	-	-	-	-	-	991,580
Federal Home Loan Note	-	535,896	-	-	-	-	-	-	-	-	-	-	-	539,407
Fannie Mae Note	-	993,692	-	-	-	-	-	-	-	-	-	-	-	994,340
Fannie Mae Note	-	1,161,270	-	-	-	-	-	-	-	-	-	-	-	1,164,161
Federal Home Loan Mortgage Corp	-	-	-	-	-	-	-	-	-	-	-	-	-	767,711
Fannie Mae Note	-	-	-	-	-	-	-	-	-	-	-	-	-	772,337
Federal Home Loan Mortgage Corp	-	-	-	-	-	-	-	-	-	-	-	-	-	789,711
Federal Home Loan Mortgage Corp	-	-	-	-	-	-	-	-	-	-	-	-	-	780,361
Federal Home Loan Mortgage Corp	-	-	-	-	-	-	-	-	-	-	-	-	-	250,739
Fannie Mae Note	-	-	-	-	-	-	-	-	-	-	-	-	-	249,999
Fannie Mae Note	-	-	-	-	-	-	-	-	-	-	-	-	-	150,370
Fannie Mae Note	-	-	-	-	-	-	-	-	-	-	-	-	-	149,933
Fannie Mae Note	-	-	-	-	-	-	-	-	-	-	-	-	-	47,327
Fannie Mae Note	-	-	-	-	-	-	-	-	-	-	-	-	-	47,391
Fannie Mae Note	-	-	-	-	-	-	-	-	-	-	-	-	-	500,918
Fannie Mae Note	-	-	-	-	-	-	-	-	-	-	-	-	-	500,031
Fannie Mae Note	-	-	-	-	-	-	-	-	-	-	-	-	-	25,474
Fannie Mae Note	-	-	-	-	-	-	-	-	-	-	-	-	-	25,143
Federal Home Loan Note	-	-	-	-	-	-	-	-	-	-	-	-	-	150,486
Federal Home Loan Note	-	-	-	-	-	-	-	-	-	-	-	-	-	149,776
Federal Home Loan Mortgage Corp	-	-	-	-	-	-	-	-	-	-	-	-	-	250,563
Fannie Mae Note	-	-	-	-	-	-	-	-	-	-	-	-	-	249,966
Fannie Mae Note	-	-	-	-	-	-	-	-	-	-	-	-	-	501,306
Fannie Mae Note	-	-	-	-	-	-	-	-	-	-	-	-	-	500,811
Fannie Mae Note	-	-	-	-	-	-	-	-	-	-	-	-	-	6,389
Fannie Mae Note	-	-	-	-	-	-	-	-	-	-	-	-	-	7,228
													453,642	454,105



STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
SCHEDULE OF PLEDGED COLLATERAL  
BY BANK AND ACCOUNT  
As of June 30, 2014

	First National Bank	Wells Fargo Bank	New Mexico Finance Authority	Bank of New York Mellon Trust Company NA	First Savings Bank	Bank '94	First American Bank	Pioneer Bank	Bank of the West	Washington Federal	Western Bank	RBC	Book Balance
Fannie Mae Note	-	-	-	-	-	-	-	-	-	-	-	175,303	175,689
Fannie Mae Note	-	-	-	-	-	-	-	-	-	-	-	1,158,858	1,169,440
US Treasury Note	-	-	-	-	-	-	-	-	-	-	-	984,688	996,707
US Treasury Note	-	-	-	-	-	-	-	-	-	-	-	1,000,156	998,360
Federal Home Loan Mortgage Corp	-	-	-	-	-	-	-	-	-	-	-	237,265	244,139
Federal Home Loan Note	-	-	-	-	-	-	-	-	-	-	-	558,226	554,288
Fannie Mae Note	-	-	-	-	-	-	-	-	-	-	-	308,018	308,234
Fannie Mae Note	-	-	-	-	-	-	-	-	-	-	-	171,601	171,929
Fannie Mae Note	-	-	-	-	-	-	-	-	-	-	-	253,237	254,062
Fannie Mae Note	-	-	-	-	-	-	-	-	-	-	-	474,715	479,075
Fannie Mae Note	-	-	-	-	-	-	-	-	-	-	-	301,286	305,174
Fannie Mae Note	-	-	-	-	-	-	-	-	-	-	-	240,865	240,737
State of New Mexico LGIP Fund	-	-	-	-	-	-	-	-	-	-	-	-	206,972
State of New Mexico LGIP Fund PHA	-	-	-	-	-	-	-	-	-	-	-	-	8,150
Wells Fargo Interest	-	-	-	-	-	-	-	-	-	-	-	-	24,753
PHA Reserve	-	-	-	-	-	-	-	-	-	-	-	-	405
Petty cash	-	-	-	-	-	-	-	-	-	-	-	-	521
Start-up cash	-	-	-	-	-	-	-	-	-	-	-	-	2,627
Amount (over) collateralized	\$ (1,741,097)	(266,865)	-	-	(84,476)	-	(1,222,460)	(74,099)	(15,815)	(1,111,988)	(815,758)	-	36,519,442
Total book balance	\$												66,732,260

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
PUBLIC HOUSING AUTHORITY  
FINANCIAL DATA SCHEDULE - BALANCE SHEET  
As of June 30, 2014**

	Low Rent (901) & Capital Projects Fund (904) less ARRA grant	ARRA Grant	HomeOwner (903, 906 & 907)	Total
	Project Total	Formula Capital Fund Stimu	State/Local	
<b>ASSETS</b>				
111 Cash - Unrestricted	\$ 998,863	-	518,676	1,517,539
112 Cash - Restricted - Modernization and Development	-	-	-	-
113 Cash - Other Restricted	-	-	61,308	61,308
114 Cash - Tenant Security Deposits	45,061	-	500	45,561
115 Cash - Restricted for Payment of Current Liabilities	-	-	-	-
<b>100 Total Cash</b>	<b>1,043,924</b>	<b>-</b>	<b>580,484</b>	<b>1,624,408</b>
121 Accounts Receivable - PHA Projects	-	-	-	-
122 Accounts Receivable - HUD Other Projects	258	-	-	258
124 Accounts Receivable - Other Government	-	-	-	-
125 Accounts Receivable - Miscellaneous	-	-	-	-
126 Accounts Receivable - Tenants	16,131	-	520	16,651
126.1 Allowance for Doubtful Accounts -Tenants	(9,405)	-	(26)	(9,431)
126.2 Allowance for Doubtful Accounts - Other	-	-	-	-
127 Notes, Loans, & Mortgages Receivable - Current	-	-	-	-
128 Fraud Recovery	-	-	-	-
128.1 Allowance for Doubtful Accounts - Fraud	-	-	-	-
129 Accrued Interest Receivable	9	-	9	18
<b>120 Total Receivables, Net of Allowances for Doubtful Accounts</b>	<b>6,993</b>	<b>-</b>	<b>503</b>	<b>7,496</b>
131 Investments - Unrestricted	96,378	-	111,000	207,378
132 Investments - Restricted	-	-	-	-
135 Investments - Restricted for Payment of Current Liability	-	-	-	-
142 Prepaid Expenses and Other Assets	17,871	-	-	17,871
143 Inventories	13,553	-	-	13,553
143.1 Allowance for Obsolete Inventories	(1,355)	-	-	(1,355)
144 Inter Program Due From	(457)	-	(2)	(459)
145 Assets Held for Sale	-	-	-	-
<b>150 Total Current Assets</b>	<b>1,176,907</b>	<b>-</b>	<b>691,985</b>	<b>1,868,892</b>
161 Land	1,324,708	-	-	1,324,708
162 Buildings	12,338,551	-	-	12,338,551
163 Furniture, Equipment & Machinery - Dwellings	-	-	-	-
164 Furniture, Equipment & Machinery - Administration	288,076	-	3,735	291,811
165 Leasehold Improvements	-	-	-	-
166 Accumulated Depreciation	(9,599,927)	-	(3,735)	(9,603,662)
167 Construction in Progress	-	-	-	-
168 Infrastructure	-	-	-	-
<b>160 Total Capital Assets, Net of Accumulated Depreciation</b>	<b>4,351,408</b>	<b>-</b>	<b>-</b>	<b>4,351,408</b>
171 Notes, Loans and Mortgages Receivable - Non-Current	-	-	-	-
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due	-	-	-	-
173 Grants Receivable - Non Current	-	-	-	-
174 Other Assets	-	-	532,924	532,924
176 Investments in Joint Ventures	-	-	-	-
<b>180 Total Non-Current Assets</b>	<b>4,351,408</b>	<b>-</b>	<b>532,924</b>	<b>4,884,332</b>
<b>190 Total Assets</b>	<b>\$ 5,528,315</b>	<b>-</b>	<b>1,224,909</b>	<b>6,753,224</b>

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
PUBLIC HOUSING AUTHORITY  
FINANCIAL DATA SCHEDULE - BALANCE SHEET, CONTINUED  
As of June 30, 2014**

	Low Rent (901) & Capital Projects Fund (904) less ARRA grant	ARRA Grant	HomeOwner (903, 906 & 907)	Total
	Project Total	Formula Capital Fund Stimu	State/Local	Total
<b>LIABILITIES AND NET POSITION</b>				
311 Bank Overdraft	\$ -	-	-	-
312 Accounts Payable <= 90 Days	16,166	-	373	16,539
313 Accounts Payable >90 Days Past Due	-	-	-	-
321 Accrued Wage/Payroll Taxes Payable	17,293	-	597	17,890
322 Accrued Compensated Absences - Current Portion	28,078	-	493	28,571
324 Accrued Contingency Liability	-	-	-	-
325 Accrued Interest Payable	-	-	-	-
331 Accounts Payable - HUD PHA Programs	-	-	-	-
332 Account Payable - PHA Projects	-	-	-	-
333 Accounts Payable - Other Government	-	-	-	-
341 Tenant Security Deposits	45,061	-	500	45,561
342 Unearned Revenues	5,437	-	520	5,957
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue Bonds	-	-	-	-
344 Current Portion of Long-term Debt - Operating Borrowings	-	-	-	-
345 Other Current Liabilities	-	-	-	-
346 Accrued Liabilities - Other	-	-	-	-
347 Inter Program - Due To	-	-	(459)	(459)
348 Loan Liability - Current	-	-	-	-
<b>310 Total Current Liabilities</b>	<b>112,035</b>	<b>-</b>	<b>2,024</b>	<b>114,059</b>
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	-	-	-	-
352 Long-term Debt, Net of Current - Operating Borrowings	-	-	-	-
353 Non-current Liabilities - Other	-	-	59,886	59,886
354 Accrued Compensated Absences - Non Current	-	-	-	-
355 Loan Liability - Non Current	-	-	-	-
356 FASB 5 Liabilities	-	-	-	-
357 Accrued Pension and OPEB Liabilities	-	-	-	-
350 Total Non-Current Liabilities	-	-	59,886	59,886
<b>300 Total Liabilities</b>	<b>112,035</b>	<b>-</b>	<b>61,910</b>	<b>173,945</b>
508.1 Net Investment in Capital Assets	4,351,408	-	-	4,351,408
509.2 Fund Balance Reserved	-	-	-	-
511.2 Unreserved, Designated Fund Balance	-	-	-	-
511.1 Restricted Net Position	-	-	-	-
512.1 Unrestricted Net Position	1,064,872	-	1,162,998	2,227,870
512.2 Unreserved, Undesignated Fund Balance	-	-	-	-
513 Total Equity/Net Position	5,416,280	-	1,162,998	6,579,278
<b>600 Total Liabilities and Equity/Net Position</b>	<b>\$ 5,528,315</b>	<b>-</b>	<b>1,224,909</b>	<b>6,753,224</b>

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
PUBLIC HOUSING AUTHORITY  
FINANCIAL DATA SCHEDULE - STATEMENT OF REVENUES AND EXPENDITURES  
For the Year Ended June 30, 2014**

	Low Rent (901) & Capital Projects Fund (904) less ARRA grant	ARRA Grant 14.885 Formula Capital Fund Stimulus Grant	HomeOwner (903, 906 & 907) State/Local	Total
<b>REVENUES</b>	<b>Project Total</b>			
70300 Net Tenant Rental Revenue	356,190	-	-	356,190
70400 Tenant Revenue - Other	6,400	-	-	6,400
70500 Total Tenant Revenue	362,590	-	-	362,590
70600 HUD PHA Operating Grants	526,768	-	-	526,768
70610 Capital Grants	583,964	-	-	583,964
70710 Management Fee	-	-	-	-
70720 Asset Management Fee	-	-	-	-
70730 Book Keeping Fee	-	-	-	-
70740 Front Line Service Fee	-	-	-	-
70750 Other Fees	-	-	-	-
70700 Total Fee Revenue	1,110,732	-	-	1,110,732
70800 Other Government Grants	-	-	-	-
71100 Investment Income - Unrestricted	1,542	-	1,140	2,682
71200 Mortgage Interest Income	-	-	-	-
71300 Proceeds from Disposition of Assets Held for Sale	-	-	-	-
71310 Cost of Sale of Assets	-	-	-	-
71400 Fraud Recovery	-	-	-	-
71500 Other Revenue	3,668	-	1,872	5,540
71600 Gain or Loss on Sale of Capital Assets	-	-	-	-
72000 Investment Income - Restricted	-	-	-	-
<b>70000 Total Revenue</b>	<b>1,478,532</b>	<b>-</b>	<b>3,012</b>	<b>1,481,544</b>
<b>EXPENSES</b>				
91100 Administrative Salaries	158,648	-	6,848	165,496
91200 Auditing Fees	11,132	-	766	11,898
91300 Management Fee	-	-	-	-
91310 Book-keeping Fee	-	-	-	-
91400 Advertising and Marketing	-	-	-	-
91500 Employee Benefit contributions - Administrative	50,724	-	2,212	52,936
91600 Office Expenses	18,291	-	896	19,187
91700 Legal Expense	-	-	2,959	2,959
91800 Travel	7,953	-	-	7,953
91810 Allocated Overhead	-	-	-	-
91900 Other	95,508	-	-	95,508
91000 Total Operating - Administrative	342,256	-	13,681	355,937
92000 Asset Management Fee	-	-	-	-
92100 Tenant Services - Salaries	-	-	-	-
92200 Relocation Costs	-	-	-	-
92300 Employee Benefit Contributions - Tenant Services	-	-	-	-
92400 Tenant Services - Other	-	-	-	-
92500 Total Tenant Services	-	-	-	-

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
PUBLIC HOUSING AUTHORITY  
FINANCIAL DATA SCHEDULE - STATEMENT OF REVENUES AND EXPENDITURES, CONTINUED  
For the Year Ended June 30, 2014**

	Low Rent (901) & Capital Projects Fund (904) less ARRA grant	ARRA Grant 14.885 Formula Capital Fund Stimulus Grant	HomeOwner (903, 906 & 907) State/Local	Total
	Project Total			
93100 Water	4,414	-	1,220	5,634
93200 Electricity	120,025	-	110	120,135
93300 Gas	2,465	-	171	2,636
93400 Fuel	-	-	-	-
93500 Labor	-	-	-	-
93600 Sewer	1,073	-	1,317	2,390
93700 Employee Benefit Contributions - Utilities	-	-	-	-
93800 Other Utilities Expense	-	-	-	-
93000 Total Utilities	127,977	-	2,818	130,795
94100 Ordinary Maintenance and Operations - Labor	123,858	-	-	123,858
94200 Ordinary Maintenance and Operations - Materials and Other	97,326	-	556	97,882
94300 Ordinary Maintenance and Operations Contracts	63,984	-	843	64,827
94500 Employee Benefit Contributions - Ordinary Maintenance	42,406	-	-	42,406
94000 Total Maintenance	327,574	-	1,399	328,973
95100 Protective Services - Labor	-	-	-	-
95200 Protective Services - Other Contract Costs	-	-	-	-
95300 Protective Services - Other	-	-	-	-
95500 Employee Benefit Contributions - Protective Services	-	-	-	-
95000 Total Protective Services	-	-	-	-
96110 Property Insurance	32,400	-	-	32,400
96120 Liability Insurance	8,046	-	1,257	9,303
96130 Workmen's Compensation	17,866	-	399	18,265
96140 All Other Insurance	26,611	-	96	26,707
96100 Total insurance Premiums	84,923	-	1,752	86,675
96200 Other General Expenses	-	-	-	-
96210 Compensated Absences	32,170	-	374	32,544
96300 Payments in Lieu of Taxes	-	-	-	-
96400 Bad debt - Tenant Rents	3,816	-	-	3,816
96500 Bad debt - Mortgages	-	-	-	-
96600 Bad debt - Other	-	-	-	-
96800 Severance Expense	-	-	-	-
96000 Total Other General Expenses	35,986	-	374	36,360
96710 Interest of Mortgage (or Bonds) Payable	-	-	-	-
96720 Interest on Notes Payable (Short and Long Term)	-	-	-	-
96730 Amortization of Bond Issue Costs	-	-	-	-
96700 Total Interest Expense and Amortization Cost	-	-	-	-
<b>96900 Total Operating Expenses</b>	<b>918,716</b>	<b>-</b>	<b>20,024</b>	<b>938,740</b>
<b>97000 Excess of Operating Revenue over Operating Expenses</b>	<b>559,816</b>	<b>-</b>	<b>(17,012)</b>	<b>542,804</b>

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
PUBLIC HOUSING AUTHORITY  
FINANCIAL DATA SCHEDULE - STATEMENT OF REVENUES AND EXPENDITURES, CONTINUED  
For the Year Ended June 30, 2014**

	Low Rent (901) & Capital Projects Fund (904) less ARRA grant	ARRA Grant 14.885 Formula Capital Fund Stimulus Grant	HomeOwner (903, 906 & 907) State/Local	Total
	<u>Project Total</u>	<u>ARRA Grant 14.885 Formula Capital Fund Stimulus Grant</u>	<u>State/Local</u>	<u>Total</u>
97100 Extraordinary Maintenance	-	-	-	-
97200 Casualty Losses - Non-capitalized	-	-	-	-
97300 Housing Assistance Payments	-	-	-	-
97350 HAP Portability-In	-	-	-	-
97400 Depreciation Expense	370,902	-	-	370,902
97500 Fraud Losses	-	-	-	-
97600 Capital Outlays - Governmental Funds	-	-	-	-
97700 Debt Principal Payment - Governmental Funds	-	-	-	-
97800 Dwelling Units Rent Expense	-	-	-	-
<b>90000 Total Expenses</b>	<b>1,289,618</b>	-	<b>20,024</b>	<b>1,309,642</b>
10010 Operating Transfer In	-	-	-	-
10020 Operating Transfer Out	-	-	-	-
10030 Operating Transfers from/to Primary Government	-	-	-	-
10040 Operating Transfers from/to Component Unit	-	-	-	-
10050 Proceeds from Notes, Loans and Bonds	-	-	-	-
10060 Proceeds from Property Sales	-	-	-	-
10070 Extraordinary Items, Net Gain/Loss	-	-	-	-
10080 Special Items (Net Gain/Loss)	-	-	-	-
10091 Inter Project Excess Cash Transfer In	-	-	-	-
10092 Inter Project Excess Cash Transfer Out	-	-	-	-
10093 Transfers between Program and Project - In	-	-	-	-
10094 Transfers between Project and Program - Out	-	-	-	-
10100 Total Other financing Sources (Uses)	-	-	-	-
<b>10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses</b>	<b>188,914</b>	-	<b>(17,012)</b>	<b>171,902</b>

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
PUBLIC HOUSING AUTHORITY  
FINANCIAL DATA SCHEDULE - STATEMENT OF REVENUES AND EXPENDITURES, CONTINUED  
For the Year Ended June 30, 2014**

	<b>Low Rent (901) &amp; Capital Projects Fund (904) less ARRA grant</b>	<b>ARRA Grant 14.885 Formula Capital Fund Stimulus Grant</b>	<b>HomeOwner (903, 906 &amp; 907)</b>	
	<b>Project Total</b>	<b>State/Local</b>	<b>Total</b>	
11020 Required Annual Debt Principal Payments	-	-	-	-
11030 Beginning Equity	5,227,366	-	1,180,010	6,407,376
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	-	-	-	-
11050 Changes in Compensated Absence Balance	-	-	-	-
11060 Changes in Contingent Liability Balance	-	-	-	-
11070 Changes in Unrecognized Pension Transition Liability	-	-	-	-
11080 Changes in Special Term/Severance Benefits Liability	-	-	-	-
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents	-	-	-	-
11100 Changes in Allowance for Doubtful Accounts - Other	-	-	-	-
11170 Administrative Fee Equity	-	-	-	-
11180 Housing Assistance Payments Equity	-	-	-	-
11190 Unit Months Available	2,604	-	-	2,604
11210 Number of Unit Months Leased	2,549	-	-	2,549
11270 Excess Cash	958,243	-	-	958,243
11610 Land Purchases	-	-	-	-
11620 Building Purchases	1,450,906	-	-	1,450,906
11630 Furniture & Equipment - Dwelling Purchases	-	-	-	-
11640 Furniture & Equipment - Administrative Purchases	9,631	-	-	9,631
11650 Leasehold Improvements Purchases	39,016	-	-	39,016
11660 Infrastructure Purchases	-	-	-	-
13510 CFFP Debt Service Payments	-	-	-	-
13901 Replacement Housing Factor Funds	-	-	-	-



**INDEPENDENT AUDITOR'S 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  
and  
City Commissioners of the City of Alamogordo  
Alamogordo, New Mexico

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, the aggregate remaining fund information, the budgetary comparisons of the general fund and major special revenue funds, of the City of Alamogordo (City) as of and for the year ended June 30, 2014 and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and the combining and individual finds and related budgetary comparisons of the City presented as supplemental information of and have issued our report thereon dated November 19, 2014.

**Internal Control Over Financial Reporting**

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and 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 deficiency described in the accompanying schedule of findings and questioned costs to be a material weakness: [07-06] 2007-006.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less



November 19, 2014

severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and questioned costs to be a significant deficiency: 2014-002.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under Government Auditing Standards and which is described in the accompanying schedule of findings and questioned costs as item 2014-002.

**The City's Response to the Findings**

The City's response to the finding identified in our audit is described in the accompanying *schedule of findings and questioned costs*. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

**Purpose of This Report**

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



Hinkle + Landers, P.C.  
Albuquerque, NM  
November 19, 2014



**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

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

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

We have audited the City of Alamogordo, State of New Mexico’s (City) 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’s major federal programs for the year ended June 30, 2014. The City’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

**Management’s Responsibility**

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

**Auditor’s Responsibility**

Our responsibility is to express an opinion on compliance for each of the City’s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and 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’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances

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

**Opinion on Each Major Federal Program**

In our opinion, the City, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

**Other Matters**

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 2014-001. Our opinion on each major federal program is not modified with respect to this matter.

The City's response to the noncompliance finding identified in our audit is described in the accompanying schedule of finding and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

**Report on Internal Control Over Compliance**

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with 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 the City's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2014-001 that we consider to be a significant deficiency.

The City's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected

November 19, 2014

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH  
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY OMB CIRCULAR A-133, continued**

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to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*Hinkle & Landers, P.C.*

Hinkle + Landers, P.C.  
Albuquerque, NM  
November 19, 2014

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For The Year Ended June 30, 2014**

**SECTION I – SUMMARY OF AUDITOR’S RESULTS**

**Financial Statements**

Type of report issued	<b>Unmodified</b>
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?	No

**Federal Awards**

Internal Control	
Material weaknesses identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	Yes
Type of auditor’s report issued on major programs	<b>Unmodified</b>
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>
20.106	Airport Improvement Program	Department of Transportation
14.872	Capital Projects Fund	US Department of Housing and Urban Development
97.036	Disaster Grants – Public Assistance (Presidentially Declared Disasters)	U.S. Department of Homeland Security

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 QUESTIONED COSTS  
For The Year Ended June 30, 2014**

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

<b>Reference #</b>	<b>Finding</b>	<b>Status of Current and Prior Year Findings</b>	<b>Type of Finding</b>
<b>Prior Year Findings</b>			
[07-06] 2007-006	SAS 115 MATERIAL ADJUSTMENTS BY AUDITOR CHANGE ORDER APPROVED AFTER COMPLETION OF WORK	MODIFIED	A
2013-001	SUBMISSION OF COMPLETED IPA RECOMMENDATION FORM NOT TIMELY	RESOLVED	B, G
2013-002	GRANT REPORTING	RESOLVED	C, G
2013-003	LATE AUDIT REPORT	RESOLVED	E, F
2013-004	PURCHASE ORDER NOT COMPLETED TIMELY FOR PROCUREMENT	RESOLVED	C, G
2013-005		RESOLVED	C, G
<b>Current Year Findings</b>			
2014-001	IDENTIFICATION OF FEDERAL EXPENDITURES/REVENUES INTERNAL CONTROLS AND LIEN POLICY ON DELINQUENT UTILITY ACCOUNTS	CURRENT	E
2014-002		CURRENT	B, G

\* Legend for Type of Findings

- A. Material Weakness in Internal Control Over Financial Reporting
- B. Significant Deficiency in Internal Control Over Financial Reporting
- C. Other Matters Involving Internal Control Over Financial Reporting
- D. Material Weakness in Internal Control Over Compliance of Federal Awards
- E. Significant Deficiency in Internal Control Over Compliance of Federal Awards
- F. Instance of Noncompliance to Federal Awards
- G. Compliance with State Audit Rule

**PRIOR YEAR FINDINGS**

**[07-06] 2007-006—SAS 115 MATERIAL ADJUSTMENTS BY AUDITOR –  
REVISED/REPEATED**

**Type of Finding:** A

**Statement of Condition**

According to Statement on Auditing Standards 115 (SAS 115) 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. This is a revised finding that has been repeated in the City’s audit since 2007.

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For The Year Ended June 30, 2014**

Specifically, in 2014, the auditor made material adjustments to;

- Fund balance in order to reconcile to ending fund balance from the 2013 audit,
- Bonds and notes payable,
- Transfers in and out,
- Interest expense,
- and interest payable.

**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. As a result, 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.

**Management Response**

Management recognizes the importance of making timely and accurate general ledger adjustments for year end. Although this finding has been repeated since 2007, there are many different factors that have caused this finding. From new rules in reporting to new accounting staff members and additional training. We recognize the importance of having qualified staff to prepare these entries and understand the importance and impact to the financial statements that it creates. Management will obtain the appropriate training to ensure that all general ledger adjustments are made timely and accurately in the future.

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CITY OF ALAMOGORDO  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For The Year Ended June 30, 2014**

**CURRENT YEAR FINDINGS**

**2014-001— IDENTIFICATION OF FEDERAL EXPENDITURES/REVENUES**

**Type of Finding:** E

**Funding Agency:** Environmental Protection Agency  
**Title:** Capitalization Grant for Drinking Water State Revolving Funds  
**CFDA #:** 66.468  
**Award/Grant #:** 2013DW2881NMFA  
**Award Period:** 8/18/2013 - current  
**Estimated Questioned Costs:** None

**Statement of Condition**

\$14,816 of grant expenses were not initially identified by the City as being federally funded and were not included on the City's Schedule of Expenditures of Federal Awards (SEFA). The federal grant is part of the City's Drinking Water State Revolving Fund Loan, which is a reimbursement-drawdown type loan. The loan's maximum principal amount is \$1,140,425, with a maximum repayable principal of \$855,320 and a maximum forgiven/grant amount of \$285,105. The City was unaware that the forgiven/grant amount of \$285,105 was federally funded. As a result, the amount of the grant drawdown, which had already been expensed, was not included on the City's SEFA and the SEFA required an adjustment by the auditors.

**Criteria**

OMB Circular A-133 Subpart C states:

The auditee shall:

- (a) Identify, in its accounts, all Federal awards received and expended and the Federal programs under which they were received. Federal program and award identification shall include, as applicable, the CFDA title and number, award number and year, name of the Federal agency, and name of the pass-through entity.
- (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.

**Effect**

The potential exists for federal awards to escape inclusion in the Schedule of Expenditures of Federal Awards and the Single Audit procedures. The City runs the risk of being out of compliance with OMB Circular A-133 Subpart C.

**Cause**

The City was unaware that the forgiven/grant portion of the Drinking Water State Revolving Fund Loan was federally funded.

**Recommendation**

The process for tracking federal grants should be improved to ensure all federal expenditures are identified and included in the SEFA. This should include all revenues and expenditures related to



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For The Year Ended June 30, 2014**

federal grants within loans.

Federal expenditures should be reconciled to federal revenues to ensure all applicable federal grants are accounted for and presented properly in the SEFA.

**Management Response**

The City was unaware that the forgiven/grant amount of \$285,105 was federally funded. The City is aware of this now and will be sure to verify any amounts associated with loans as grants to be categorized correctly.

**2014-002—INTERNAL CONTROLS AND LIEN POLICY ON DELINQUENT UTILITY ACCOUNTS**

**Type of Finding: B and G**

**Statement of Condition**

Per our review of unpaid water utility bills over 120 days as of June 30, 2014, we noted that there were 946 total accounts over 120 days, out of the 946 accounts, 109 had liens applied to the property related to these unpaid accounts. The percentage of properties with liens place on property with unpaid utility bills over 120 days is as follows:

	<b># Liens</b>	<b>Percentage of all Liens</b>
Total unpaid accounts over 120 days with liens attached	120	12.68%
Total unpaid accounts over 120 days	946	

Per our review of the policies and procedures of processing active delinquent utility accounts, we noted that there was not specific timeline when a delinquent account should have a lien applied to property to which it is associated.

We also selected 43 utility transactions for testing, and noted the following:

- In three instances, no letters were ever sent for delinquent utility bills according to the policy. These instances involved people who appeared to have a familial or other personal relationship with the utility manager of the City.
- As part of the 43 transactions, 23 were selected in cases which usually go through the lien process to be placed on a property related to overdue bills. It took over a year from the final utility bill for 7 of these liens to be implemented.

**Criteria**

The Alamogordo, New Mexico, Code of Ordinances, Chapter 28 – Water, Sewers and Sewage Disposal: 28-03-060 – Billing Procedure items (a) through (e) on page 25/36 does not appear to address when a lien should be applied to unpaid accounts.

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**Effect**

There does not appear to a specific provision in the policy that states when a lien should be placed on a property when there is an unpaid utility account and therefore monitoring and enforcing this policy is not clear.

The City stands to lose substantial revenue if utility bills are not collected timely. The longer it takes to follow through with collection procedures the more unlikely those revenues will be collected.

**Cause**

A timeline to when to place a lien for unpaid utilities has not been added to the Alamogordo, New Mexico, Code of Ordinances, Chapter 28 – Water, Sewers and Sewage Disposal. There is also lack of specific monitoring of overdue accounts.

**Recommendation**

We recommend that a timeline to be added to address when to place a lien for unpaid utilities be added to the Alamogordo, New Mexico, Code of Ordinances, Chapter 28 – Water, Sewers and Sewage Disposal. We also recommend that the City take steps to ensure that all overdue accounts are monitored and collected.

**Management Response**

City Management and staff are currently reviewing the Ordinance, Chapter 28 – Water, Sewers and Sewage Disposal, as well as all policies, procedures and internal controls to improve on our processes and accountability to include the collection of delinquent accounts and the timeliness thereof.

Management recognizes the importance of following the Ordinance and policies and procedures in the collection of utility accounts. The Finance Department is currently working with the Customer Service Department to catch up on all delinquent accounts. As of this response (11/13/14), the delinquent collection process has been caught up to the point of all notification letters have been sent and all applicable accounts ready for lien processing have been sent to the legal department. Regular monitoring is being done to ensure delinquent accounts are processed timely.

**STATE OF NEW MEXICO  
CITY OF ALAMOGORDO EXIT CONFERENCE  
For The Year Ended June 30, 2014**

An exit conference was held in a closed session on November 19, 2014 and was attended by the following:

**For the City of Alamogordo**

Susie Galea  
James Stahle  
LeeAnn Nichols  
Margaret Paluch

Mayor-At-Large  
City Manager  
Finance Director  
Operations Manager (PHA)

**For Hinkle + Landers, PC**

Farley Vener, CPA, CFE  
Katelyn Constantin

Managing Shareholder  
Audit Manager

**PREPARATION OF THE FINANCIAL STATEMENTS**

The financial statements of the City as of June 30, 2014, were substantially prepared by Hinkle + Landers, PC; however, the financial statements are the responsibility of management.